

GARY D. JOSEPHSON #5299  
Assistant Attorney General  
SEAN D. REYES #7969  
Attorney General  
Attorneys for Utah Insurance Department  
160 East 300 South, Fifth Floor  
PO Box 140874  
Salt Lake City, UT 84114  
Telephone: 801-366-0375  
Facsimile: 801-366-0378

---

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

---

<p>UTAH INSURANCE DEPARTMENT,  Complainant,  v.  1<sup>st</sup> LIBERTY TITLE, LC, License # 371709, 9488 Union Park Square, Sandy, UT 84070  Respondent.</p>	<p><b>STIPULATION AND ORDER</b></p> <p>Docket No. 2014-092 PC</p> <p>Enf. Case No. 3526</p> <p>Mark E. Kleinfield Administrative Law Judge</p>
---	--

---

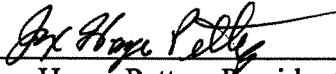
**STIPULATION**

The Utah Insurance Department (“Department”), by and through its legal counsel, and 1<sup>st</sup> Liberty Title, LC, a Utah licensed title insurance agency (“Respondent”), hereby stipulate and agree as follows:

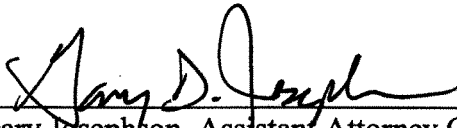
1. Respondent is an active Utah licensed title insurance agency authorized to do business in the state of Utah under License No. 371709. Respondent’s business address is 9488 Union Park Square, Sandy, UT 84070.
2. The Department has jurisdiction over the parties and subject matter of this administrative action.

10. 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 23<sup>rd</sup> day of SEPTEMBER, 2014.

  
\_\_\_\_\_  
Jax Hayes Pettey, ~~President~~ **MANAGER**  
1<sup>st</sup> Liberty Title, LC

Dated this 29<sup>th</sup> day of Sept., 2014.

  
\_\_\_\_\_  
Gary Josephson, Assistant Attorney General  
Attorney for 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 February, 2014, the Department's investigation of this matter was initiated pursuant to a complaint, alleging that Respondent had issued an owner's policy premium at a discounted rate.
2. On March 24, 2014, a Department investigator requested from Respondent the HUD-1 for the property listed in the complaint.
3. On March 26, 2014, In response to a Department request for information,

Respondent's agent, who conducted the closing in question, emailed to the Department a statement regarding the discount given. According to Department records, this agent had not been properly associated to Respondent.

4. On May 13, 2014, Respondent was audited. The investigator requested the number of escrow closings conducted from February 28, 2011 through May 13, 2014 and a list of favors, reduced rates, and/or rebates offered to Innova Realty and M&H Real Estate during that time period.

5. Respondent's reported that 989 closings had been conducted from February 28, 2011 through May 13, 2014, and 49 closings had been conducted with Innova Realty and M&H Real Estate. Respondent reported that six closings were issued at a reduced rate.

6. The Department's investigation also found that Respondent had not filed its escrow rates with the Department.

7. Respondent was cooperative and helpful during the audit and took full responsibility for the violations.

8. The Department and Respondent have agreed to the imposition of the following administrative penalties:

- (a) Respondent is to pay a forfeiture in the amount of \$9,000.00 in six consecutive monthly payments of \$1,500.00 beginning November 1, 2014;
- (b) Respondent is to be placed on probation until November 1, 2015, with the terms of probation being that Respondent will pay the full forfeiture and not violate any further Utah insurance laws; and
- (c) On or before December 1, 2014, Respondent shall submit to the Department a comprehensive business plan outlining specific policies and procedures with regards to its license, associations, and marketing practices ensuring compliance with Utah law.

Based upon the foregoing Stipulation and Findings of Fact, the Administrative Law Judge enters the following Conclusions of Law:

**CONCLUSIONS OF LAW**

1. Utah Code Section 31A-19a-209 requires every title insurance agency and producer to file with the commissioner a schedule of escrow charges for services performed in connection with the issuance of policies of title insurance, and to file any changes to the schedule of charges. Respondent violated this rule by not filing its required schedule of escrow charges.

2. Utah Code Section 31A-23a-402 prohibits a title insurer or producer from giving directly or indirectly, as an inducement for obtaining business, a rebate, reduction, or abatement of any rate or charge incident to the issuance of title insurance. In violation of Section 31A-23a-402, Respondent charged a reduced premium rate on six occasions.

3. Utah Code Section 31A-23a-302 requires a title agency to designate with the Department any individual acting on the agency's behalf. Respondent violated this rule by first failing to designate an escrow agent who conducted at least one closing on its behalf and then by failing to terminate the association when that individual was no longer an employee.

4. Based on the facts and applicable laws, the proposed administrative forfeiture is appropriate.

**RECOMMENDED ORDER**

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

1. Respondent, 1<sup>st</sup> Liberty Title, LC, is assessed an administrative forfeiture in the amount of \$9,000.00 to be paid in six consecutive monthly payments of \$1,500.00, beginning

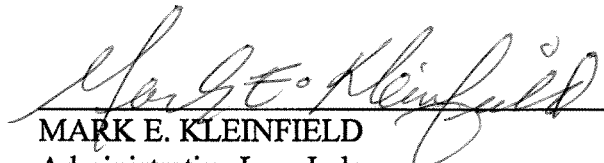
November 1, 2014.

2. Respondent is placed on probation until November 1, 2015. The terms of probation are that Respondent shall make full and timely payments of the forfeiture amount and shall have no further violations of Utah insurance laws and rules.

3. Before December 1, 2014, Respondent shall submit a comprehensive business plan outlining specific procedures and policies regarding its license, associations, and marketing practices, ensuring future compliance with Utah insurance laws and Department rules.

DATED this 29<sup>th</sup> day of September, 2014.

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 above.

DATED this 20 day of October, 2014.

  
\_\_\_\_\_  
JEFFERY D. WIENER, 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 20 day of October, 2011.

TODD E. KISER,  
Commissioner,  
Utah Insurance Department,

BY:

  
Mark E. Kleinfield  
Administrative Law Judge

**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.