
BEFORE THE UTAH INSURANCE COMMISSIONER

UTAH INSURANCE DEPARTMENT,

Complainant,

vs.

KYLE DEAN JOHNSON,

Respondent

**AMENDED CERTIFICATE OF SERVICE
FOR ORDER GRANTING STIPULATED
MOTION TO WITHDRAW REQUEST
FOR HEARING**

Docket No. 2023-4514

Donald H. Hansen
Administrative Law Judge/Presiding Officer

The undersigned hereby certifies that on September 18, 2023, a true and correct copy of the **ORDER GRANTING STIPULATED MOTION TO WITHDRAW REQUEST FOR HEARING** was emailed to:

Kyle D Johnson

████████████████████
████████████████████
████████████████████

Shelley A. Coudreaut
Assistant Attorney General
sacoudreaut@agutah.gov
160 E. 300 S., 5th Floor
P.O. Box 140874
Salt Lake City, UT 84114-0874

DATED this 19th of September 2023.

/s/ Jeanine Couser
Jeanine Couser
Utah Insurance Department
4315 South 2700 West, Suite 2300
Taylorsville, UT 84129
801-957-9321

AMENDED CERTIFICATE OF SERVICE

The undersigned hereby certifies that on September 19, 2023, a true and correct copy of the foregoing **AMENDED CERTIFICATE OF SERVICE FOR ORDER GRANTING STIPULATED MOTION TO WITHDRAW REQUEST FOR HEARING** was emailed to:

Kyle D Johnson
[REDACTED]
[REDACTED]
[REDACTED]

Shelley A. Coudreaut
Assistant Attorney General
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160 E. 300 S., 5th Floor
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DATED this 19th of September 2023.

/s/ Jeanine Couser

Jeanine Couser
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4315 South 2700 West, Suite 2300

BEFORE THE UTAH INSURANCE COMMISSIONER

UTAH INSURANCE DEPARTMENT,

Complainant,

vs.

KYLE DEAN JOHNSON,

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**ORDER GRANTING STIPULATED
MOTION TO WITHDRAW REQUEST
FOR HEARING**

Docket No. 2023-4514

Donald H. Hansen
Administrative Law Judge/Presiding Officer

On September 18, 2023, a telephonic hearing was conducted in the above-entitled matter regarding the parties' Stipulated Motion to Withdraw Request for Hearing and Enter Notice of Agency Action and Order filed on or about July 23, 2023. Appearing for the Utah Insurance Department ("Department") was Shelley A. Coudreaut, Esq., Assistant Utah Attorney General. Respondent Kyle Dean Johnson ("Respondent") appeared *pro se*.

The Presiding Officer finds as follows:

1. The Department issued its Notice of Agency Action and Order on May 23, 2023, provisionally revoking Respondent's resident producer insurance previously issued by the Department.
2. On June 5, 2023, Respondent filed a timely request for a hearing to appeal the Department's agency action.
3. Respondent has not been represented by counsel at any time during the pendency of this formal adjudicative proceeding.
4. On August 8, 2023, the parties filed a Stipulated Motion to Withdraw

[Respondent's] Request for Hearing. A hearing on the parties' Stipulated Motion was originally scheduled for August 22, 2023. The Respondent failed to appear at that hearing because he had incorrectly calendared the hearing. The Department, through counsel, appeared at the hearing, and an Order granting the parties' stipulated motion was issued on August 23, 2023, before the Presiding Officer learned that Respondent intended to appear for the hearing, but failed to do so inadvertently. Therefore, the August 23, 2023, Order is superseded by this Order.

5. Because Respondent inadvertently failed to appear at the August 22, 2023, hearing, the Presiding Officer rescheduled the hearing to September 18, 2023. Both parties appeared via telephone at the September 18, 2023, hearing.

6. During the September 18, 2023, hearing, it was established or about July 21, 2023, Respondent agreed with the Department's counsel to a stipulated motion seeking an order withdrawing his request for a hearing. He was furnished a draft of the proposed stipulated motion by the Department's counsel prior to agreeing to the motion being filed. He also authorized the Department's counsel to attach his electronic signature to the stipulated motion.

7. Respondent's consent to the filing of the stipulated motion, and entry of the order contemplated by said motion, was given knowingly, voluntarily, and after Respondent was given the opportunity to review the proposed motion and order, free of any threatened legal action or other coercion, and free of any promise of favorable legal treatment in exchange for Respondent's consent.

Accordingly, the Presiding Officer enters the following Order:

1. The parties' Stipulated Motion to Withdraw Request for hearing and Enter Notice of Agency Action and Order is GRANTED.

2. The Department's Notice of Agency Action and Order dated May 23, 2023, is AFFIRMED, and shall not be subject to reconsideration, modification, hearing, agency review or appeal.

3. All future dates and deadlines previously entered in this matter, including the date for the evidentiary hearing, are vacated.

DATED this 18th day of September 2023.

JONATHAN T. PIKE
UTAH INSURANCE COMMISSIONER

/s/ Donald H. Hansen
Donald H. Hansen
Administrative Law Judge/Presiding Officer
Utah Insurance Department
4315 South 2700 West, Suite 2300
Taylorsville, UT 84129
801-957-9321
Email: uidadmincases@utah.gov

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this date a true and correct copy of the foregoing

ORDER GRANTING STIPULATED MOTION TO WITHDRAW REQUEST FOR

HEARING to:

Kyle D Johnson
[REDACTED]
[REDACTED]
[REDACTED]

Shelley A. Coudreaut
Assistant Attorney General
sacoudreaut@agutah.gov
160 E. 300 S., 5th Floor
P.O. Box 140874
Salt Lake City, UT 84114-0874

DATED this 23rd of September 2023.

/s/ Jeanine Couser
Jeanine Couser
Utah Insurance Department
4315 South 2700 West, Suite 2300
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801-957-9321

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BEFORE THE UTAH INSURANCE COMMISSIONER

<p style="text-align: center;">UTAH INSURANCE DEPARTMENT, Complainant, vs. KYLE DEAN JOHNSON, Respondent.</p>	<p style="text-align: center;">NOTICE OF AGENCY ACTION AND ORDER</p> <p>Docket No. 2023-4514</p> <p>Donald H. Hansen Administrative Law Judge/Presiding Officer</p>
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NOTICE OF AGENCY ACTION

The Utah Insurance Department (“the Department”) commences this agency action as an informal adjudicative proceeding against Kyle Dean Johnson (“Respondent”) pursuant to Utah Code § 31A-2-201 and 63G-4-201 through -203 and to Utah Admin. Code R590-160.

This agency action is based on the facts and law set forth in the attached Declaration and is designated as an informal adjudicative proceeding pursuant to Utah Code § 63G-4-202(1) and Utah Admin. Code R590-160-4 and -7.

ORDER

Based on the facts and the law set forth in the attached Declaration, and good cause appearing, the Utah Insurance Commissioner orders as follows:

1. Respondent's Utah resident producer individual insurance license number 242993 is revoked.
2. Pursuant to Utah Code § 63G-4-203(1)(i) and Utah Admin. Code R590-160-7(1), this informal adjudicative proceeding shall be deemed closed, and this Order shall become final and take full effect, 15 days after this Notice of Agency Action and Order is emailed to Respondent unless a request for a hearing on this matter is received from Respondent prior to that date.
3. A request for a hearing shall be in writing and sent by email to uidadmincases@utah.gov or by U.S. mail to Office of the Administrative Law Judge, Utah Insurance Department, 4315 S. 2700 W., Suite 2300, Taylorsville, UT 84129.
4. The request for hearing shall be signed by the person making the request and shall state the basis for the relief requested.
5. If you fail to request a hearing you will be bound by this Order. Failure to request a hearing will be deemed a failure to exhaust administrative remedies and will preclude any further administrative or judicial review or appeal of this matter.

DATED this 23rd day of May 2023.

JONATHAN T. PIKE
Utah Insurance Commissioner

/s/ Donald H. Hansen
DONALD H. HANSEN
Administrative Law Judge/Presiding Officer
Utah Insurance Department
4315 S. 2700 W., Suite 2300
Taylorsville, UT 84129
Telephone: 801-957-9321
Email: uidadmincases@utah.gov

NOTICE REGARDING ENFORCEMENT OF THE ORDER

Failure to obey this Order may subject you to further penalties that include a forfeiture of up to \$2,500 per violation, with each day of the violation constituting a separate violation. Other penalties for failing to obey this Order may include license suspension, probation, refusal to renew, or revocation. Failure to obey this Order may also result in an action being taken against you in a court of competent jurisdiction where forfeitures of up to \$10,000 for each day the failure to comply continues until judgment is rendered. If you are licensed in other jurisdictions, you may be required to report this proceeding in those jurisdictions.

DECLARATION

Under criminal penalty of Utah law, I, Adam Martin, declare the following:

1. I am currently employed as a Market Conduct Examiner with the Utah Insurance Department (“Department”) where my responsibilities include investigating and enforcing Utah insurance laws.

2. I submit this Declaration as the basis for issuing the Notice of Agency Action against Kyle Dean Johnson (“Respondent”) to which this Declaration is attached.

3. Based on my personal knowledge and/or based on the facts appearing in the Department’s records and files, the following facts are true:

a. The Respondent is a Utah resident producer individual insurance licensee holding Utah license number 242993.

b. On January 31, 2023, consumer Jonathan Reid (“Reid”) filed complaint number 80392 with the Department, against the Respondent. In that complaint Reid alleged that his escrow closing was moved from Lydolph & Weierholt Title Insurance Agency, dba Traveling Title (“Lydolph”) to Synergy Title Insurance Agency (“Synergy Title”) without his permission.

c. Reid explained he had sold a 30-acre parcel in Spanish Fork, Utah. On December 29, 2022, funds were wired to Zions Bank. The Total amount of the sale was \$7,000,000.00. However, only \$5,200,000 was received by Zions Bank, leaving \$1,800,000 unaccounted for. To date, the \$1,800,000 has not been deposited in Zions Bank.

d. Reid stated that his closing paperwork and communications with the Respondent led him to believe he was closing with Lydolph, and that they were responsible for his funds. Reid stated he wanted to complete the closing through Lydolph and signed closing documents in the

name of Lydolph. Reid later found out that the Respondent had moved his closing from Lydolph to Synergy Title without his permission or written consent and that Respondent had misled Reid into thinking he was closing would be completed with Lydolph.

e. On February 21, 2023, the Respondent was interviewed by Tracy Klausmeier, Director of the Department's Property & Casualty Division, and Adam Martin, Market Conduct Examiner for the Department. In the interview, Respondent admitted he had moved the closing file from Lydolph to Synergy Title without Reid's consent. Respondent also stated that Lydolph was not aware he had moved the closing file from Lydolph to Synergy Title. When asked why the Respondent had used a Lydolph Settlement Statement for closing instead of a Synergy Title settlement statement, Respondent stated, "Synergy's settlement statement was incorrect, and Ryan Goodrich was out of town." The Respondent chose to print a copy from Lydolph escrow software and proceeded with the closing.

f. On February 12, 2023, consumer Riley Sorensen ("Sorensen") filed complaint number 80459 with the Department, against the Respondent. Sorensen alleged his escrow file, along with a \$500,000 earnest money deposit was moved from Lydolph to Synergy Title without his permission.

g. On January 14, 2023, Sorensen went under contract to sell his home located in Alpine Utah. Sorensen stated he was working with the Respondent and Lydolph, with a closing scheduled in April 2023. In accordance with the Real Estate Purchase Contract, Addendum 4, a \$500,000 earnest money deposit, was instructed to be wired to Sorensen, the seller, on January 31, 2023. On February 6, 2023, Sorensen contacted Lydolph, to inquire as to the status of his \$500,000 wire deposit. Sorensen was informed that the Respondent no longer worked for Lydolph, and the Respondent had moved Sorensen's escrow file to Synergy Title. Sorensen

contacted Ryan Goodrich (“Goodrich”), owner of Synergy Title and demanded a deposit of the earnest money. Goodrich made a wire transfer payment of \$51,000. However, a total of \$449,000 is still unaccounted for. The Respondent moved the escrow file from Lydolph without Sorensen’s or Lydolph’s consent, restricting the choice of the consumer.

h. The Respondent did not have an active designation with Synergy Title to sale, solicit, negotiate, or advise on behalf of the agency.

i. The Respondent’s actions have caused great financial harm to Reid in the amount of \$1,800,000 and Sorensen in the amount of \$449,000.

4. The above declared facts demonstrate that the following Utah insurance law(s) were not complied with:

a. Respondent violated Utah Code § 31A-23a-105(5)(a)(ii) by committing an act that is grounds for denial, suspension, or revocation as set forth in Section 31A-23a-111;

b. Respondent violated Utah Code § 31A-23a-107(2)(a)(ii) by failing to meet the trustworthy character requirement;

c. Respondent violated Utah Code § 31A-23a-111(5)(b)(ii)(A) by violating an insurance statute as outlined herein;

d. Respondent violated Utah Code § 31A-23a-111(5)(b)(ii)(B) by violating an insurance rule that is valid under Subsection 31A-2-201(3) as outlined herein;

e. Respondents violated Utah Code § 31A-23a-111(5)(b)(xii), when he improperly withheld, misappropriated, or converted money or properties received in the course of doing insurance business;

f. Respondents violated Utah Code § 31A-23a-111(5)(b)(xiii), by intentionally misrepresenting the terms of an actual or proposed insurance contract, application for insurance, or life settlement;

g. Respondent violated Utah Code § 31A-23a-111(5)(b)(xv) by having admitted or been found to have committed an insurance unfair trade practice or fraud;

h. Respondent violated Utah Code § 31A-23a-111(5)(b)(xvi), when in the conduct of business in this state or elsewhere used fraudulent, coercive, or dishonest practices; or demonstrated incompetence, untrustworthiness, or financial irresponsibility;

i. Respondent violated Utah Code § 31A-23a-111(5)(b)(xxiv), by engaging in a method or practice in the conduct of business that endangers the legitimate interests of customers and the public;

j. Respondent violated Utah Code §31A-23a-402(1)(a)(i), by making or causing to be made any communication that contains false or misleading information, relating to an insurance product or contract, any insurer, or any licensee under this title, including information that is false or misleading because it is incomplete;

k. Respondent violated Utah Code §31A-23a-402(5)(a)(i), by restricting in the choice of an insurer or licensee under this chapter, another person who is required to pay for insurance as a condition for the conclusion of a contract or other transaction or for the exercise of any right under a contract; and

l. Respondent violated Utah Admin. Code r. 590-154-6(3)(4), by selling, soliciting, or negotiating insurance or consulting or advising for an agency licensee without having been designated to act under the agency's license.

5. Based on Utah Code § 31A-2-308 and other similar enforcement cases, the Respondent's insurance license should be revoked.

DATED this 18th day of May 2023, at Salt Lake City, Salt Lake County, Utah.

/s/ Adam Martin

Adam Martin, Market Conduct Examiner
Utah Insurance Department

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this date a true and correct copy of the foregoing Notice of Agency Action and Order, with the Declaration attached to it, was emailed to:

Kyle Dean Johnson
[REDACTED]
[REDACTED]
[REDACTED]

and

Adam Martin
Utah Insurance Department
4315 S. 2700 W., Suite 2300
Taylorsville, UT 84129
gmartin@utah.gov

DATED this 23rd day of May 2023.

/s/ Tatiana Karaivanova
Tatiana Karaivanova
Utah Insurance Department
4315 South 2700 West, Suite 2300
Taylorsville, UT 84129
801-957-9218