

HELEN A. FROHLICH #8814  
Assistant Attorney General  
SEAN D. REYES #7969  
Attorney General  
Attorneys for Utah Ins. Dept.  
PO Box 140874  
Salt Lake City, UT 84114  
Telephone: 801-366-0375  
Email: hfrohlich@agutah.gov

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

<p><b>UTAH INSURANCE DEPARTMENT,</b></p> <p>Complainant,</p> <p>v.</p> <p><b>NETCO, INC.,</b></p> <p>Respondent.</p>	<p><b>STIPULATION AND ORDER</b></p> <p><b>Docket No. 2018-20 TI</b> <b>Enf. Case No. 3968</b></p> <p>Lisa Watts Baskin, J.D. Presiding Officer</p>
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**STIPULATION**

The Utah Insurance Department (“Department”), by and through its legal counsel, and NETCO, Inc. (“Respondent”), by and through its legal counsel, hereby stipulate and agree as follows:

1. The Department has jurisdiction over the parties and subject matter of this administrative action.
2. Respondent acknowledges notice of agency action pursuant to Utah Code Section 63G-4-201; acknowledges that this Stipulation and Order is an informal proceeding pursuant to Utah Code Section 63G-4-202; and irrevocably waives the right to any hearing, review or appeal concerning this matter.
3. Respondent is represented by legal counsel in this matter.

4. This signed Stipulation and the signed Order, 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 Findings of Fact and Conclusions of Law presented below are accepted by the parties.

6. The issuance of the signed and adopted Order proposed below is solely for the purpose of disposing of the specific matter entitled 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 6<sup>th</sup> day of March, 2018

*/s/ Pat Dignam*

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Pat Dignam, General Counsel  
NETCO, INC.

Dated this 6<sup>th</sup> day of March, 2018

*/s/ Helen A. Frohlich*

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Helen A. Frohlich, Assistant Attorney General  
UTAH INSURANCE DEPARTMENT

Based upon the foregoing Stipulation and Department file, the Administrative Law Judge makes the following Findings of Fact:

**FINDINGS OF FACT**

1. Respondent, Netco, Inc., is a resident producer with a license number of 91815.
2. Respondent's mailing address is 215 Chesterfield Business Parkway, Suite B, Chesterfield MO 63005.
3. On October 2, 2017, the Market Conduct Division initiated an audit review of Respondent and determined that Respondent's trust account was with Bank of America, which does not have a physical office in Utah.
4. On February 14, 2018, Respondent provided the Division with documents showing that the agency trust account was now at Wells Fargo, which does have physical offices in Utah.
5. The Department and Respondent have agreed to an administrative penalty of \$5,000.00.

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-23a-409(2) requires that trust monies be deposited in a federally insured trust account in a qualified depository with an office in this state.
2. Prior to moving its trust account to Wells Fargo, Respondent was in violation of this provision as its trust account was at an institution (Bank of America) which did not have an office in Utah.
3. An administrative forfeiture in the amount of \$5,000.00 is appropriate under the circumstances.

**ORDER**

1. NETCO, Inc. shall be assessed an administrative forfeiture in the amount of \$5,000.00 which shall be paid to the Department within thirty (30) days of the date this Order is fully signed.

DATED this 8<sup>th</sup> day of March, 2018.

TODD E. KISER  
Insurance Commissioner



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LISA WATTS BASKIN, J.D.  
Administrative Law Judge  
Utah Insurance Department

**TITLE AND ESCROW COMMISSION DECISION**  
**REGARDING IMPOSITION OF PENALTY**

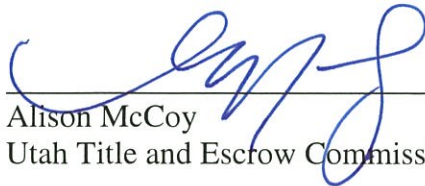
Pursuant to Utah Code § 31A-2-404(1)(b)(ii) and by a vote of 5 to 5 taken in open meeting on this date, the Utah Title and Escrow Commission hereby

X concurs

\_\_\_ does not concur

with the Order.

Dated: March 12, 2018.



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Alison McCoy  
Utah Title and Escrow Commission Chair

**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.