





Title Insurance Investigations  
Open Investigations Summary Report

Case #	Date Opened	Date Closed	Elapsed Time	Reason Closed	Alleged Violation	Subtotal function code
					31A-202: rate & insuranc...	
					31A-102: rate	
					insuranc...	
					31A-15-102: origin file	
					insuranc...	
					31A-20-10: unauth	
					insuranc...	
					31A-20-107: character	
					31A-20-11: license	
					31A-20-12: ic	
					31A-20-204: special	
					31A-20-202: agency	
					31A-20-102: unfile	
					31A-20-106: rate	
					31A-20-100: final funds	
					31A-20-411: T. plan	
					31A-20-413 annual	
					31A-20-303: controlled	
					31A-21-103: fraudulent	
					31A-20-99: unfiled	
					31A-20-98: unfiled	
					31A-20-100: unfair marketing	
					31A-20-206: unfair claims	
					31A-20-208: information	
					31A-20-216: privacy	
					31A-20-210: escrow changes	
					31A-20-212: escrow changes	
					31A-20-213: escrow changes	
					31A-20-214: escrow changes	
					31A-20-215: escrow changes	
					31A-20-216: escrow changes	
					31A-20-217: escrow changes	
					31A-20-218: escrow changes	
					31A-20-219: escrow changes	
					31A-20-220: escrow changes	
					31A-20-221: escrow changes	
					31A-20-222: escrow changes	
					31A-20-223: escrow changes	
					31A-20-224: escrow changes	
					31A-20-225: escrow changes	
					31A-20-226: escrow changes	
					31A-20-227: escrow changes	
					31A-20-228: escrow changes	
					31A-20-229: escrow changes	
					31A-20-230: escrow changes	
					31A-20-231: escrow changes	
					31A-20-232: escrow changes	
					31A-20-233: escrow changes	
					31A-20-234: escrow changes	
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					31A-20-250: escrow changes	
					31A-20-251: escrow changes	
					31A-20-252: escrow changes	
					31A-20-253: escrow changes	
					31A-20-254: escrow changes	
					31A-20-255: escrow changes	
					31A-20-256: escrow changes	
					31A-20-257: escrow changes	
					31A-20-258: escrow changes	
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					31A-20-261: escrow changes	
					31A-20-262: escrow changes	
					31A-20-263: escrow changes	
					31A-20-264: escrow changes	
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					31A-20-267: escrow changes	
					31A-20-268: escrow changes	
					31A-20-269: escrow changes	
					31A-20-270: escrow changes	
					31A-20-271: escrow changes	
					31A-20-272: escrow changes	
					31A-20-273: escrow changes	
					31A-20-274: escrow changes	
					31A-20-275: escrow changes	
					31A-20-276: escrow changes	
					31A-20-277: escrow changes	
					31A-20-278: escrow changes	
					31A-20-279: escrow changes	
					31A-20-280: escrow changes	
					31A-20-281: escrow changes	
					31A-20-282: escrow changes	
					31A-20-283: escrow changes	
					31A-20-284: escrow changes	
					31A-20-285: escrow changes	
					31A-20-286: escrow changes	
					31A-20-287: escrow changes	
					31A-20-288: escrow changes	
					31A-20-289: escrow changes	
					31A-20-290: escrow changes	
					31A-20-291: escrow changes	
					31A-20-292: escrow changes	
					31A-20-293: escrow changes	
					31A-20-294: escrow changes	
					31A-20-295: escrow changes	
					31A-20-296: escrow changes	
					31A-20-297: escrow changes	
					31A-20-298: escrow changes	
					31A-20-299: escrow changes	
					31A-20-300: escrow changes	



Title Insurance Investigations  
 Closed Investigation Summary Report

File #	Date	Violations		Investigator	Status	Comments
		212	210			
57578	8/31/09	3/31/10	212	No violation		
57601	9/2/09	3/31/10	210	No Violation		Possible lender fraud, short sale issues
						Possible mishandling of escrow money and the HUD

## Title Insurance Investigations

### Open and Closed Per Month Report

	Opened	Closed
January	7	4
February	20	26
March	11	41
April	19	25
May	20	7
June	20	39
July	26	17
August	24	21
September	15	55
October	14	15
November	25	17
December	11	55
<b>Totals for 2008</b>	<b>212</b>	<b>322</b>
January	8	31
February	13	15
March	4	12
April	10	5
May	5	5
June	16	25
July	6	7
August	15	17
September	31	22
October	20	18
November	7	11
December	10	9
<b>Totals for 2009</b>	<b>145</b>	<b>177</b>
January	10	9
February	7	22
March	17	17
April	2	0
May		
June		
July		
August		
September		
October		
November		
December		
<b>Totals for 2010</b>	<b>36</b>	<b>48</b>

## Title Insurance Consumer Complaints

### Open and Closed Consumer Complaint Summary Report

Case #	Date Open	Date closed	Complaint	CSA
58109	1/25/2010	2/25/2010	HO premium not paid at closing	Meldee
58202	2/22/2010	2/22/2010	title complaint, feels title company didn't uncover/disclose hazards for clear title and sale of home - flood insurance requirements	Sandy

## Title Insurance Consumer Complaints Open and Closed Per Month Report

	Open	Closed
January	1	0
February	1	1
March	3	2
April	5	2
May	0	5
June	1	1
July	0	1
August	2	1
September	1	0
October	0	3
November	1	0
December	0	1
<b>Total 2008</b>	<b>15</b>	<b>17</b>
January	0	0
February	0	1
March	0	0
April	0	0
May	1	0
June	0	1
July	0	0
August	1	0
September	0	0
October	0	1
November	0	0
December	1	2
<b>Total for 2009</b>	<b>3</b>	<b>5</b>
January	1	0
February	1	2
March	0	0
April	0	0
May		
June		
July		
August		
September		
October		
November		
December		
<b>Total for 2010</b>	<b>2</b>	<b>2</b>



## Title Insurance Enforcement Report

E-Case #	Date Opened	Recommended Action	Action taken	Action Date	Closed Date
2174	5/20/08	Stipulation and Order	Prosecutor for drafting	9/8/08	
			Respondent for signature		
			Penalty imposed by commission		
2192	5/30/08	Complaint for revocation	Sent to Respondent	10/21/09	
			No response / revocation	11/18/09	12/28/2009
2282	10/9/08	Stipulation and Order	Prosecutor for drafting	3/2/09	
			Respondent for signature	4/26/09	
			Penalty imposed by commission		9/3/2009
2313	11/19/08	Stipulation and Order	Prosecutor for drafting	4/6/09	
			Respondent for signature	9/30/09	
			Penalty imposed by commission	11/9/09	11/17/2009
2328	12/17/08	Stipulation and Order	Prosecutor for drafting	5/12/09	
			Respondent for signature	11/18/09	
			Penalty imposed by commission	2/8/10	3/4/2010
2331	12/22/08	Stipulation and Order	Prosecutor for drafting		
			Respondent for signature		
			Penalty imposed by commission		
2332	12/23/08	Stipulation and Order	Prosecutor for drafting	5/27/09	
			Respondent for signature		
			Penalty imposed by commission		
2333	12/23/08	Order to show Cause	Sent to Respondent	10/20/09	
			No response / revocation	11/18/09	12/16/2009
2334	12/23/08	Order to show Cause	Sent to Respondent	10/20/09	
			No response / revocation	11/18/09	12/16/2009
2366	2/5/09	Stipulation and Order	Prosecutor for drafting	5/14/09	
			Respondent for signature	10/8/09	
			Penalty imposed by commission	11/9/09	11/23/2009
2367	2/5/09	Stipulation and Order	Prosecutor for drafting	5/14/09	
			Respondent for signature	10/8/09	
			Penalty imposed by commission	11/9/09	11/23/2009
2405	4/15/09	Stipulation and Order	Prosecutor for drafting	4/20/09	
			Respondent for signature		
			Penalty imposed by commission	Dismissed	3/29/2010
2423	5/14/09	Stipulation and Order	Prosecutor for drafting		
			Respondent for signature		
			Penalty imposed by commission		
2469	7/30/09	Stipulation and Order	Prosecutor for drafting	7/30/09	
			Respondent for signature	1/0/00	
			Penalty imposed by commission	1/0/00	Dismissed
2470	7/30/09	Stipulation and Order	Prosecutor for drafting	7/30/09	
			Respondent for signature	8/5/09	
			Penalty imposed by commission	11/9/09	11/19/2009

## Title Insurance Enforcement Report

E-Case #	Date Opened	Recommended Action	Action taken	Action Date	Closed Date
2484	8/12/09	Order to show Cause	Sent to Respondent	8/25/09	
			No response / revocation	11/18/09	
2485	8/12/09	Order to show Cause	Sent to Respondent	8/24/09	
			No response / revocation	11/18/09	12/16/2009
2486	8/12/09	Order to show Cause	Sent to Respondent		
			Accepted by respondent		Surrender
2487	8/12/09	Order to show Cause	Sent to Respondent		
			Accepted by respondent		
2488	8/12/09	Order to show Cause	Sent to Respondent	8/25/09	
			No response / revocation	11/18/09	3/1/2010
2489	8/12/09	Order to show Cause	Sent to Respondent	8/31/09	
			No response / revocation	11/18/09	12/16/2009
2498	9/1/09	Stipulation and Order	Prosecutor for drafting		
			Respondent for signature		
			Penalty imposed by commission		Agency closed
2501	9/2/09	Informal Action	Sent to Respondent	10/5/09	
			Accepted by respondent		
2516	9/23/09	Informal Action	Sent to Respondent	9/30/09	
			Accepted by respondent	11/3/09	
2517	9/17/09	Informal Action	Sent to Respondent	9/30/09	
			Accepted by respondent		dismissed
2520	9/23/09	Informal Action	Sent to Respondent		
			Accepted by respondent		
2521	9/23/09	Informal Action	Sent to Respondent	9/30/09	
			Order to show cause		
2523	9/3/09	Stipulation and Order	Prosecutor for drafting	10/19/09	
			Respondent for signature	2/16/10	
			Penalty imposed by commission	3/8/10	4/8/2010
2537	10/13/09	Informal Action	Sent to Respondent	11/2/09	
			Accepted by respondent		dismissed
2538	10/14/09	Stipulation and Order	Prosecutor for drafting	1/28/10	
			Respondent for signature	3/2/10	
			Penalty imposed by commission		
2548	10/26/09	Stipulation and Order	Prosecutor for drafting		
			Respondent for signature		
			Penalty imposed by commission		
2549	10/26/09	Stipulation and Order	Prosecutor for drafting		
			Respondent for signature		
			Penalty imposed by commission		
2550	10/27/09	Informal Action	Sent to Respondent	11/2/09	
			Accepted by respondent		11/17/2009
2551	10/27/09	Informal Action	Sent to Respondent	11/2/09	
			Accepted by respondent		dismissed

## Title Insurance Enforcement Report

E-Case #	Date Opened	Recommended Action	Action taken	Action Date	Closed Date
2557	11/2/09	Stipulation and Order	Prosecutor for drafting		
			Respondent for signature		
			Penalty imposed by commission		
2564	11/5/09	Stipulation and Order	Prosecutor for drafting		
			Respondent for signature		
			Penalty imposed by commission		
2566	11/9/09	Stipulation and Order	Prosecutor for drafting		
			Respondent for signature		
			Penalty imposed by commission		
2572	11/17/09	Informal Action	Sent to Respondent	2/4/10	
			Accepted by respondent		
2598	12/22/09	Stipulation and Order	Prosecutor for drafting	12/22/09	
			Respondent for signature		
			Penalty imposed by commission		
2605	1/4/10	Emergency Suspension	Sent to Respondent	1/19/10	
			Signed by Judge	1/19/10	1/19/2010
2621	1/12/10	Informal Action	Sent to Respondent		
			Accepted by respondent		
2623	1/12/10	Informal Action	Sent to Respondent		
			Accepted by respondent		
2624	1/12/10	Informal Action	Sent to Respondent		
			Accepted by respondent		
2637	2/18/10	Stipulation and Order	Prosecutor for drafting	3/4/10	
			Respondent for signature		
			Penalty imposed by commission		
2638	2/18/10	Stipulation and Order	Prosecutor for drafting	3/4/10	
			Respondent for signature		
			Penalty imposed by commission		
2651	3/11/10	Stipulation and Order	Prosecutor for drafting	3/15/10	
			Respondent for signature		
			Penalty imposed by commission		
2659	3/24/10	Emergency Suspension	Sent to Respondent	3/31/10	
			Signed by Judge		
2664	4/1/10	Complaint for revocation	Sent to Respondent		
			No response / revocation		

My name is Doretta Smith. I have been working for the past 7 years as a real estate agent along the Wasatch Front. Recently I was approached by Inwest Title Services, Inc. about becoming a Marketing Representative for them. I decided it was an opportunity I could not pass up even though I knew it would require inactivating my real estate license.

Pursuant to rule R592-5, I respectfully request that I be allowed to finalize the real estate transactions described in the attached request forms in order to avoid significant hardship to my clients (I have submitted a separate request form for each transaction). I understood from reading the Commissions' rules that I was unable to apply for this exemption on individual transactions until I actually had dual licenses (which occurred yesterday).

Each property is being sold on a short sale basis. Short sales are precarious transactions by nature. The lender processing the short sale request requires the real estate agent be "of record" and sometimes even requires our license number to be filed. Disrupting this process would be very detrimental to the clients of the real estate transaction.

I immediately ceased all real estate marketing and other activities as soon as I was notified that my title marketing representative license was issued on May 4th. I take the rules of the Insurance Commission seriously and want to reassure the Commission that this is only a temporary situation. In no event will I keep my real estate license active after June 30, 2010.

I also want to reassure the Commission that I will receive no commissions from Inwest Title for the exempted transactions. My only commission will be from Prudential Utah Real Estate upon successful closing of the transactions.

My real estate broker is Annie Hedberg. She can be reached at 801.450.8888. She will confirm that I have ceased real estate marketing and she has re-designated another agent in her office to take over my active listings. She also will confirm that my license will be inactivated as soon as all the transactions have been closed, but no later than June 30, 2010.

Therefore, I respectfully request that I be allowed to finalize the last few transactions from my seven-year career in Utah real estate in order that my clients avoid significant hardship in the sale/purchase of their home.

**Black's Law Dictionary:**

**Definition of Transaction:**

**Act of transacting or conducting any business; negotiation; management; proceeding; that which was done; an affair.**

**Something which has taken place, whereby a cause of action has arisen. It must therefore consist of an act or an agreement, or several acts or agreements having some connection with each other, in which more than one person is concerned, and by which the legal relations of such persons between themselves are altered.**

BULLETIN 2010-\_\_\_\_\_

To: All Title Agencies and Title Producers  
From: Neat T. Gooch, Acting Utah Insurance Commissioner  
Date: May \_\_\_\_, 2010  
Subject: **Short Sale Transactions**

The purpose of this bulletin is to notify all title agencies, title producers and employees of title agencies that the negotiation of a short sale transaction is prohibited. This includes assembling, facilitating or processing documentation required by the short sale lender, accepting or making telephone calls to the short sale lender in behalf of a real estate agent or seller, or advising a seller in a short sale transaction. Marketing services or materials that promote short sale negotiation is also prohibited.

As with any transaction, your responsibilities should remain within the scope of your duties. The standard information requested for any transaction also applies to short sale transactions. Your responsibilities are:

1. Issue a commitment for title insurance,
2. Obtain authorization as required in order to clear title, (i.e. payoffs, special assessments, HOA dues, liens and judgments),
3. Obtain a complete REPC or purchase contract with all addendums,
4. Conduct the closing,
5. Disburse and record as required, and
6. Issue a title policy.

In order to negotiate a short sale transaction you must hold a real estate license. Any title agency, title producer or employee of a title agency who negotiates a short sale will be subject to enforcement by the Division of Real Estate for "unlicensed activity" under UCA 61-2-1 and UCA 61-2-2(12). Enforcement action taken against a title agency or title producer by the Division of Real Estate will be referred to the Insurance Department for further investigation.

This bulletin is not intended to discourage the working relationship between the title industry and real estate industry, but rather to clarify responsibilities. Assistance with training and education of the real estate industry by the title industry is a permitted practice in that it serves the combined purpose of serving the consumer.

A title agency or title producer found negotiating short sale transactions will also be in violation of UCA 31A-23a-402(8)(a) and R592-6-4(6) and will be subject to enforcement actions that may include monetary penalties, license suspension or license revocation.

Dated this \_\_\_\_ day of May, 2010

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Neal T. Gooch  
Acting Insurance Commissioner