HELEN A. FROHLICH #8814
Assistant Utah Attorney General
SEAN D. REYES #7969
Utah Attorney General
Attorneys for Utah Insurance Department
160 East 300 South, 5th Floor
P.O. Box 140874
Salt Lake City, Utah 84114-0874
Telephone: (801) 366-0375
hfrohlich@agutah.gov

BEFORE THE UTAH INSURANCE COMMISSIONER

UTAH INSURANCE DEPARTMENT, Complainant, vs. LYDOLPH & WEIERHOLT TITLE INSURANCE AGENCY, Respondent.	NOTICE OF INFORMAL ADJUDICATIVE PROCEEDING Docket No. 2020-4252

The Utah Insurance Department ("Department") commences this informal adjudicative proceeding for entry of Findings of Fact, Conclusions of Law and Order to which the Department and Respondent Lydolph & Weierholt Title Insurance Agency have stipulated. Filed contemporaneously with this Notice of Informal Adjudicative Proceeding are the parties' Stipulation and their proposed Findings of Fact, Conclusions of Law and Order.

The legal authority and jurisdiction under which the proceeding is maintained is Utah Code §§ 31A-2-201 and 63G-4-201 through -203 and Utah Admin. Code R590-160.

DATED this 1st day of September, 2020.

TODD E. KISER
Utah Insurance Commissioner

Utah Insurance Department
3110 State Office Building
Salt Lake City, UT 84114
Telephone: (801) 538-3860
Email: uidadmincases@utah.gov

HELEN A. FROHLICH #8814
Assistant Utah Attorney General
SEAN D. REYES #7969
Utah Attorney General
Attorneys for Utah Insurance Department
160 East 300 South, 5th Floor
P.O. Box 140874
Salt Lake City, Utah 84114-0874
Telephone: (801) 366-0375
hfrohlich@agutah.gov

BEFORE THE UTAH INSURANCE COMMISSIONER

UTAH INSURANCE DEPARTMENT, Complainant, vs. LYDOLPH & WEIERHOLT TITLE INSURANCE AGENCY, Respondent.	STIPULATION Docket No. 2020-4252

The Utah Insurance Department ("Department") and Respondent, Lydolph & Weierholt Title Insurance Agency, stipulate as follows:

1. The Findings of Fact, Conclusions of Law and Order filed herewith may be entered.

2. The Findings of Fact, Conclusions of Law and Order shall not be subject to reconsideration, modification, hearing, agency review or appeal.

3. The issuance of the signed and adopted Order is solely for the purpose of disposing of the specific matter entitled therein. The only promises, agreements and

understandings that the parties have regarding this matter are contained in the Findings of Fact, Conclusions of Law and Order.

4. The parties enter into this Stipulation voluntarily, knowingly, and free from any coercion of any kind.

DATED: August 27, 2020

/s/ Peder Weierholt
Peder Weierholt, Owner
Lydolph & Weierholt
Title Insurance Agency

/s/ Paul Lydolph
Paul Lydolph, Owner
Lydolph & Weierholt
Title Insurance Agency

DATED: August 27, 2020

/s/ Helen A. Frohlich
Helen A. Frohlich
Assistant Utah Attorney General
Attorney for Utah Insurance Department

HELEN A. FROHLICH #8814
Assistant Utah Attorney General
SEAN D. REYES #7969
Utah Attorney General
Attorneys for Utah Insurance Department
160 East 300 South, 5th Floor
P.O. Box 140874
Salt Lake City, Utah 84114-0874
Telephone: (801) 366-0375
hfrohlich@agutah.gov

BEFORE THE UTAH INSURANCE COMMISSIONER

UTAH INSURANCE DEPARTMENT, Complainant, vs. LYDOLPH & WEIERHOLT TITLE INSURANCE AGENCY, Respondent.	FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER Docket No. 2020-4252

Complainant, Utah Insurance Department ("Department") and Respondent, Lydolph & Weierholt Title Insurance Agency ("Respondent"), have stipulated to entry of the following Findings of Fact, Conclusions of Law and Order. Based upon that stipulation, and good cause appearing, the following are made and entered:

FINDINGS OF FACT

1. Respondent is a resident producer organization holding Utah license number 477792.

2. Respondent's mailing address is 131 S 700 E, Ste. 103, American Fork, Utah, 84003.

3. On May 26, 2020, the Department began investigating a consumer complaint against the Respondent for disbursing funds to a builder without the consumer's written consent.

4. During the investigation, the Department determined that Respondent had conducted two escrow closings and comingled construction funds in the Respondent's agency trust account.

5. Fifteen construction draws were deposited and disbursed from the agency trust account to a builder as the construction project developed.

6. The Department and Respondent have agreed to an administrative forfeiture of $4,833.00.

CONCLUSIONS OF LAW

1. The Utah Insurance Commissioner ("Commissioner") has jurisdiction over the parties and this informal adjudicative proceeding pursuant to Utah Code §§ 31A-1-105 and 31A-2-201.

2. The Commissioner has legal authority to impose penalties on the Department's licensees who violate the Utah Insurance Code. Utah Code § 31A-2-308.

3. Utah Code § 31A-23a-406(1)(f)(i) states that a title insurance producer may do escrow involving real property transactions if the escrow does not require the agency title insurance producer to hold construction money. Respondent violated this provision by conducting two escrow closings and holding construction funds in the Respondent's agency trust account.

4. Utah Code § 31A-23a-409(1)(a) provides that a licensee is a trustee for money that is paid to, received by, or collected by a licensee for forwarding to insurers or insureds. Respondent violated this section by holding, depositing, and disbursing funds from the agency trust account to a builder, who is not an insurer or insured.

5. Utah Code § 31A-23a-409(1)(b)(i)(B) provides that a licensee may not comingle trust funds with money held in any other capacity. Respondent comingled construction funds with agency trust account funds and deposited/disbursed fifteen construction draws from the

Respondent's agency trust account.

6. As penalties for the violations in this case, Respondent should be ordered to pay a forfeiture of $4,833.00.

ORDER

Based on the foregoing Findings of Fact and Conclusions of Law, it is hereby Ordered that:

1. Respondent shall pay a forfeiture of $4,833.00 for the violations described in the Conclusions of Law.

2. Respondent is ordered not to commit the violations described in the Conclusions of Law in the future.

DATED this 1st day of September, 2020.

TODD E. KISER
Utah Insurance Commissioner

Utah Insurance Department
3110 State Office Building
Salt Lake City, UT 84114
801-538-3860
Email: uidadmincases@utah.gov

NOTICE 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.