

Utah Department of Commerce Annual Report



2008

A Message from Governor Jon Huntsman, Jr.



STATE OF UTAH

OFFICE OF THE GOVERNOR
SALT LAKE CITY, UTAH
84114-2220

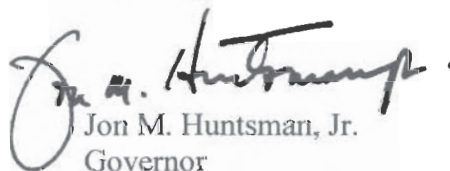
JON M. HUNTSMAN, JR.
GOVERNOR

GARY R. HERBERT
LIEUTENANT GOVERNOR

As Governor, it is my privilege to present the 2008 Annual Report for the Utah Department of Commerce. This outstanding agency enables Utah's economy, businesses, and citizens to grow and prosper.

I am pleased to offer my sincere thanks to the Department of Commerce employees for their tireless contributions and public service. Their efforts help make Utah one of the best managed states in the country.

Sincerely,



Jon M. Huntsman, Jr.
Governor

Utah Department of Commerce
Annual Report 2008

Our Mission

*To protect the public interest
by ensuring fair commercial
and professional practices.*



Our Vision

*The Department
of Commerce
contributes to
the success of
Utah businesses,
professionals
and consumers
by creating
a favorable
economic
environment.*

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A Message from Francine A. Giani, Exec. Director



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah Department of Commerce

FRANCINE A. GIANI
Executive Director

THAD LEVAR
Deputy Director

Governor Huntsman, Members of the Utah Legislature, Citizens of Utah:

It is my pleasure to present the Annual Report for Fiscal Year 2008 for the Utah Department of Commerce, recording how our agency and employees serve the people of Utah.

With responsibility for issuing over 300,000 licenses and regulating hundreds of industries, the Department of Commerce is one of the Utah's chief regulatory agencies. Our employees are dedicated to fair and efficient regulation across a variety of industries which impact Utah's citizens.

During fiscal year 2008, our Divisions expanded their efforts to protect Utah consumers, while regulating business and industry to promote healthy commerce in the state. The following are highlighted achievements for each Division:

Administration downsized 13% of the department fleet for investigations to compact Hybrid vehicles which created fuel savings to the state of over 30% for these vehicles and decreased emissions by an even greater margin.

Office of Property Rights Ombudsman adopted and implemented an internal record keeping and case management database to better respond to case matters and track statistical reporting.

The Committee of Consumer Services focused its efforts on ensuring a fair outcome for consumers from the requests for rate increases made by Utah's two largest utilities, Rocky Mountain Power and Questar Gas Company.

Division of Consumer Protection recovered benefits for consumers totaling over 2.7 million dollars.

Division of Corporations and Commercial Code launched the One Stop Business Registration program's Phase II which resulted in a 40% online adoption rate increase for new business filings.

Division of Occupational and Professional Licensing received two GovMark Council awards for Best State and Local Marketing, and Best Overall Marketing Program for the State Construction Registry.

Division of Public Utilities Pipeline Safety Section received two federal grants totaling \$140,500.00 which will be used by Blue Stakes of Utah to educate the public and to improve damage prevention to underground natural gas facilities.

Division of Real Estate implemented a new online license management system that allows users to renew licenses, manage company rosters, update addresses, license status and company affiliation via the Division's web site.

Division of Securities processed a total of 110,908 license applications (an increase of 6.4% over the previous fiscal year), reviewed a total of 6,395 securities filings (an increase of 4.6% over the previous fiscal year), and opened 149 new enforcement cases (an increase of 93.5% over the previous fiscal year) without increasing staff size.

These advancements and others made Fiscal Year 2008 one of great progress. Commerce employees look forward to serving the citizens of Utah and building on our accomplishments in the years ahead. I invite you to visit our website at www.commerce.utah.gov to learn more about the Utah Department of Commerce.

Respectfully yours,

Francine A. Giani
Executive Director



Administration

Mission

Administration's mission is to provide administrative support (financial, human resources, information technology, public relations, and adjudicative) to the following Divisions within the Department of Commerce:

Committee of Consumer Services (CCS)
Consumer Protection (DCP)
Corporations and Commercial Code (CORP)

Occupational and Professional Licensing (DOPL)
Public Utilities (DPU)
Securities (DS)
Real Estate (DRE)

Internal Efficiencies

The Department of Commerce is continually looking for ways to increase operating efficiency and has implemented new programs to lower costs. The following are measures taken by the entire Department. Additional cost-saving programs are in each Division's report.

13% of the department fleet for investigations were downsized to compact Hybrid vehicles in 2008. This measure has created fuel savings to the state of over 30% for these vehicles and decreased emissions by an even greater margin. It is also anticipated that the replacement vehicles will be in service for 120,000 miles or 20% longer than the vehicles they replaced.

Vehicles are shared among divisions to maximize utilization of the fleet as a Department instead of requesting additional vehicles for Divisions who need them.

Out of State Travel to conferences and industry regulatory events was significantly limited to one employee and an industry board member in most cases. The state employee is expected to report back and train co-workers on the key issues of the conference. This measure decreased employee travel by 20% to such events.

Printers and Copiers that were due for replacement were assessed for useful life remaining and many were delayed in replacement saving the department approximately \$20,000.



Serving the Public

Commerce Administration oversees the following programs and procedures:

Office of the Property Rights Ombudsman
New Automobile Franchise Act
Powersport Vehicle Franchise Act
Agency Review of Administrative Actions

Administration




"See the Light" Energy Savings Program



"See The Light" Energy Savings Program

The Department of Commerce held two internal energy seminars across all Divisions on December 4, 2007 to raise awareness about saving energy in the workplace and at home. Energy initiative seminars were presented by representatives from Rocky Mountain Power, Utah Clean Energy and Questar Gas to encourage employees to look for more opportunities to save energy and money around the office and at home. Around 150 employees participated in the seminars, signed pledge forms to replace light bulbs with a compact fluorescent light (CFL) bulbs as well as receiving energy audit materials and one CFL bulb.

"See the Light" is part of Governor Jon M. Huntsman's energy initiative to help educate citizens and state employees on how to save energy in their daily lives. The Department of Commerce was one of numerous state agencies who participated in this program.



CHANGE A LIGHT, CHANGE THE WORLD PLEDGE

I'LL DO MY PART TO SAVE ENERGY RESOURCES AND HELP PROTECT OUR ENVIRONMENT BY CHANGING ONE LIGHT IN MY HOME TO ONE THAT'S EARNED THE GOVERNMENT'S ENERGY STAR® FOR ENERGY EFFICIENCY.

☐ Check this box to verify that you are over the age of 13. ENERGY STAR asks that a person be thirteen years or older to take the pledge. If you are under 13, please ask a parent or guardian to complete this pledge for you.

FIRST NAME _____

E-MAIL (optional) _____

ZIP _____ NUMBER OF LIGHTS YOU WILL CHANGE _____

SIGNATURE X _____

Privacy Disclaimer: Your identifying information will be used only for the purposes of the ENERGY STAR Change a Light Pledge. This information will never be provided or sold to third parties.

* Products that earn the ENERGY STAR prevent greenhouse gas emissions by meeting strict energy efficient guidelines set by the U.S. Environmental Protection Agency and the U.S. Department of Energy. www.energystar.gov
(CUT OFF THIS PORTION AND RETURN TO UTAH CLEAN ENERGY)



Around 150 Commerce employees signed the Change a Light pledge

Questar's "Therm" tosses frisbees to Commerce crowd

Office of Property Rights Ombudsman

Mission

The Office of the Property Rights Ombudsman is a non-partisan state office. The mission of the OPRO is to: help property owners, citizens and government officials understand and protect their civic property rights, encourage state and local government agencies to regulate and acquire land in a manner that is consistent with applicable statutes and constitutional law, and resolve property rights and land use disputes fairly, in accordance with existing law and without expensive and time-consuming litigation. The OPRO was created by statute in 1997.

Goal of OPRO

The goal of the OPRO is to bring balance to the inherent conflict between government agencies that must occasionally acquire, burden, or regulate real property in order to further the public good and private owners of real property who have constitutionally protected property rights. The OPRO fulfills its mission and meets its goals using several means directed by the Utah legislature:

Educate and Inform: The OPRO answers questions, discusses the law, and reviews options available to solve problems and prevent disputes.

Conciliate: The OPRO helps the parties to a potential dispute communicate with one another in order to try to find an objective and fair resolution without interference of personal feelings.

Mediate: The OPRO conducts meetings with the parties (and their attorneys, if attorneys are involved) in a neutral location, to assist all parties to evaluate facts and issues and reach a consensus.

Arbitrate: At the request of the property owner, the OPRO arranges arbitration of a dispute, appointing a neutral third party to decide the matter.

Provide an Advisory Opinion: The OPRO investigates facts and researches questions of law, and prepares an Advisory Opinion that attempts to resolve the dispute in accordance with the prevailing law.



Mt. Timpanogos with Yellow Aspens

Fiscal Year 2008 Highlights

Below are 2008 highlights from the Office of the Property Rights Ombudsman.

OPRO Service Record

The OPRO adopted and implemented an internal record keeping and case management database to better respond to case matters and track statistical reporting. OPRO staff assisted several hundred property owners and government agencies. OPRO staff members testified before the Legislature relating to private property rights and Ombudsman operations and procedures. In addition, the OPRO opened 283 new cases, closed or resolved 268 cases, conducted 99 formal mediations, and issued 40 formal advisory opinions.

OPRO Public Education Programs

The OPRO sponsored educational events involving eminent domain, takings, and land use law. These events included programs established by the Utah Land Use Institute, the Utah State Bar, and the Governor's Office of Planning and Budget.

OPRO staff provided statewide training on issues involving eminent domain, land use, planning, and best practices for land use decision makers to the following groups; Utah Municipal Attorneys Association, Carbon & Emery County Association of Planners, Northern Utah Association of Planners and Clerks, Salt Lake Homebuilders Association, Perry City Council, and International Right of Way Association.

The OPRO created a new brochure for private property owners titled "What Can The Ombudsman Office Do For You?" as well as updating brochures on "Executive Summary of Property Owners' Rights", and "Your Right To Just Compensation".

Land Use Advisory Opinions

The OPRO issued formal Advisory Opinions on;

- 1) A city's requirement that a developer purchase a publicly-owned roadway from the city, construct a road upon the property, and then dedicate the improved road back to the city was an invalid exaction, which did not satisfy the "rough proportionality" analysis of § 10-9a-508 of the Utah Code.

- 2) A developer's land use application did not conform to the requirements of the municipality's land use maps, zoning map, and applicable land use ordinance in effect, and was therefore not entitled to approval at the time it was submitted. However, the land use application was never formally denied and remained pending. A subsequent zoning change brought the pending application into compliance with the land use ordinances. As of the date of the zone change, the land use application became entitled to approval.

- 3) A change in status from apartments to condominiums did not constitute a change in use from single family residential. Conversion into condominiums did not increase the intensity, size, or occupancy of the use. The change, therefore, did not affect the property's status as a legal non-conforming use.

- 4) A city could find that a compelling, countervailing public interest exists, sufficient to deny an otherwise compliant subdivision application, where a right-of-way does exist in the property, but the width, extent, and the restricted uses of the right-of-way are undefined. The City is not the proper party to determine the extent and the validity of the claim of right-of-way, and is not at liberty to disregard the right-of-way claimant's property rights by approving the application. The parties must first resolve the right-of-way dispute in the proper forum.

- 5) The city's approach regarding how it calculates setbacks is justifiable and should not be abandoned or overturned. While the interpretation advocated by the property owners is equally valid, the city is entitled to deference in how it administers and interprets its ordinances. The city's interpretation is plausible under the ordinance's plain language, fulfills its purpose, reduces disputes, and promotes greater certainty for property owners. For these reasons, there is no reason to abandon or overturn the city's interpretation.

Staff Highlights

Staff Highlights

Su Chon was awarded the Raymond S. Uno Award for the Advancement of Minorities in the Legal Profession by the Utah State Bar. Su was recognized for her volunteer efforts including mentoring law students and lawyers, organizing networking socials, and creating the UMBA 411 and JobLert email newsletters to notify bar members of career opportunities.

Cyndy Nelson was recognized in the Utah Department of Public Safety Annual Report for her performance as a police dispatcher during a dramatic and traumatic incident where a corrections officer was killed in the line of duty. The report states that Cyndy's actions contributed directly to the quick apprehension of the suspect, and she and the other dispatchers "remained calm, coordinated all radio and telephone traffic, maintained control throughout, and kept everyone up to date on the latest information."

Brent N. Bateman escorted a team of Brigham Young University student engineers on a humanitarian mission to Tanzania, Africa. The student engineers designed an innovative and cost-effective apparatus that enables poor East African women to turn abundant coconuts into valuable coconut oil, potentially raising the women's income by as much as ten-fold. The team visited in the Tanzanian village of Boza where the devices were successfully tested and implemented. Brent assisted with the project, which was led by his wife, Terri Bateman, and documented the project on film for the University Engineering Department.



Cascade Springs, Uinta National Forest

Questions specific to the Office of the Property Rights Ombudsman may be directed to:



Brent Bateman, Lead Attorney
Office of Property Rights Ombudsman
(801) 530-6391 bbateman@utah.gov

Administration

New Automobile Franchise Act and Powersport Vehicle Franchise Act

The *New Automobile Franchise Act* (NAFA) and the *Powersport Vehicle Franchise Act* (PVFA) protect the public interest by helping ensure fair business practices between vehicle franchisors and franchisees. The Acts establish a standard of conduct and clarify the duties of a franchisor (generally a manufacturer) and franchisee (a dealer). In addition, they establish a right to notice and hearing for franchisees with regards to a franchisor's intent to terminate, relocate, or establish a new franchised dealership. Franchisors and franchisees must pay an annual registration fee to cover the cost of adjudication.

New Automobile Franchise Act (NAFA)	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
Franchisor/Franchisee Registrations	192	213	285
Powersport Vehicle Franchise Act (PVFA)			
Franchisor/Franchisee Registrations	38	41	54

Franchise Cases Adjudicated	Fiscal Year 2006		Fiscal Year 2007		Fiscal Year 2008	
	Filed	Closed	Filed	Closed	Filed	Closed
New Automobile Franchise Act (NAFA)	1	1	0	0	2	2
Powersport Vehicle Franchises Act (PVFA)	3	2	0	3	0	0

Administrative Actions

A business registrant or licensee, having been adversely impacted by a Department of Commerce Division action, may request agency review by the Executive Director. Upon review, the decision could be upheld, reversed, modified, or remanded to the Division for further consideration.

Division Cases	TOTAL		DCP		CORP		DOPL		DRE		DS	
	'07	'08	'07	'08	'07	'08	'07	'08	'07	'08	'07	'08
Filed	55	70	16	13	2	2	32	42	5	13	0	0
Closed	58	62	16	11	2	2	32	41	8	8	0	0
Affirmed	19	12	2	3	2	0	11	7	4	2	0	0
Remanded	15	12	3	1	0	0	11	9	1	2	0	0
Dismissed	21	36	9	7	0	1	10	24	2	4	0	0
Reversed	2	2	1	0	0	1	0	1	1	0	0	0
Modified	1	0	1	0	0	0	0	0	0	0	0	0

Administration

Education

The Department of Commerce places a high priority on educating the citizens of Utah on ways to protect themselves from becoming victims of unscrupulous business practices and assist them in filing complaints if that occurs. Educating the public is accomplished through many mediums: media coverage, presentations to community groups, newsletters, brochures, press releases, press conferences, public service announcements (PSA), and through the Department of Commerce website: **www.commerce.utah.gov**

During the past fiscal year, the Division of Consumer Protection, the Division of Real Estate and the Division of Securities ran public service announcements on local television stations to educate consumers on various scams. Each Commerce Division also gained local and national press coverage for press releases and media campaigns covering topics to educate and protect the public from fraud.

In April 2008, Governor Jon Huntsman Jr. held a ceremonial bill signing at the Department of Commerce to commemorate the passing of two Mortgage Fraud bills that benefit the Division of Real Estate's efforts in fighting fraud.



*Governor Jon Huntsman, Jr. Mortgage Fraud ceremonial bill signing
April 11, 2008 at Utah Department of Commerce*

Questions specific to Commerce Administration may be directed to:

Francine A. Giani, Executive Director
(801) 530-6431 fgiani@utah.gov

Thad LeVar, Deputy Director
(801) 530-6431 tleva@utah.gov



Committee of Consumer Services

Mission

The Utah Committee of Consumer Services was created in 1977 to represent customers of electric, natural gas, and telephone utilities. In the wake of an energy crisis and rising prices, the Utah legislators had the foresight to understand the need for someone to represent consumer interests. Subsequently, a six-member Committee was given statutory responsibility to represent the interests of urban and rural areas, low income and retired persons, business and residential utility customers, farmers, and ranchers.

The Committee fulfills its statutory responsibility by performing the following tasks:

- assess the impact of utility rate changes and other regulatory actions on residential consumers and those engaged in small commercial enterprises in the state of Utah,*
- assist residential consumers and those engaged in small commercial enterprises in appearing before the Public Service Commission of the state of Utah, and*
- advocate on its own behalf and in its own name, positions most advantageous to a majority of its constituency before the Public Service Commission of Utah.*

The Committee of Consumer Services is committed to advocate for what is fair for Utah residential and small commercial utility consumers. It serves Utah consumers by making certain their interests are fully represented in all electric, natural gas, and telecommunications policy matters - which includes vigilant assessment of regulatory actions impacting customer rates, resource availability, and policy issues.

Legislative Audit

During fiscal year 2008, the Committee's efficiency and effectiveness was reviewed by the Office of the Legislative Auditor General. The audit generally confirmed the effectiveness of the Committee in representing the interests of small consumers. The audit included some suggestions for changes and improvements. Many of these suggestions would require legislative action. To date, the Legislature has not acted on the audit's suggestions, but the Committee is prepared to work cooperatively with the Legislature in examining potential improvements. The audit also suggested that the Committee implement policies and procedures as well as tools for performance measurement. The Committee has begun its work on development and implementation of policies, procedures, and measurements and anticipates completion during 2009. Finally, the audit recommended that the Committee re-evaluate its outreach efforts. The Committee agrees with this recommendation and has initiated this internal evaluation.

Fiscal Year 2008 Highlights

Regulatory Actions Impacting Customer Rates

During fiscal year 2008, the Committee faced challenges as it analyzed sizable rate increases from Utah's two largest public utilities, Rocky Mountain Power and Questar Gas Company. These rate cases were in addition to the standard cases on electricity, natural gas, and telecommunication issues which CCS analyzed and presented before the Public Service Commission. The Committee's participation in these cases resulted in consumer protections maintained or enhanced as well as in significant savings to Utah residential, agricultural and small business customers. Below is a brief summary of major cases in which the Committee has taken action on behalf of consumers:

Rocky Mountain Power 2007 Rate Case

In December 2007, Rocky Mountain Power filed an application for a \$160 million rate increase. After several rounds of administrative procedure and formal analysis, the Company's request was revised to about \$75 million. The Committee's investigation showed that an appropriate rate increase, based upon the evidence provided by Rocky Mountain Power, would be closer to \$10 million. After hearing all of the evidence, the Public Service Commission granted a rate increase of about \$40 million. Many of the arguments advanced by the Committee were cited by the Commission in keeping the rate increase lower than requested. The Committee also put significant efforts toward several cases that dealt with technical accounting issues which helped to mitigate the total rate increase. These cases included an evaluation of the depreciation rates, in which the Committee's participation was influential in reducing rates by approximately \$22 million, and requests for deferred accounting treatment for certain costs. Rocky Mountain Power indicated its dissatisfaction with the rate case process and outcome and its subsequent intent to file its next case in July 2008, with the likelihood that additional cases will continue to be filed in close succession.

Questar Gas Company 2007 Rate Case

In December 2007, Questar Gas filed a request for a rate increase. After an administrative process changed the timeline for examination, this request was for an increase of \$22 million. The Committee's participation helped to mitigate this increase as the Public Service Commission granted an increase of only \$11 million. The participants were able to agree on most elements of this rate request, with the exception of the appropriate rate of return. Of particular note, the Committee provided expert testimony which assisted in moving Questar's allowed rate of return from an existing 11.2 percent to only 10 percent.

Telecommunications cases

The Committee also participated in several telecommunication cases with important policy implications. The Committee supported a rate case for one small provider, which is transitioning an antiquated municipal telephone system to a modern, investor-owned telecommunications carrier. The Committee also participated in a proposed rulemaking process examining the capital structure of rural telecom providers in an effort to stabilize expectant rates. The Committee participates in these cases with the intent to support robust service offerings to all consumers, particularly in rural areas that may have been previously underserved.

Fiscal Year 2008 Highlights

Regulatory Actions Impacting Customer Service

Investigation into Questar Transponder Errors

In March 2008, the Committee became aware that a significant number of consumers were receiving large backbills from Questar due to technical problems with its transponders. The transponders were added to existing customer meters to transmit meter readings and facilitate remote meter readings. While upgrading from manual to remote meter readings will eventually result in significant customer savings, the Committee was concerned by these reports of implementation problems that were not discovered and remedied by Questar in a timely manner. The Committee requested that the Commission launch a full investigation. As a result of this request, the Commission directed the Division of Public Utilities to conduct such an investigation. The Committee helped formulate the scope and reviewed the data and results of the investigation. The Committee must ensure both that individual customers are not unfairly burdened by large back-bills and also that consumers in general are not unfairly charged for gas used by others or due to utility errors. The Committee believes that a solution achieving this balance has been reached and expects Commission action before the end of 2008.

Regulatory Actions Impacting Resource Reliability

Integrated Resource Plan (IRP)

In May 2007, Questar Gas Company and PacifiCorp filed Integrated Resource Plans (IRP). The purpose of the IRP is to determine future resource needs and analyze costs and risks associated with various resource choices. After several months of review and analysis, the Committee provided significant comments evaluating whether these two companies had produced least cost, least risk plans.

The Committee's comments were significant factors leading to important Public Service Commission rulings in both cases. In the PacifiCorp case, the Commission declined to acknowledge the resource plan stating that many of the Commission's guidelines had not been met. In the Questar case, the Commission incorporated suggestions from the Committee and other parties to pursue new guidelines to ensure that the process provides appropriate oversight and value to consumers.

Questar Pass Through

Approximately 70 percent of Questar's overall rates are associated with the commodity costs of the actual natural gas consumed by its customers. These costs are passed through directly to the consumer without any markup to Questar and are thoroughly reviewed by utility regulators. This year, Questar filed for the largest single dollar amount ever requested. The Committee reviewed this filing and the associated regulatory audit and will continue to monitor and ensure that consumers pay the appropriate amount for their natural gas, as market prices rise and fall.

Demand Side Management (DSM) or Energy Conservation Programs

The Committee recognizes that more efficient use of energy is of vital importance to all utility customers. Committee staff actively participate in the Demand Side Management (DSM) advisory groups for both Rocky Mountain Power and Questar Gas. Demand-side management programs are used to make investments to reduce utility peak demands, save energy and natural gas. As part of the Committee's outreach evaluation, it is examining how to better communicate conservation opportunities to the small consumers it represents.

Customer Service

Legislative Activities

S.B. 202 Energy Resource and Carbon Emission Reduction Initiative, Sen, Curt Bramble

The Committee was actively involved in the Renewable Energy Initiative, launched by the Governor's energy advisor in the summer of 2007. After that initiative, the Committee was influential in the negotiation of legislation addressing carbon reductions in resource acquisition. The Committee helped to ensure that key consumer protections were maintained, such as maintaining cost effectiveness standards and improving a competitive bidding process. S.B. 202 was passed and signed by Governor Huntsman.

Looking Ahead to 2009

Many of the cases that began this year will continue into the next year before completion. In addition, the drivers behind the increased caseload are also expected to continue. Energy professionals, including consumer advocates, all face difficult policy decisions as we must balance issues relating to energy costs, economic development and environmental protection. The Committee is poised to adapt to the changing industry and prepared to meet the challenges of addressing these competing policy goals.

Our Valued Staff

Committee Member Spotlight

While most of the day-to-day work is accomplished in the office by the Committee's staff, the Committee itself provides valuable policy direction from the perspective of actual consumers. The Committee is comprised of six lay-people who come from specific segments of the small consumer population represented by the Committee.

The Committee would like to specifically recognize the significant efforts of its outgoing chairperson, **Dee Jay Hammon**, whose term expires at the end of fiscal year 2008. Mr. Hammon has been at the helm of the Committee for nearly eight years, providing consistency and leadership during some challenging and transitional times for the Committee. When asked of his tenure, Mr. Hammon mentioned the difficulty of learning the technical elements of regulation and the importance of examining issues in a fair, impartial and professional way. His hope for the future of the Committee is for it to continue to be objective in its representation of consumers.

Questions specific to the Committee of Consumer Services may be directed to:



Michele Beck, Director
Committee of Consumer Services
(801) 530-6674 ccs@utah.gov



Division of Consumer Protection

Mission

The mission of the Division of Consumer Protection is to respond to consumer complaints, protect consumers from unfair and deceptive business practices, and provide consumer education. The Division accomplishes its mission through a three-pronged approach: education, registration, and enforcement.

Education: The Division works with the Federal Trade Commission, U.S. Consumer Product Safety Commission, AARP, local schools and universities, and other consumer groups in distributing educational materials to provide awareness of deceptive business practices. The Division also works with trade groups in explaining their obligations to consumers under state and federal consumer protection laws.

Registration: The Division regulates the following business organizations: Business Opportunities, Charitable Organizations, Credit Service Organizations, Debt-Management Service Providers, Health Spas, Postsecondary Proprietary Schools, Professional Fund Raisers and Telemarketers.

Enforcement: The Division enforces the following consumer protection statutes:

Business Opportunity Disclosure Act
Charitable Solicitations Act
Child Protection Registry
Utah Consumer Sales Practices Act
Credit Services Organizations Act
Health Spa Services Protection Act
Music Licensing Practices Act
New Motor Vehicles Warranties Act
Pawnshop Transaction Information Act
Postsecondary Proprietary School Act
Price Controls During Emergencies Act
Prize Notices Regulation Act
Telephone and Facsimile Solicitation Act
Telephone Fraud Prevention Act
Unfair Practices Act
Uniform Debt-Management Services Act



Fiscal Year 2008 Highlights



During Fiscal Year 2008, the Division of Consumer Protection recovered benefits for consumers totaling **over 2.7 million dollars**.

Uniform Debt Management Act

The Division began administering the Uniform Debt-Management Services Act in July 2007. The effort has not been without its challenges. It became apparent after several weeks that many companies could not obtain the required insurance coverage because insurers didn't offer "no deductible" insurance policies required under the Act. To date, there are 21 registered debt management service providers in Utah.

Contractor Enforcement Meetings

Because of the number of complaints that the Division was receiving that involved contractors performing home improvements or repairs, the Division's investigators initiated monthly meetings with investigators from the Division of Occupational and Professional Licensing to coordinate enforcement efforts. These meetings have generated increased communication between the divisions and have improved enforcement efforts.

Foreign Dignitaries

The Division was visited by a number of foreign dignitaries who were interested in observing how the Division enforces consumer protection laws. The head of consumer protection for the United Arab Emirates was interested in seeing the Division's publications and in understanding the Division's administrative processes. Two officials from Algeria were interested in understanding the types of consumer issues that come before the Division and how the Division enforces consumer protection laws. Representatives from Korea compared Utah's Division processes with their own.

Technological Upgrades

During FY2008, the Division made significant progress in taking advantage of available technology to deliver its services to the public. It completed the conversion of its paper filing system for charitable organizations to a digital file retention system. This has streamlined the ability of our auditors to retrieve and review files and has freed up storage space. In addition, the Division has moved closer to being able to accept charity registration applications online. The Division has also enhanced and improved its web page so that it can better serve as a useful resource for consumers and businesses.



View of Salt Lake City in winter

Fiscal Year 2008 Highlights

Ten Consumer Scams for 2008

The Utah Division of Consumer Protection released the Top Ten Consumer Scams for 2008 to the media and general public.

1. E-Commerce/Internet Offers:

Deceptive practices conducted over the Internet continue to dominate the types of scams coming into the Division of Consumer Protection. Common deceptive practices are the unauthorized debiting of a consumer's bank account and the automatic billing of a monthly fee until notice of cancellation is received.

2. Retail Sales: The closure of a furniture store helped propel this type of complaint to the top of the Division's list. The deceptive practices include the failure to deliver products in the time represented, the failure to make refunds when required, and the failure to disclose refund policies.

3. Home Improvement/Repair:

The deceptive practices include the failure to perform the agreed work after receiving payment, the failure of the contractor to honor its warranties, the misrepresentation of the work of another as being the work of the contractor, and the refusal by the contractor to continue

working until the consumer agreed to a higher price.

4. Coaching Services: The deceptive practices include misrepresentation of potential earnings, overstating the qualifications or experience of coaches, and encouraging consumers to contract for services from which the consumers cannot benefit.

5. Alarm Systems: These companies typically target elderly consumers and use deceptive practices to bill customers for products or services that were not furnished or agreed to by the homeowner.

6. Health Spas: A large number of health spas closed this year giving rise to refund claims for membership fees.

7. Auto Repair (tie): The deceptive practices common to this type of complaint are the repair shop performed unneeded repairs, failed to disclose refund policies, and failed to obtain the consumer's express authorization for the repairs.

Telemarketing (tie): The complaints in this category involved telemarketers who failed to register with the division.

8. Business Opportunity (tie): These are work-at-home schemes such as setting up web sites to market products or the stuffing and mailing of envelopes.

Do-Not-Call (tie): Although the Federal Trade Commission's Do-Not-Call List has helped, unwanted telephone solicitations continue to be a problem for consumers.

9. Auto Sales: This category includes the sales of used and new cars. A relatively small proportion of these complaints involved Utah's Lemon Law.

10. Telephone Services: Complaints in this category involved the billing practices of cell phone companies and the misrepresentation of the telephone services that were to be provided.

Conference Hosting

In April 2008, the Division hosted the National Association of State Administrators and Supervisors of Private Schools' (NASASPS) annual conference in Park City, Utah. The conference discussed evolving trends and enforcement efforts in the area of postsecondary proprietary schools.

Legislative Highlights



House Bills

H.B. 192 Substitute, Property Transaction Amendments, Rep. Rebecca D. Lockhart

This bill modifies the Pawnshop and Secondhand Merchandise Transaction Information Act regarding functions of the Division of Consumer Protection and exemptions of certain businesses.

H.B. 249, Vehicles Covered by New Motor Vehicles Warranties, Rep. Kerry W. Gibson

This bill includes a farm tractor as a vehicle covered by Title 13, Chapter 20, New Motor Vehicle Warranties Act.

H.B. 252, Charitable Solicitations Act Amendments, Rep. Wayne A. Harper

This bill provides for the creation of a certified local museum designation and provides for a discounted registration fee under Title 13, Chapter 22, Charitable Solicitations Act.

H.B. 412, Below Cost Sales, Rep. Stephen R. Urquhart

This bill eliminates provisions of Title 13, Chapter 5, Unfair Practices Act, concerning the sale of products below cost.

Senate Bills

S.B. 30, Consumer Sales Practices Act Amendments, Sen. Patricia W. Jones

This bill subjects a supplier to a penalty under Title 13 Chapter 11, Utah Consumer Sales Practices Act, if the supplier misrepresents the geographical location of the supplier's business.

S.B. 115, Motor Vehicle Safety Inspection Advisory Council Amendments, Sen. Dan R. Eastman

This bill modifies the Motor Vehicle Safety Inspection Act by amending provisions relating to the Motor Vehicle Safety Inspection Advisory Council

Division of Consumer Protection: 2008 Statistics

Statistics	FY 2006	FY 2007	FY 2008
Total Benefit Recovered for Consumers	\$2,472,897	\$4,345,252	\$2,774,183
Total Amount of Fines Paid into Protection Fund	\$319,486	\$280,652	\$205,495



Compliance

Complaints	FY 2006	FY 2007	FY 2008
Complaints Received	4,110	3,647	3,758
Complaints Opened	2,875	2,708	2,945
Cases Closed	2,731	2,433	2,701
Cases Not Assigned	1,263	937	813

Registration

Active Registrations	FY 2007	FY 2008
Business Opportunities / Exemptions	1,282	1,505
Charities	2,549	2,767
Credit Service Organizations	49	41
Debt Management Services		21
Health Spas	203	274
Postsecondary Proprietary Schools	316	79
Professional Fundraisers, Fundraising Counsel and Consultants	200	252

Staff Highlights

Angela Hendricks was hired during FY2008 to serve as the division's hearing officer. She received her Bachelor of Arts degree in Political Science from West Texas A & M University and her law degree from the University of Utah College of Law. She comes to the Division with experience practicing before the Bankruptcy Court. Angela is a valued employee who fulfills an important role for the division.

Elizabeth Blaylock was also hired during FY2008. She is responsible for scanning documents into our new digitalized file retention system. Elizabeth received her Bachelor of Science degree in Political Science from the University of Utah. She comes to the Division with experience in organizing and coordinating lobbying efforts of governmental entities. Elizabeth is a valued employee who provides vital support to help the Division accomplish its mission.

Questions specific to the Division of Consumer Protection may be directed to:



Kevin Olsen, Director
 Division of Consumer Protection
 (801) 530-6601 kolsen@utah.gov



Division of Corporations and Commercial Code

Mission

The Division of Corporations and Commercial Code serves business enterprises by providing registration and informational assistance. Additionally, the Division serves the public by facilitating access to all of its records and data. The Division functions as Utah's filing office and repository for all corporations, commercial code filings, business registrations, limited partnerships, limited liability companies, limited liability partnerships, collection agencies, and trademarks.

About the Division

The Division of Corporations and Commercial Code in the Utah Department of Commerce registers all statutory business entities, state trademarks, and Article 9 lien notice filings. The Division also records certain service of process and bankruptcy filings. There are other less noticeable, but equally important filings.

Those businesses which should register with the division are: non-profit and profit corporations, limited liability companies, limited partnerships, limited liability partnerships, unincorporated cooperative associations, general partnerships, sole proprietors who have an assumed name, business trusts, real estate investment trusts, tribal businesses, and any other assumed business name. Those entities which are created by the filing with the division are: corporations and limited liability companies. All other filings are notice filings and those entities can exist without the filing in the division. The Division now also collects voluntarily provided gender

and race demographic information. The trademark law covers notice for the State of Utah only. Federal trademark law will offer protection for the entire United States. The state law ties into the federal statute in that it requires the filer to affirm that they checked the federal registry and their filing will not infringe on any federal filing. It is the responsibility of the filer to discover any similar filings. Out of-state motorist service of process is also filed with the division. Bankruptcy filings are sent to the division for notice.

The Division also files Uniform Commercial Code filings relative to Revised Article 9. These are notice filings which report the existence of a secured transaction. The Division also files agricultural liens under the CFS (Federal Food Security Act) filing guidelines.

As well as all the above mentioned activities, the Division is charged with a variety of small filings, such as: the Governmental Entity Database – an online directory of contact for any governmental entity; One Stop Business

Registration web site – a partnership with multiple agencies from local, state and federal level; digital signatures certification agents; archival business research – searching old stock certificates to find disposition of business entity; and individual name searches – those people involved as principals in businesses.

The Division staffs an information and help phone bank that answers thousands of phone calls each month. The help staff also provides an online information chat for those using online services. The agency has two help counters for walk-in service and partners with the Tax Commission to provide walk-in service at the satellite offices in St. George, Provo, and Ogden, Utah.

The Division of Corporations and Commercial Code provides many services, but is not an investigative nor enforcement agency. The Division will not compel anyone to make statutorily required filings, but will, in good faith, accept any statutorily compliant filings.

Division of Corporations and Commercial Code Customer Service

The Division of Corporations and Commercial Code continues to look for innovative ways to give business filers access to services 24 hours a day, seven days a week.

Help Center

The Help Center answers an average of 2,000+ calls a week. The five member Help Center field questions ranging from “How do I start up a new business?” to “How do I reinstate an old business?”. With courtesy and understanding, the members of the Help Center educate citizens of Utah on business filings over the phone and in live online chats.

Records Group

The records group processes amendments, mergers, share exchanges, domestications, conversions, transfers, trademark filings, collection agency filings, Archive recalls, dissolutions, resignations, and Service of Process. The Records Group is also responsible for our “Live Chat” where customers

can speak to a “live” person through an online chat and have their questions answered or be referred to the correct government agency.

New Service Center

The Division of Corporations newly redesigned service center on the 2nd floor has enabled more customers to create and print documents in a timely manner. By adding five new computer terminals and an additional support person, the Division has streamlined this process so customers face a minimal wait time. The Division of Corporations is committed to adopting new technology in order to better serve our customers.

Customer Service

Customer service is not something we can achieve with systems and processes alone.

This past fiscal year we put even more emphasis on training and empowering our employees, particularly those on the front line, to make a difference. As a result, the Division of Corporations and Uniform Commercial Code has kept within the 24 to 48 hour turn around time on all incoming documents.

UCC Group

The UCC Group maintains the Division UCC database, processes filings sent in and prepares all filings for scanning. They also process customer UCC or CFS inquiries. CFS or agricultural filings are done in the Division as well.

Upgrades for 2009

Next year the Division of Corporations and Commercial Code looks to implement the following changes;

- Adopt a redaction system for online

images which will prevent users from viewing sensitive information that may be present in previous filings.

- Re-write the online UCC Search criterion to implement iterations that will, in theory, bring to light UCC filings within the system which have been truncated or modified due to past data entry procedures.

- Implement an online “chat” for user of the UCC online filing function. This will allow the users to immediately contact a “customer service representative” through an Instant Messaging (IM) program as opposed to calling the division call center.

Division of Corporations and Commercial Code One Stop Business Registration

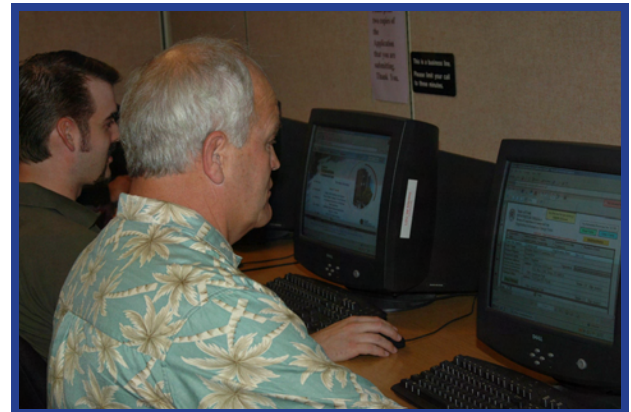


One Stop Business Registration

The One Stop Business Registration (OSBR) web site continues to improve and be recognized in the national and international community. Representatives from foreign countries continue to look at this site as a model of government filing efficiency.

The One Stop Business Registration program has seen some remarkable enhancements with the launch of Phase II. These enhancements, along with continued support from the OSBR Committee, have resulted in the Division reaching a 40% online adoption rate for new business filings.

Phase III is currently being developed to include more enhancements to encourage online filing in order to manage growth without increasing government personnel. Phase III should be completed and in use by the end of Fiscal Year 2009.



The following local partners offer business licensing services through OSBR; Salt Lake City, Sandy City, Provo, West Jordan and Logan.

In September 2006, the Division of Corporations and Uniform Commercial Code changed the annual report/renewal process. The Division sent out postcard renewal notices directing customers to the Division's website to renew and update their entities. The adoption rate for the online renewal process skyrocketed from a previous high of around 40% to over 90% in the first month. Since that time, the adoption rate has been around 90%. Customers are now able to update their entities online throughout the year outside of their renewal period.

Comments from users on OSBR web site

"OSBR is a very helpful tool! Quick and easy to use. Everything was great."

"I think the state is really working hard to make these kinds of things work better. Thank you."

"It gave me all the information I need to get set up as a business. I think this is excellent!"

"Fantastic site. Thanks for the hard work and for making my first business setup this easy."

Example of screen shot from One Stop Online Business web site

Division of Corporations and Commercial Code 2008 Statistics



The Division of Corporations and Commercial Code saw a **130% increase** in the adoption rate of computer users accessing the Division's online services during the past fiscal year.

All Online Services	2005	2006	2007	2008
Total Online Filings	68,227	83,800	212,497	255,616
Adoption Rate	30%	35%	64%	77%
Difference from previous year	13,916	15,573	128,697	43,119
% Increase	25.62%	22.83%	153.58%	20.29%

Annual Business Renewal	2005	2006	2007	2008
In-House Renewals	103,007	103,296	35,790	22,111
Online Renewals	27,747	39,308	113,733	149,447
Total	130,825	142,999	149,523	171,558
Adoption Rate	21.22%	27.56%	76.06%	87.11%
Difference from previous year	3,877	11,561	74,425	35,714
% Increase	16.24%	41.67%	189.34%	31.40%

Certificates of Existence	2005	2006	2007	2008
In-House Certificates	1,513	856	682	678
Online Certificates	8,601	10,116	12,163	11,337
Total	10,114	10,972	12,845	12,015
Adoption Rate	85.04%	92.20%	94.69%	94.36%
Difference from previous year	2,104	1,515	2,047	- 826
% Increase	32.38%	17.61%	20.24%	-6.79%

One Stop Business Registration	2005	2006	2007	2008
In-House Filings	38,168	41,237	43,052	36,690
Online Filings	9,456	11,600	14,030	18,751
Total	47,624	52,837	57,082	55,441
Adoption Rate	19.34%	21.52%	24.58%	34.13%
Difference from previous year	3,442	2,144	2,430	4,721
% Increase	57.23%	22.67%	20.95%	33.65%

Division of Corporations and Commercial Code

2008 Statistics

	UCC-I	UCC I - Addendum	UCC II	UCC III	UCC III - Addendum
2005	24,339	8,664	2,258	18,499	1,540
2006	24,322	9,609	1,145	19,145	1,567
2007	24,744	10,629	1,365	18,311	2,098
2008	23,115	7,805	1,159	9,169	3,278

	CFS - I	CFS - III
2005	431	750
2006	419	724
2007	319	612
2008	303	668



Albion Basin, Little Cottonwood Canyon

UCC - 1	2005	2006	2007	2008
In-House	10,157	10,394	10,564	8,281
Online	14,182	13,928	14,180	14,834
Total	24,339	24,322	24,744	23,115
Adoption Rate	58.27%	57.27%	57.31%	64.1%
Difference from previous year	2,462	-254	252	654
% Increase	21.01%	-1.79%	1.81%	4.61%

UCC - 2	2005	2006	2007	2008
In-House	928	115	206	146
Online	1,330	1,030	1,159	1,119
Total	2,258	1,145	1,365	1,265
Adoption Rate	58.90%	89.96%	84.91%	88.46%
Difference from previous year	180	-300	129	-40
% Increase	15.65%	-22.56%	-12.52%	-3.45%

UCC - 3 Terminations/Continuations	2005	2006	2007	2008
In-House	6,498	6,782	5,687	2,659
Online	6,911	7,437	8,731	11,376
Total	13,409	14,219	14,418	14,035
Adoption Rate	51.54%	52.30%	60.56%	81.05%
Difference from previous year	3,773	526	1,294	2,645
% Increase	120.24%	7.61%	17.40%	30.29%

Division of Corporations and Commercial Code

2008 Statistics

New Filings

	Corp.	Percent Increase	DBA	Percent Increase	LLC	Percent Increase	LP	Percent Increase	Total	Percent Increase
2003	12,217	7%	18,989	15%	12,879	15%	664	-9%	44,749	13%
2004	10,898	-11%	17,516	-8%	13,705	6%	562	-15%	42,681	-5%
2005	11,423	5%	17,325	-1%	19,018	39%	556	-1%	48,322	13%
2006	12,674	11%	17,296	0%	23,320	23%	618	11%	53,908	12%
2007	12,633	11%	16,780	-3%	27,643	19%	744	20%	57,800	7%
2008	11,491	-9%	16,793	0%	27,283	-1%	618	-17%	56,185	-3%

	Average No. of Entities Gained per Month	Total	Percent Increase
2005	1,390	16,680	23%
2006	1,503	18,036	8%
2007	1,669	20,030	11%
2008	1,512	18,144	-9%

Other Data Entry	Reinstatements	Amendments	Mergers	Conversions	Renewals	Change Forms
2005	3,995	3,475	416	1,166	17,596	22,595
2006	4,504	4,001	413	1,298	15,629	20,590
2007	5,009	4,132	296	1,293	13,844	13,578
2008	3,232	4,401	499	1,618	22,111	6,288



Bryce National Park, Southern Utah

Legislative Highlights



House Bills

H.B. 99, Business Registration Optional Inclusion of Ownership Data, Rep. Mark A. Wheatley, This bill allows the Division to collect voluntarily provided data on minority business ownership.

Senate Bills

S.B. 69, Uniform Limited Cooperative Association Act, Sen. Lyle W. Hillyard
This allows for the filling of limited cooperative associations – generally agricultural cooperatives.

S.B. 88, Model Registered Agents Act, Sen. Lyle W. Hillyard
This allows for the creation of the Commercial Registered Agent and discontinues the Division as default agent for service of process.

S.B. 110 S1, Foreign Business Entities and Tribal Law, Sen. Kevin VanTassell
This allows tribal businesses to register with the Division on a voluntary basis.

S.B. 151, Trademark Protection Act Amendments, Sen. Dan R. Eastman
This allows for the online filing of trademarks and the creation of an account management database for trademark holders.

Staff Highlight

Leah Lindstrom is a manager in the Division. She makes sure both counters have adequate staffing, that customers are helped with the utmost efficiency and professionalism, and that the staff is well-trained to be effective in their customer service. Leah often pitches in with any task in the Division and has maintained a reference book for all employees to access any procedure or process within the Division. Leah is in charge of the Governmental Immunity Database and pleasantly handles inquiries to that information. She takes her employment with the Department of Commerce very seriously and is a credit to the Division.

Mike Olsen is a manager with the Utah Division of Corporations and Commercial Code. His technological skill and vision have powered the Division to move as many services online as possible. He continually looks at ways to improve and economize services so that Utah businesses have access to Division services 7 days a week, 24 hours a day. He manages the employees in the data and technology areas and ensures that data is current and accurate. Because of his good nature and forward thinking, Mike inspires his staff to look for ways to innovate their tasks and be more efficient. He often participates in technological projects for the Division, Department, and the State in general. Mike has been with the Division for over 12 years and has proven himself to be a valuable asset to the Department of Commerce, Division of Corporations and Commercial Code.

Questions specific to the Division of Corporations and Commercial Code may be directed to:



Kathy Berg, Director
Division of Corporations and Commercial Code
(801) 530-4849 kberg@utah.gov



Division of Occupational and Professional Licensing

Mission

The mission of Division of Occupational and Professional Licensing (DOPL) is to safeguard the public health, safety and welfare and to enhance commerce through licensing and regulation..

Division Objectives

The Division seeks to provide the following to the public: professional customer service that is informative, accurate and responsive, collaborating with boards, industry, legislators and the public to balance regulation and commerce, efficiently process applications and administer related programs, enforcement of ethical and practice standards and facilitate training and development of staff.

Internal Efficiencies

Criminal History Processing Team

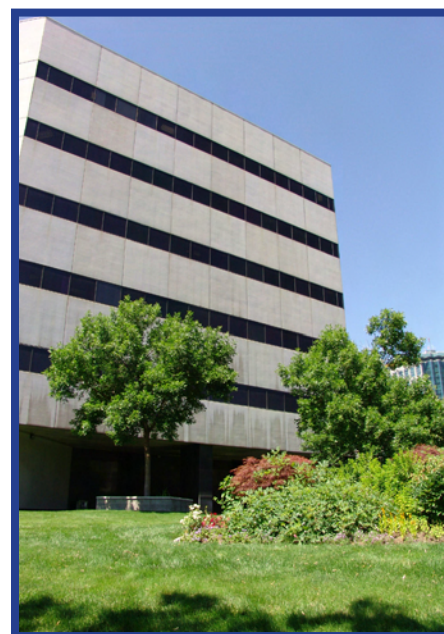
The Division consolidated the processing of criminal background checks from five licensing teams to one processing team. Standardized procedures were developed which streamlined our process and reduced the processing time.

Diversion and Probation Team

The Division consolidated our diversion team and the probation functions from seven licensing teams to one compliance team that handles both functions. This has allowed us to standardize our procedures, provide a higher quality service to our licensees and better protect the public.

Scanning

The Division worked with the Department of Technology Services and developed a scanning system for storage of our disciplinary files. We are also working on the system to allow public access to public documents. Currently, four years of files have been scanned. Discussions have also started on the process to scan all licensing applications.



Heber M. Wells Building

Fiscal Year 2008 Highlights



New Testing Vendor

In late 2007 the Division changed the vendor that performs the majority of testing for professional licenses to PSI. PSI conducts over 100 different examinations. They created testing sites in Weber County, Salt Lake/Davis County, Utah County and Washington County specifically for testing of our licensee candidates. All four of the sites are configured for computer based testing and three centers have been constructed to support plumber and electrical practical testing. PSI has been able to provide significantly higher levels of service through services and tools such as their online support system in which the Division has immediate access to candidate testing results, test scheduling and candidate tracking.

Utah Controlled Substances Act Pilot Program H.B. 119

The Division is establishing a pilot program, for the real-time reporting of, and access to, controlled substance database information by pharmacies, pharmaceutical facilities, and physicians.

State Construction Registry (SCR) receives two GovMark national awards

The Division received two GovMark council awards for Best State and Local Marketing, and Best Overall Marketing Program for the State Construction Registry. The Best Overall Marketing Program award was given as the highest-ranked marketing program in any category in government technology. The GovMark Council recognizes marketing programs at the U.S. Department of Defense, Federal civilian agencies, as well as state and local governments. Award selection was chosen by an independent panel of nine judges who are senior leaders in government technology. This is the second year in a row that an online service from Utah.gov has received both of these awards.



Customer Service

Residence Lien Recovery Fund

Under the Mechanics' Lien Laws, if a contractor fails to pay his subcontractors and suppliers, the homeowner would have to pay them directly to prevent loss of the home due to lien foreclosure. In effect, the homeowner had to pay twice for the same product or service. To correct this inequity, the *Utah Residence Lien Restriction and Lien Recovery Fund Act* provides homeowners in Utah with limited protections from mechanics' liens arising as a result of construction of or on their residence. The Fund also reimburses those contractors and suppliers who are unable to collect on a lien because of the homeowner protection.

Residence Lien Recovery Fund	
Claim Totals Since Inception	
Filed	2142
Amount	\$14,286,197.40
Paid	1429
Amount	\$8,296,043.48
Denied	424
Dismissed	205
Prolonged	28
Pending Claimant Response	28
Pending Division's Review	27

Claim Totals	2007	2008
Filed	104	85
Amount	\$961,000	\$826,364
Paid	62	27
Amount	\$490,000	\$458,145
Denied	4	2
Prolonged	3	26
Pending Claimant Response	4	11
Pending Division Review	16	19

Certificate of Compliance Totals	2007	2008
Filed	122	338
Approved	59	155
Denied	13	43
Dismissed	3	6
Prolonged	9	8
Pending Homeowner Response	10	51
Pending Division Review	12	75

Fund Status	
Investment Account Balance (as of 6/30/08)	\$1,636,674
Operating Account Balance (as of 6/30/08)	\$779,294
Total	\$2,413,969

Customer Service

State Construction Registry

The Utah Division of Occupational and Professional Licensing administers the State Construction Registry (SCR). SCR is an online “bulletin board” which provides full disclosure to property owners, contractors, and other interested parties, of people providing goods and services to a construction project. By providing a centralized resource, the Registry helps property owners minimize unknown project liability and offers a standardized system for protecting lien rights associated with residential, public and commercial projects.

State Construction Registry Totals	2007	2008
Notice of Commencement Filings	54,971	50,503
Filed by Municipalities	49,228	45,562
Filed by Users	5,743	4,941
Preliminary Notice Filings	141,670	133,885
Notice of Completion Filings	3,432	3,501



Licensing

Fiscal Year Final	200	2007	2008
Total Number of Licensees	152,116	158,001	169,093

New Applications Submitted

Fiscal Year Final	2006	2007	2008
Total Number of Applications	21,076	27,696	33,205

Total Number of Licensees Renewed (2-year cycle)

Fiscal Year Final	2006	2007	2008
Total Number of Renewals	50,130	67,690	87,378

Customer Service



Total Licensees by Profession Including Temporary Licensure

	FY06	FY07	FY08	Difference
Acupuncturists	74	87	81	-6
Alternative Dispute Resolution Providers:				
Arbitration, Mediation, Negotiation	56	52	59	+7
Architects	1,932	2,163	2,063	+100
Athlete Agents	6	5	8	+3
Athletic Trainers		161	223	+62
Building Inspectors: Combination & Limited	562	647	657	+10
Burglar Alarm Company Agents	3,018	3,205	5,561	+2,356
Burglar Alarm Companies	151	142	168	+26
Certified Court Reporters:				
Shorthand & Voice	129	144	129	-15
Certified Public Accountants	3,914	3,936	4,258	+322
Certified Public Accountancy Firms	658	617	659	+42
Chiropractic Physicians	711	781	756	-25
Contractors	19,881	21,363	22,259	+896
Controlled Substance Handler:				
Facility & Individual	87	82	97	+15
Controlled Substance Precursors:				
Purchaser and Distributor	12	10	15	+5
Cosmetologist/Barbers	21,142	23,853	22,679	-1174
Cosmetology/Barber Schools	34	38	44	+6
Deception Detection Examiners & Interns	29	29	31	+2
Dental Hygienists	1,549	1,795	1,883	+88
Dentists: Classes I, II, III, and IV	2,198	2,385	2,422	+37
Dietitians, Certified	535	505	584	+79
Direct-Entry Midwives	10	16	16	0
Electricians:				
App, Jrny, Mstr, Res. Jrny, & Res. Mstr	10,282	10,210	11,756	+1546
Electrologists	138	149	122	-27
Electrology Schools	1	1	1	0
Engineers: Professional & Structural	6,927	6,715	7,537	+822
Environmental Health Scientists				
& In-Training	230	220	244	+24
Estheticians & Master Estheticians	1,696	2,190	2,335	+145
Genetic Counselors	28	29	39	+10
Geologists, Professional	899	858	888	+30
Health Facility Administrators	315	288	323	+35
Hearing Instrument Specialists & Interns	109	109	108	-1

Total Licensees by Profession Including Temporary Licensure

	FY06	FY07	FY08	Difference
Land Surveyors, Professional	674	662	726	+64
Landscape Architects	357	402	387	-15
Marriage & Family Therapists, Interns, & Externs	508	498	531	+33
Massage Therapists & Apprentices	4,460	4,095	4,841	+746
Nail Technicians	2,833	3,405	3,419	+14
Nail Technician Schools	5	5	6	+1
Naturopathic Physicians	18	22	30	+8
Nurses: APRN, CRNA, CNM, RN, & LPN	24,681	25,283	26,406	+1123
Occupational Therapists & Assistants	641	623	706	+83
Optometrists	421	428	429	+1
Osteopathic Physicians	301	358	351	-7
Pharmacists, Interns, & Technicians	5,644	6,283	6,893	+610
Pharmacies: Class A, B, C, D, & E	1,148	1,256	1,229	-27
Physical Therapists	1,479	1,458	1,587	+129
Physician Assistants	543	611	641	+30
Physician/Surgeons	7,072	7,596	7,719	+123
Plumbers: App, Jrny, & Res. Jrny	4,773	4,537	5,064	+527
Podiatric Physician	189	182	185	+3
Preneed Funeral Arrangement Providers & Sales Agents	203	185	180	-5
Private Probation Providers	66	46	62	+16
Professional Counselors, Interns, & Externs	662	723	826	+103
Professional Employer Organizations & Groups	79	82	82	0
Psychologists & Psychology Residents	811	817	842	+25
Radiology Technologists & Practical Technicians	2,362	2,293	2,584	+291
Recreational Therapists: MTRS, TRS, and TRT	725	682	763	+81
Respiratory Care Practitioners	1,111	1,117	1,248	+131
Security Companies	72	66	85	+19
Security Personnel: Armed & Unarmed Officers	5,385	4,023	5,686	+1663
Social Workers: LCSW, CSW, CSWI, & SSW	5,485	5,423	5,343	-80
Speech-Language Pathologists & Audiologists	695	661	755	+94
Substance Abuse Counselors	327	301	423	+122
Veterinarians & Interns	598	591	622	+31
TOTAL:	152,116	158,001	169,093	+12,888

Division of Occupational and Professional Licensing

Customer Service

<u>Investigations</u>	FY06	FY07	FY08
Complaints Received	4,361	4,384	3,926
Investigations Opened	3,826	3,897	3,302
Investigations Completed	3,591	4,306	4,243
Formal Administrative Filings	274	233	202
Criminal Filings - Felonies	62	36	52
Criminal Filings - Misdemeanors	55	31	58
Letters of Concern Issued	216	609	640
Citations Issued	1,100	1,107	908
Diversion Referrals Issued	22	25	31
Fines Collected	\$407,105	\$508,357	\$472,896

Prelitigation

Prelitigation Action

Fiscal Year 2007 Results	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08
Cases Opened	354	397	372	392	531	484	384	335	384	359
Requests Denied	54	60	104	63	40	32	24	23	35	42
Hearings Scheduled	299	279	243	324	288	499	295	231	232	193
Cases Closed	381	374	371	433	414	577	417	341	379	341

Outcome of Prelitigation Cases

<u>Fiscal Year 2007 Results</u>	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08
No Merit	160	230	221	290	222	170	176	143
Meritorious	34	33	30	32	28	21	17	22
Stipulation	52	52	84	139	76	52	65	76
Dismissed	53	43	84	59	55	56	77	69
Split Decision	54	67	41	40	30	28	38	28
Jurisdiction Problem	17	8	12	16	6	14	6	3

Controlled Substance Database

Totals for FY2008

Total Rx's in CSDB	24,907,361
Total Rx's Processed	4,788,739
Requests for Information	117,172
Online Requests	88,986
In-House Requests	28,186
Pharmacies Reporting to the Database:	536
Cases vs. Non-Reporting Pharmacies:	7
DOPL Investigations - Licensees:	113

Doctor Shopper Cases referred to
 other law enforcement agencies: 200
 Doctor Shopper Letters to Practitioners: 3,172
 Letters on Forged Prescriptions: 44
 Denial Letters: 15
 Training Meetings Conducted: 6

Total Registered Online Database Users

Law Enforcement = 288
 Pharmacists = 374
 Practitioners = 1,455

Legislative Highlights



House Bills

H.B. 12, Controlled Substances and Paraphernalia, Rep. Curtis Oda

This bill specifies a plea in abeyance for the offense of production or distribution of a controlled substance is considered to be a conviction for sentencing enhancement purposes. It amends language regarding items used to ingest or inhale controlled substances so the language refers to all controlled substances, rather than specifically marijuana, cocaine, and hashish.

H.B. 64 Disclosure of Information by the Department of Workforce Services, Rep. Paul A. Neuenschwander

This bill authorizes the Unemployment Insurance Division to disclose information to the Department of Commerce for certain purposes.

H.B. 119 Controlled Substance Database Amendments, Rep. Bradley Daw

This bill establishes a pilot program, beginning July 1, 2008, and ending on July 1, 2010, for the real-time reporting of, and access to, controlled substance database information by pharmacies, pharmaceutical facilities, and physicians. It requires the Division of Occupational and Professional Licensing to contract with a private entity to upgrade, operate, and maintain the database in the pilot area. It requires the Division of Occupational and Professional Licensing to implement the pilot program established in this bill as a permanent program on a statewide basis, on or before July 1, 2010.

H.B. 159 Professional Employer Organization Licensing Act, Rep. James A. Dunnigan

This bill changes the regulation of professional employer organizations from registration under the Division of Occupational and Professional Licensing to licensure under the Insurance Department.

H.B. 184 Construction Amendments, Rep. Michael T. Morley

This bill requires that the standardized building permit number required by statutes be printed and displayed in the upper right-hand corner of the building permit in at least 12-point type.

H.B. 375 Deception Detection Examiners Licensing Act Amendments, Rep. Roger E. Barrus

This bill provides that supervision of a deception detection intern is not required to be done directly. It provides for a criminal background check of a person who applies for a license as a deception detection examiner or a deception detection intern.

H.B. 399 Medication Aide Certified Amendments, Rep. Rebecca D. Lockhart

This bill amends the Nurse Practice Act. It changes the status of Medication Aide Certified from a pilot program to an ongoing certification by the Division of Occupational and Professional Licensing. It amends definitions. It permits the use of the restricted fund in the Nurse Education and Enforcement Fund for reviewing and approving nurse education and medication aide certified education programs. It authorizes the division to issue citations for unlawful or unprofessional conduct.

H.B. 401 Master Plumber Licensing, Rep. James A. Dunnigan

This bill modifies provision of the Utah Construction Trades Licensing Act by providing for new license classifications of master plumber and residential master plumber in the plumbing trade.

H.B. 437 Funeral Services Licensing Act Amendments, Rep. Stephen H. Urquhart

This bill modifies provisions related to the cremation and disposition of cremated human remains and the distribution of preneed funeral arrangement funds. It provides an authorization process for a funeral service establishment to cremate human remains, including the required content of a cremation authorization form, and provides a criminal penalty for individuals who remove valuables from human remains without authorized permission.

Legislative Highlights



House Bills

H.B. 443 Membership of Occupational and Professional Licensure Review Committee, Rep. Gregory H. Hughes

This bill amends the Occupational and Professional Licensure Review Committee Act to modify the Committee from 13 members to nine members.

H.B. 459 Construction Trades Exemption, Rep. Stephen H. Urquhart

This bill increases the ceiling on the building cost exemption in the Utah Construction Trades Licensing Act from under \$1,000 to under \$3,000 on alterations, repairs, additions, remodels, or improvements to a building. It requires a one-time affirmation subject to periodic reaffirmation filing by those who engage in projects greater than \$1,000. It adds to the classifications that the exemption does not apply to the following: installation, repair, or replacement of an alarm system; and installation, repair or replacement of a heating, ventilation, or air conditioning system (HVAC).

H.J.R. 7 Joint Resolution Recognizing Unreinforced Masonry Buildings, Rep. Larry B. Wiley

This joint resolution of the Legislature urges the Utah Seismic Safety Commission to compile an inventory of unreinforced masonry buildings in the state. It urges the Commission to use the data to determine the extent of the problem in the state. It urges the Commission to recommend priorities to address the problem in a manner that will most effectively protect the lives, property, and economy of the state.

Senate Bills

S.B. 56 Naturopathic Physician Licensing Amendments, Sen. Scott D. McCoy

This bill specifies that the Division of Occupational and Professional Licensing may rely on a credentialing association to certify that an applicant for licensure by endorsement as a naturopathic physician has met one or more of the requirements for licensure.

S.B. 66 Uniform Emergency Volunteer Health Practitioner's Act, Sen. Lyle W. Hillyard

This bill enacts provisions governing licensed practitioners from outside of the state who come to Utah to provide health and veterinary services in response to declared emergencies in Utah.

S.B. 93 Licensed Direct Entry Midwife Amendments, Sen. Margaret Dayton

This bill defines low risk birth, requires administrative rulemaking for standards of practice related to mandatory transfers of clients, and creates an advisory committee for the administrative rules related to licensed Direct-entry midwives.

S.B. 98 Licensing of Security Services, Sen. Dan R. Eastman

This bill modifies definitions related to the licensing of contract security companies and private security officers by establishing new classifications for armored car companies and armored car security officers. It modifies the composition of the Security Services Licensing Board by including in its membership an individual who is an officer or owner of a licensed armored car company.

S.B. 163 Certified Public Accountant Licensing Act Amendments, Sen. Curtis S. Bramble

This bill modifies the licensure by endorsement provisions for a certified public accountant by limiting its application to only those persons seeking to obtain a license issued by the state. It provides a mobility provision for licensed certified public accountants

Legislative Highlights



Senate Bills

S.B. 174 Dentist and Dental Hygienist Practice Act Amendments, Sen. Peter C. Knudsen

This bill eliminates foreign accreditations for dentists and hygienist to obtain a license in Utah. Specifically, it repeals the authorization allowing licensure of dentist and dental hygienists who received degrees outside the United States.

S.B. 189 Independent Contractor Database, Sen. Dan R. Eastman

This bill provides for the creation of a database related to independent contractors.

S.B. 200 Professional Engineers Licensing Amendments, Sen. Fred J. Fife

This bill modifies the Professional Engineers and Land Surveyors Licensing Act by further distinguishing between the practice of professional engineering and the practice of structural engineering.

S.B. 220 Cause of Action for Defective Construction, Sen. Curtis S. Bramble

This bill provides that a cause of action for defective construction is a breach of contract action, unless there is certain other property damage or personal injury. It addresses who may bring an action for defective construction.

S.B. 295 Security Alarm Business Licensing Amendments, Sen. Margaret Dayton

This bill modifies the Utah Construction Trades Licensing Act by requiring that a person be licensed in order to work on alarm systems.

Diversion - Utah Recovery Assistance Program (URAP)

<u>URAP Fiscal Year 2008 Results</u>	<u>Total</u>		
Committee Meetings Conducted:	60	<u>Files Closed Successfully:</u>	<u>Total</u>
Diversion Interviews Completed:	533	RN/LPN	5
		Physician	1
<u>New Contracts Signed:</u>		Pharmacy Tech	1
RN/LPN	25	Vet	1
Physicians	7	SSW	1
Rad Tech	1	LSAC	1
Pharmacy Technician	1		
Dentist	1	<u>Unsuccessfully:</u>	
SSW	2	RN/LPN	4
<u>Clients Not Accepted:</u>		<u>Clients participating in URAP</u>	
Nurse	4	<u>Fiscal Year 2008</u>	<u>Total</u>
SSW Intern	1	RN/LPN	85
		Physician	18
<u>Clients who Chose not to Sign:</u>		Pharmacist	5
Nurse	1	Dentist	3
Pharmacy	2	Mental Health	6
		<u>Misc. Professions</u>	<u>4</u>
<u>Clients Pending:</u>		Total: 121	
Nurse	5		
MD	4		



Sego Lily, Utah State Flower

Staff Highlights

Staff Highlights

Steve Davis, Chief Investigator retired on March 31, 2008 with 30 years of service with the State of Utah.

Wayne Holman took over as Chief with Steve's retirement. Wayne was previously the Manager over the Construction Service Investigation Unit for the Division and has 20 years of service with the State.

Rich Oborn was hired as a Bureau Manager over therapy related licensing professions and previously was the Manager over the Residence Lien Recovery Fund.

Sally Stewart was hired as a Bureau Manager over Cosmetology/Barber and other licensing professions. She has over 25 years of Management experience and has recently worked with the UBC Education Advisory Fund and other areas for the Division.



First Night Fireworks above Salt Lake City

Questions specific to the Division of Occupational and Professional Licensing may be directed to:



F. David Stanley, Director

Division of Occupational and Professional Licensing
(801) 530-6292 dstanley@utah.gov



Division of Public Utilities

Mission

The Division of Public Utilities promotes the public interest in public utility regulation and works to assure that all customers of regulated gas, electric, telephone and water utilities have access to safe, reliable service at reasonable rates. The Division supports the Utah Public Service Commission (PSC) in all matters within the PSC's jurisdiction which includes the following;

- Investigating applications for certificates of convenience and necessity to provide utility service, or to build new utility facilities;
- Auditing, analyzing, and investigating rate cases and making recommendations;
- Investigating and resolving complaints of utility customers;
- Monitoring the safety of natural gas pipelines within the state;
- Reviewing reports of all utilities;
- Auditing the finances and activities of utilities doing business in Utah;
- Assisting in monitoring and managing the Universal Service Fund, which provides support for telecommunications customers in high-cost areas;
- Monitoring compliance with Utah law and PSC rules and orders;
- Advising the Legislature as requested.

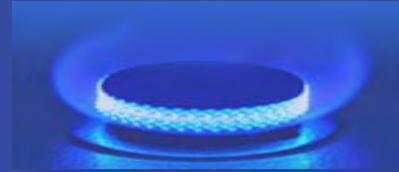
About the Division

The Division's staff of approximately thirty-five employees works with the Public Service Commission, the Committee of Consumer Services, regulated telecommunications, electric, natural gas and water utilities, the public, outside experts, attorneys, other states' utility regulators, and others. Division of Public Utilities staff members have expertise in accounting, auditing, business, finance, economics, statistics, and engineering.



Virgin River Valley Rainbow

Fiscal Year 2008 Highlights



PacifiCorp Rate Case

The Division conducted an investigation and participated in lengthy and multi-party discussions in response to PacifiCorp's request to increase rates in Utah. The Division's analysis supported a rate increase (primarily because Utah's growth has required increased investment by the utility), but at a level significantly less than the Company's original request.

Questar Gas Rate Case

The Division also conducted an investigation of Questar Gas' request to increase its distribution non-gas rates. All issues in the case dealing with revenue requirement, except for the return on equity, were settled. The Commission issued an order adopting the settlement positions and awarding the Company an allowed return of 10%. The case resulted in a \$12 million per year rate increase. Proceedings to determine how that increase will be distributed among customer groups are still underway.

Questar Gas Transponder Issue

A significant increase in formal and informal complaints against Questar Gas occurred in the spring of 2008. For the past six years, Questar has been installing radio transponders on its meters to allow for automated meter reading, a process that greatly reduces meter reading expenses. However, a small percentage of meters were equipped with transponders that were set incorrectly, resulting in customers being billed for only half of what they consumed. Questar began discovering these problems during the past year and back-billed customer for 24 months of gas use for which they were not billed. A decision on this matter from the Public Service Commission was issued in fiscal year 2009.

Chehalis Plant

The Division analyzed a request from Rocky Mountain Power for a waiver of the normal major asset acquisition process requirements and expedited approval to purchase a gas-fired power plant located at Chehalis, WA. This was the first occasion for Utah regulators to examine a plant under the expedited processes put into place by the legislature in 2007. At the end of the 120-day process, the Commission approved purchase of the plant for \$305 million.



Fog rising off Rainbow Lake in High Uintas, courtesy Phil Powlick

Customer Service

The Customer Service Section helps to answer customers' questions and works to resolve informal complaints between consumers and utilities. Disputes that are unresolved are referred to the Public Service Commission. Various requests or inquiries about non-regulated companies are forwarded to the appropriate federal or state agency. The Division's goal is to try to help resolve customers' issues as seamlessly as possible.

During Fiscal Year 2008, the Customer Service Section fielded 983 informal complaints from utility customers, a 9% decrease from the previous year. As shown in the charts below, most complaints were resolved by the Division working with the customer and utility company. Unresolved disputes are referred to the Public Service Commission for formal action or hearing. The breakdown by utility is also described in the tables below.

The Customer Service Section also provides internal administrative and research support to Division staff by responding to GRAMA records requests, performing records management duties, web support, risk management responsibilities, and employee training and safety. In addition, this Section is responsible for the formal submission of Division reports and testimony to the Public Service Commission.

Utility Complaints Received Fiscal Year 2008

Utilities	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
Electric	220	232	261	265
Natural Gas	172	520	253	261
Telecom - ILEC*	371	252	309	306
Telecom - CLEC**	609	190	169	112
Telecom - Long Distance	329	81	54	35
Water/Sewer	3	7	7	4
TOTAL	1,704	1,282	1,053	983

Utility Complaints Resolved Fiscal Year 2008

	Informal	Complaints
Utilities	Complaints	Resolved by
	Resolved without	Hearing Officer
	Hearing	
Electric	261	4
Natural Gas	246	15
Telecom - ILEC*	301	5
Telecom - CLEC**	110	2
Telecom - Long Distance	35	0
Water/Sewer	4	0
TOTAL	957	25

*Incumbent Local Exchange Carrier, i.e. Qwest

**Competitive Local Exchange Carrier, i.e., AT&T, XO, McLeod, etc.

Pipeline Safety Group

Pipeline Safety

The Pipeline Safety Group operates under federal statutes to investigate safety and other conditions relative to the piping of natural gas within Utah. Pipeline Safety works with leading major local natural gas distribution companies, such as Questar Gas Company, as well as municipal and intrastate transmission operators. In addition, several hundred small gas system operators, who purchase gas from a distribution company and further distribute it within their facilities, fall under the Group's jurisdiction.

Each year the federal Office of Pipeline Safety (OPS) evaluates performance of state programs in fulfilling the requirements of the federal program. The Utah Pipeline Safety program continues to score high grades in its evaluation, which results in a high percent of Utah's program being funded by OPS.

During fiscal year 2008, Pipeline Safety personnel conducted comprehensive inspections of Questar Gas Company operations, municipal gas distribution operators, interstate transmission operators, and master meters. These inspections assure that operator procedures and operations are consistent with federal regulations for safe functioning of natural gas systems. One reportable incident this year at the Country Lake Apartment Complex resulted in total loss of one building with 12 units. However, there were no fatalities or injuries in this incident. The Pipeline Safety Section investigated and will submit its final report to the Public Service Commission shortly.

Third party damage continues to be the main cause of accidents on pipelines. Questar experienced over 2,300 third party dig-ins during this year. Because of the excessive number of dig-ins and recent federal legislation requiring changes in states' damage prevention programs, the Pipeline Safety Section worked with a large group of stakeholders to strengthen Utah's laws. House Bill 341 was the result of this effort

and once fully implemented should reduce the number of dig-ins.

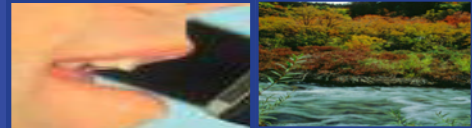
The Pipeline Safety Section applied for and received two federal grants for a total of \$140,500.00 which will be used by Blue Stakes of Utah to educate the public and to improve damage prevention to underground natural gas facilities.

The Pipeline Safety Section has been monitoring Questar's Feeder Line 5 and 11 Replacement Project along the 3300 South in Salt Lake County. When completed and put into operation, this new pipeline will provide a higher margin of safety along this busy street.

Pipeline Safety Inspections Fiscal Year 2008

Questar Gas Company Regions	8
Municipal Gas Distribution Operators	5
Intrastate Transmission Operators	3
Small Gas System Operators	50
Gathering Lines (Jurisdictional)	1
Personal or Property Damage Incidents	1

Telecommunications and Water Section



The Telecommunication and Water Section advises the Public Service Commission (PSC) on related issues in Utah that include requests for rate changes, rulemakings, applications for Certificates of Public Convenience and Necessity, hearings on disputed issues, investigations of other issues as requested by the PSC, as well as compliance and financial audits.

Telecommunication Issues

As the administrator of the Utah Universal Service Fund (USF), the Division conducts regular reviews of the USF support received by the rural carriers. These carriers receive support to help defray the expense of servicing high-cost areas in order to maintain lower consumer rates. USF funds also support the cost of providing service to qualifying Lifeline (low-income) customers. Since the fund is supported by a small surcharge on all retail telecommunications services, the DPU is responsible to carefully monitor the expenditures from the fund. During FY08, the USF fund balance grew to \$9.1 million due to the elimination of payments to three rural companies in the 2006-2007 time frame, as well as increasing revenue from wireless carriers.

The Division continues to coordinate and oversee the administration of the Lifeline Program (Utah Telephone Assistance Program), which helps qualifying low-income customers pay their telephone bills.

The only major telecommunications case during FY08 involved an application by Direct Communication Cedar Valley (DVCC) for initial payments of Utah USF. The Division conducted an extensive review of DVCC operations and financial results including audits in both Rockland, ID and Eagle Mountain. DVCC initially requested \$2.3 Million in USF support. The case was settled in May when the parties reached an agreement and stipulated to an annual amount of \$732,972.

In April, 2008, Manti Telephone filed for a new rate case that included an increase in requested USF support in the amount of \$3.2 million per year..

The DPU reviewed 49 interconnection agreements (between new competitive entrants and existing companies to handle each others' traffic) and advised the PSC on whether they were in the public interest. The Division may also settle disputes between companies when necessary. In FY08, the Division provided

testimony on an interconnection dispute between Union Wireless and Qwest that had come to the Commission for arbitration. This testimony required extensive research of every component of a wireless network. The Commission ultimately adopted most of the Division's recommendations in this case.

During FY08, there was a net increase of five Competitive Local Exchange Providers ("CLEC") in Utah: seven new CLECs were granted certificates and two CLECs relinquished their certificates. There were also a number of mergers, name changes and transfers of control within the CLEC industry.

Water Issues

During Fiscal Year 2008, the Division audited eleven regulated water companies and made recommendations for rate changes for two companies. In addition, four water companies who were reviewed were issued Certificates of Public Convenience and Necessity, and four other companies were issued Letters of Exemption from regulation by the Commission. The section also worked extensively with three other companies on Letters of Exemption that ultimately could not be completed. The Section also reviewed and issued recommendations for one complaint pertaining to a water company. This complaint, filed against Dammeron Valley Water Works, required extensive review and analysis of company billing statements for the last three years.

The Division collaborated with the Division of Drinking Water (DDW) to develop a Memorandum of Understanding whereby the two divisions will jointly create a training program to ensure that future water systems are built to DDW standards. This program provides training of county planning agencies on the respective roles of DDW and DPU, which took place in August 2008.

The Telecommunications and Water Section is split into several functional teams to optimize staff workload and provide opportunities for cross-training among staff members. As part of their responsibilities, audit teams conduct site visits or desk audits for 25% of their respective companies each year. This approach facilitates regulatory compliance and allows the Division of Public Utilities to better understand the needs and concerns of the utilities it regulates.

Energy Section

The Energy Section assists the Public Service Commission (PSC) in regulating electric and natural gas utilities. Electric utilities that are subject to PSC jurisdiction include Rocky Mountain Power, rural electric cooperatives, and one electric service district. Questar Gas Company is the only regulated natural gas company in the state. The Division also actively follows and participates in proceedings before the Federal Energy Regulatory Commission (FERC), as well other national or regional organizational meetings involving issues relevant to Utah's energy consumers.

Electricity

During the past fiscal year the energy section worked on a variety of issues affecting Utah ratepayers. Rocky Mountain Power filed an application for a \$162 million rate increase in December 2007. The Company's request was subsequently reduced to approximately \$75 million. Between December 2007 and July 2008, Division auditors and other staff members investigated the basis for the request and determined that a substantially lower rate increase was justified instead.

Utah's demand for electricity continues to grow at a relatively fast rate. The Division continues to encourage Rocky Mountain Power to address its peak load periods with innovative conservation programs, including special "interruptible" rates for industrial customers who agree to forego guaranteed service during peak periods and Demand Side Management (DSM) programs. The DSM Tariff Rider, used to fund DSM programs, remains operative and collects approximately \$3 million annually.

Currently, several energy programs are in place including:

"Cool Cash" provides incentives for residential customers to purchase more efficient home cooling systems.

"Cool Keeper" provides incentives for participation in a program that allows Rocky Mountain Power to control customer's air conditioning load.

"Refrigerator Recycling Program" is designed to get older, more inefficient refrigerators out of circulation.

"Home Energy Savings Program" offers cash incentives to qualified contractors to help make homes more energy efficient.

"Energy Analysis Survey" offers an easy way, either on-line or by mail, to evaluate and find ways to easily improve home energy efficiency.

The growth in demand in Utah means that Rocky Mountain Power must acquire additional resources to meet its load requirements. The Division and other interested parties are actively exploring how to promote competition to the benefit of Utah ratepayers. Utilities are required to hold a competitive bidding process for new generation resources to ensure that they are obtained at the lowest cost.

In the recent past, Rocky Mountain Power has issued several requests for proposals for new generation resources and is currently in negotiations with several counterparties to acquire resources to help meet Utah's energy needs. These additions include renewable energy that will help the Company meet the goals for renewable and clean energy resources under Senate Bill 202 (which was passed during the 2008 Legislative Session and sets goals for renewable energy use in Utah).

Energy Section

Natural Gas

Questar Gas Company also filed a rate case in December 2007. Following the application filing, Division staff reviewed the requested rate increase and concluded that the Company was entitled to an increase less than the Company's request. The Division, along with other parties in the case, negotiated a settlement on revenue issues. The settlement, which was adopted by the PSC, resulted in a rate increase of approximately \$2 million per year. Division staff litigated the rate of return for the Company before the PSC. The PSC awarded a return of 10% to the Company and an overall increase of approximately \$12 million, just over half of Questar's original request. The cost of service and rate design portions of the case have been carried over to the new fiscal year.

A one-year review of Questar's decoupling pilot was conducted in the Fall of 2007. The pilot program allows Questar to recover its non-gas distribution costs through a balancing account while promoting and offering conservation programs that help customers reduce their natural gas consumption. Based on the review, the PSC approved the continuation of the pilot program through the Fall of 2008. The Division continues to monitor both the balancing account and the conservation programs offered by the Company to ensure that the program is cost effective. The Division anticipates that the Company will file a rate case in the near future when a more comprehensive review of the program will take place and potential modifications to the program will be considered.

Staff Highlights

Paul Hicken is a Utility Analyst in the Telecommunications and Water Section. Paul's years of experience as a legislative auditor and his diligence have served the Division well, not only in the auditing of water utilities, but also in the performance of duties that benefit the entire utility regulatory community. Paul monitors the state's Public Utility Regulatory Fund and is responsible for assessing regulated utilities' annual fees – the fees that keep the Division, as well as the Public Service Commission and Committee of Consumer Services in operation.

Shauna Benvegna-Springer is a Utility Analyst in the Telecommunications and Water Section. Since Shauna came to the Division in September in 2007, she has undertaken an initiative to increase our cooperation with the Division of Drinking Water and to better educate small water utilities regarding regulatory reporting. She has also brought her wealth of administrative experience to assist staff in all of the Division's sections with procurement and contracting. She even assisted the Energy Section in its analysis of the Chehalis power plant purchase.

Public Utilities Announces New Director, Philip Powlick

Philip Powlick was appointed as Director of the Division of Public Utilities in February 2008. Phil previously worked at the Department of Natural Resources as a Manager of the State Energy Program, was the Energy Office Director with the Indiana Department of Commerce and was a professor of Political Science at various universities. He holds a Doctor of Philosophy in Political Science from the University of Pittsburgh, a Masters of Public and International Affairs from the University of Pittsburgh, and a Bachelor of Arts from Cornell

Questions specific to the Division of Public Utilities may be directed to:



Philip Powlick, Director
Division of Public Utilities
(801) 530-6659 philippowlick@utah.gov



Division of Real Estate

Mission

Our mission is to protect the public through education, licensure and regulation of appraisal, mortgage, and real estate professionals.

The Division's informal mission statement is to "make things as easy as possible for the good guys and as difficult as possible for the bad guys".

Internal Efficiencies

The Division of Real Estate (DRE) improved the Fiscal Year 2007 achievement of a one-day license processing backlog to achieve no backlog for processing real estate and mortgage licenses and license renewals. The elimination of the backlog allows Division licensing staff to improve customer service by responding quickly to individual licensee requests.

Examples of other improvements to division efficiencies include:

- 1) Streamlined the complaint screening process so unnecessary cases are not opened and other investigators can focus on their cases and the most serious offenders.
- 2) Increased the capabilities of the Division's online license renewal system so more licensees can perform licensing actions online.
- 3) Streamlined the case management process so cases are resolved more quickly once they are opened.
- 4) Added two licensing staff to eliminate the licensing backlog and respond more quickly to customer needs.
- 5) Decreased from two minutes to less than one minute the average time a person spends holding on the phone while waiting for help from Division staff.

The Division's motivated and dedicated staff are the reason the Division continues to develop methods to improve productivity and efficiency.



Wildflowers by Mt. Timpanogos

Fiscal Year 2008 Highlights

Enforcement

The Division of Real Estate significantly increased enforcement actions against licensees who violated licensing laws, increasing actions from 144 in Fiscal Year 2007, to 402 in Fiscal Year 2008. With only one additional investigator, the Division achieved the following increases:

- 28 appraiser actions, up from 5 in FY 2007
- 195 mortgage actions, up from 27 in FY 2007
- 179 real estate actions, up from 112 in FY 2007

Mortgage Fraud Task Force

On October 25, 2007, Governor Jon Huntsman announced the formation of the Utah Mortgage Fraud Task Force, a multi-agency group representing local, state and federal enforcement agencies to address mortgage fraud in Utah. The Division of Real Estate has taken this new role seriously and has already referred many mortgage fraud cases to law enforcement for criminal consideration.

Online Renewal System

DRE successfully completed roll out of the “online license management system” that allows licensees to manage individual licenses via the Division’s web site. The system allows licensees to complete licensing actions online including renewing licenses, managing company rosters, and updating addresses, license status and company affiliation. Appraisers will come online next year.

Public Information Campaigns

The Division of Real Estate conducted two public information campaigns using public service announcements on local television stations to educate citizens about the dangers of mortgage fraud.

Industry Outreach

Conducted industry outreach by visiting and training licensees in Richfield, Moab, St. George, Logan, Lindon, Layton, Roosevelt, Park City and surrounding areas.



This is the Place State Park

Education

The Division of Real Estate serves customers in three main areas; Education, Licensure, and Enforcement.

Education

Within the appraisal, mortgage and real estate industries, the Division is charged with certifying *courses* and *providers* for both pre-licensing and continuing education. The Division also, through a private contractor, administers pre-licensing examinations for all three industries.

Additionally, the Division produces and provides courses and information directly to licensees, as well as publishing a quarterly newsletter for licensees.

The Division has an Education Coordinator for each of the three industries, as well as a Licensing and Education Director who oversees the activities outlined above.

The following tables show the number of certifications and exams over the past three years.

Certifications	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
Educational Programs	24	16	32
Real Estate Continuing Education Classes	659	815	1,202
Real Estate Pre-Licensing Instructors	46	54	68
Real Estate Continuing Education Instructors	369	486	467
Mortgage Continuing Education Classes	308	395	733
Mortgage Pre-Licensing Instructors	53	62	47
Mortgage Continuing Education Instructors	102	156	153
Appraiser Instructors	29	28	25
Pre-Licensing Examinations	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
Real Estate Agent Exams	5,606	4,235	3,357
Real Estate Broker Exams	426	394	389
Mortgage Lender Exams	4,365	2,522	2,177
Mortgage PLM Exams	1,905	429	395
Appraiser Exams	130	101	299



Downtown Salt Lake City

Licensing

Licensure

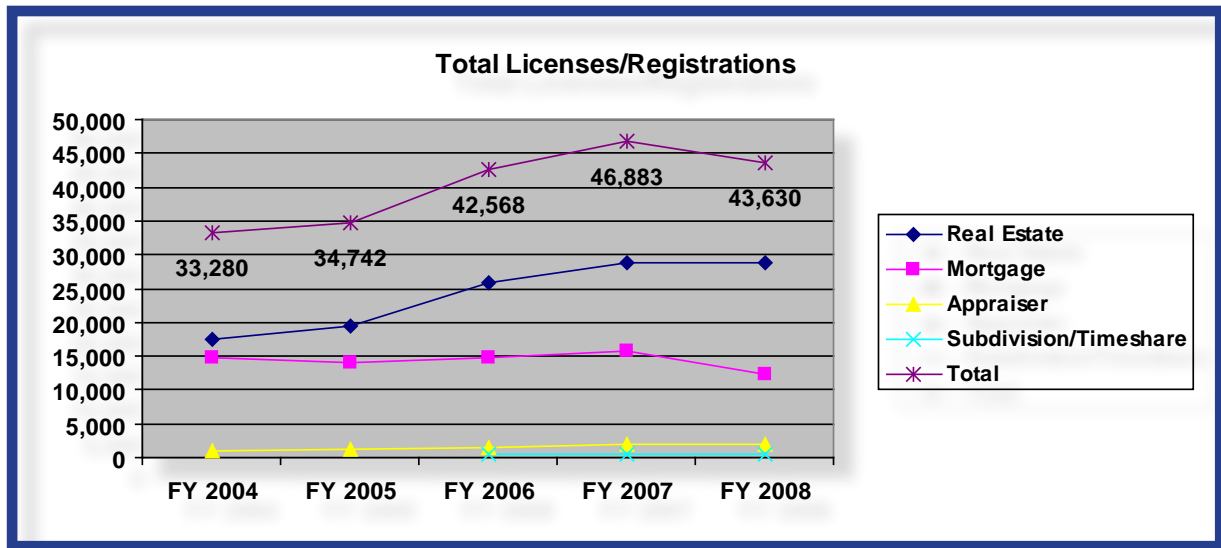
The first few years in the early 2000's saw a notable decrease in the number of appraisers. Since hitting a low of 991 appraisers in FY 2003, the State has seen a steady increase. At the end of FY 2008 there were 2,064 licensed/certified appraisers and appraiser trainees.

The number of new licensees for both real estate and mortgage increased for the first months of FY 2008, then ended its multi-year growth with a decrease in licensee numbers. Total licensing numbers for FY 2008 were down 7%. The Division has worked hard to maintain a high level of customer service whether customer numbers are increasing or decreasing.

The licensing staff consists of Licensing Specialists for each of the three industries, as well administrative staff support for scanning/filing, license updates, and reception. The Licensing and Education Director oversees these efforts.

Total Number of Licenses/Registrations				
Licenses/Registrations	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
Real Estate	19,405	25,829	28,833	28,735
Mortgage	14,001	14,756	15,702	12,354
Appraiser	1,336	1,561	1,859	2,064
Subdivision/Timeshare	-	422	489	477
TOTAL	34,742	42,568	46,883	43,360
New Licenses/Registrations Issued				
Licenses	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
Real Estate	3,609	4,666	5,697	3,591
Mortgage	2,944	3,669	3,649	2,032
Appraiser	99	160	481	531
Timeshare	194	156	199	216
TOTAL	6,846	8,651	10,026	6,370
Licenses/ Registrations Renewed				
Licenses	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
Real Estate	6,8637	7,601	8,071	9,340
Mortgage	3,296	1,998	3,065	3,367
Appraiser	539	390	544	463
Timeshare	69	122	135	185
TOTAL	10,767	10,111	11,815	13,355

Total Registrations: Fiscal Year 2008



Enforcement

One of the Division's primary duties is to protect the public through the enforcement of appraiser, mortgage and real estate statutes and regulations. The Division's enforcement staff consists of 11 Investigators and an Enforcement Secretary, as well as the Enforcement Director. In addition to audits and special assignments, the main source of information regarding licensees is the complaint process. This Division uses information obtained through complaints to regulate licensees. The Division does not mediate or resolve complaints between licensees and/or private parties and the Division does not represent individuals in legal actions.

When a complaint is received, an Investigator makes an initial determination as to whether a violation of the relevant law is alleged. Complaints are prioritized according to the seriousness of the allegation, current workload levels, as well as other variables. If a case is opened, an Investigator is assigned and will collect relevant documents and testimony. Based on the findings, the Investigator will recommend the appropriate disciplinary sanction, if any. If a sanction is recommended, the case is referred to a prosecutor in the Attorney General's Office and, if not resolved by settlement negotiations, will proceed to an administrative hearing before the appropriate Board/Commission. Possible sanctions include remedial education, fines, probation, and license suspension or revocation. Cases with possible criminal violations are referred to the Attorney General's Office, County Prosecutors, and U.S. Attorney's Office.

Division of Real Estate

Enforcement

Below are Division of Real Estate enforcement statistics for Fiscal Year 2008.

Fiscal Year 2008 Sanctions	Appraisal	Real Estate	Mortgage	Total
Remedial Education	5	19	1	25
Fines	20	30	22	72
Probation	0	68	51	119
Suspension	0	12	12	24
Revocation/Surrender	3	45	104	152
Cease and Desist	0	5	5	10
TOTAL	28	179	195	402

Complaints Received	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
Real Estate	328	429	559	675
Appraiser	91	85	89	142
Mortgage	313	251	345	401
Investigations Opened	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
Real Estate	337	329	289	215
Appraiser	80	61	47	85
Mortgage	162	110	71	104
Investigations Closed	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
Real Estate	208	657	329	220
Appraiser	34	34	26	106
Mortgage	60	104	91	136
Hearings	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
Real Estate	68	74	21	28
Appraiser	7	71	13	39
Mortgage	51	66	27	22
Active Investigations	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
Real Estate	281	191	179	175
Appraiser	80	103	121	100
Mortgage	111	127	99	68

Legislative Highlights



Senate Bills

S.B. 346 Division of Real Estate Related Amendments, Rep. Gage Froerer

This bill made both technical and substantive changes to the appraisal, mortgage, and real estate statutes in Titles 61-2, 61-2b, and 61-2c.

Highlights of substantive changes include; increased DRE oversight of appraiser trainees, permitted the Real Estate Commission and Division to issue a cease and desist order and take other action against a licensee without beginning another administrative process, increased penalties for violations of the state's appraisal and mortgage licensing provisions, changed the number of pre-licensing education hours a mortgage licensee must have from 20 to a number approved in rule that does not exceed 90 hours, and eliminated the "grandfathering" licensing provisions for principal lending managers.

S.B. 134 Mortgage Fraud Act, Sen. Sheldon Killpack

This bill created the crime of mortgage fraud by defined the crime of mortgage fraud, established penalties for mortgage fraud up to a second degree felony for most violations, required the Attorney General to hire a mortgage fraud prosecutor, with funding provided through the Appropriations Act, and increased penalties for DRE licensees who violate licensing laws or are convicted of mortgage fraud.



*Governor Jon Huntsman, Jr. Mortgage Fraud ceremonial bill signing
April 11, 2008 at Utah Department of Commerce*

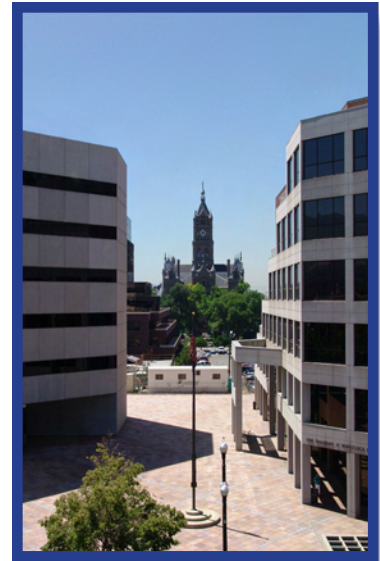
Staff Highlight

Staff Highlight

The Division of Real Estate salutes **Mark Fagergren**, Licensing and Education Director, for his never ending efforts to improve customer service to real estate, mortgage and appraiser licensees. Mark began with the Division in 1994 as an investigator and was placed over licensing and education in 2001. During his time managing licensing and regulation, Mark has overseen significant changes in regulation including: the initiation of mortgage broker licensure, an increase in total licensing numbers from 15,000 to over 40,000, online licensing and education services for licensees, the initiation of the principle lending manager (PLM) license, extensive changes to appraiser education and experience requirements, and rapid expansion of online licensee education.

Mark holds a degree in economics from the University of Utah, has a professional background in real estate and property management, served as director of a real estate school and is a Certified General Appraiser. He understands the challenges faced by hardworking real estate, mortgage, and appraisal licensees and tries to make the licensing and education process as easy as possible.

Mark oversees a dozen licensing and education staff and expects a high standard of customer service from each employee. Mark is enthusiastic in praising his employees for their day to day efforts. The Division of Real Estate, its staff, and the industries it regulates are lucky Mark Fagergren is part of the team!



*View of Salt Lake City Hall between
Heber M. Wells Building and Workforce Services*

Real Estate Announces New Director, Mark B. Steinagel

Mark Steinagel was appointed as Director of the Division of Real Estate in November 2008 after former Director, Derek Miller, took a position with the Governors Office of Economic Development. Mark previously worked with the Office of Legislative Research and General Counsel, holds a Masters of Public Administration from the Marriott School of Management at Brigham Young University and a Bachelors of Science degree in Geography from Brigham Young University where he was also a member of the Geographic Honor Society.

Questions specific to the Division of Real Estate may be directed to:



Mark Steinagel, Director
Division of Real Estate
(801) 530-6747 msteinagel@utah.gov



Division of Securities

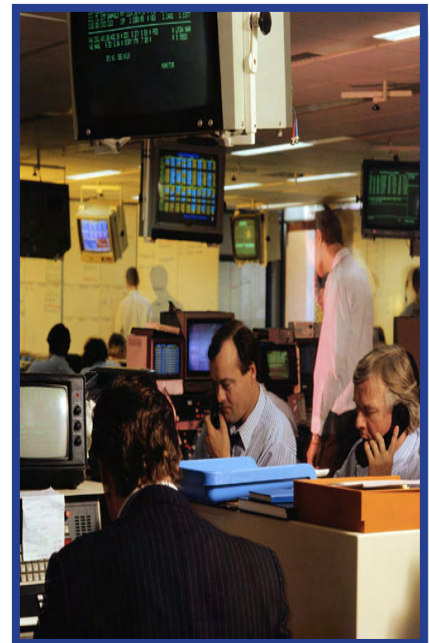
Mission

The Division of Securities enhances Utah's business climate by protecting Utah's investors through education, enforcement, and fair regulation of Utah's investment industry while fostering opportunities for capital formation.

Internal Efficiencies

During fiscal year 2008, the Division of Securities processed a total of 110,908 license applications (an increase of 6.4% over the previous fiscal year), reviewed a total of 6,395 securities filings (an increase of 4.6% over the previous fiscal year), and opened 149 new enforcement cases (an increase of 93.5% over the previous fiscal year). All of these increases occurred without any increase in staffing at the Division. The increased use of electronic filings and the use of uniform license applications has helped the Division to handle an ever-increasing work flow.

Three of the Balanced Scorecard metrics adopted by the Division of Securities in conjunction with Governor Huntsman's Utah Policy Partnership relate to productivity. The Division set a goal of reviewing and taking action on agent license applications within three days of receipt 98% of the time. During the year, over 99% of applications were approved or denied within three days. The second goal was to take action on incoming registration files (prospectuses for new offerings) within ten working days at least 90% of the time. We met this timetable over 98% of the time. The third goal was to conduct initial screenings of new enforcement complaints and respond to the complainants within three days – at least 80% of the time. Responding to this goal, the enforcement section screened new complaints within three days over 99% of the time.



Fiscal Year 2008 Highlights



Young Investor Education

The Division promotes financial literacy and investment knowledge among secondary school students by actively working with the Utah Council on Economic Education to promote the Stock Market Game. Junior and senior high school students form teams and compete to invest a hypothetical \$100,000. Awards are given twice yearly to the winning teams. Division employees also train secondary school teachers how the Stock Market Game works and teach student teams about the financial markets.

Media Coverage

The Division of Securities seeks media coverage of its actions to educate the public about investment fraud, account to citizens on how their government operates, and deter those offering fraudulent investments. News releases describing enforcement actions taken by the Division of Securities are posted on the Division of Securities' web site, along with a hyperlink to the case filings. Some of these news releases are sent to the media. The Division of Securities also releases an annual prediction of the top ten investment scams, to warn the public about the most common fraudulent schemes being pitched.

Customer Service

Licensing

The Division of Securities licenses and regulates those in the securities industry that sell securities, offer advice about securities, or manage the investments of others.

These include: broker-dealers, securities agents, investment advisers, investment adviser representatives, issuer agents, and certified dealers and their agents.

The number of license applications processed by the Division continues to climb, as shown on the chart below.



Licenses	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
Broker-Dealers	1,704	1,733	1,766	1,815	1,819
Broker-Dealer Agents	77,594	83,797	89,516	97,506	103,174
Investment Advisers	132	143	157	176	323
Federal Covered Advisers	643	701	1,398	877	945
I.A. Representatives	2,451	3,088	3,445	3,711	4,445
Certified Dealers	18	25	23	20	21
Certified Dealer Agents	78	85	90	97	72
Issuer Agents	83	87	83	117	109
TOTAL	82,625	89,574	96,478	104,319	110,908

Customer Service

Compliance and Enforcement

The compliance section of the Division of Securities conducts examinations of the operations of securities professionals and investigates complaints of misconduct. When misconduct is found, the Division will work with the licensed individual or firm to bring them into compliance with the applicable laws or initiate disciplinary proceedings against the licensee depending upon the nature of the violation or misconduct.

The Division of Securities actively seeks to identify those investment offerings that are fraudulent or otherwise fail to comply with the law's requirements. Enforcement is a key component in promoting legitimate capital markets by preventing the loss of investor monies to fraudulent schemes and promoting investor confidence in the integrity of the markets.

The Division becomes aware of possible frauds as a result of investor complaints, referrals from other government and consumer agencies, and the Division's own investigative efforts (including undercover work). For allegations that prove valid, the Division can bring enforcement actions administratively (cease and desist orders or licensing discipline), in civil court (seeking court-imposed injunctions and restitution), or by referring cases for criminal prosecution. The Division works closely with criminal prosecutors in the U.S. Attorney's Office, the Utah Attorney General's office and multiple counties to obtain criminal convictions against the most egregious violators.

The following chart summarizes some of the Division's compliance and enforcement activities.

Compliance and Enforcement	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
Complaints Received	171	98	85	115	162
Cases Opened	87	70	61	77	149
Cases Closed	86	66	47	75	126
Administrative Cases					
Cases Filed	70	55	87	108	123
Orders to Show Cause	41	13	63	82	115
Cease and Desist Orders	32	8	7	44	26
Stipulated Settlements	29	30	4	30	0
Denials and Revocations	20	4	11	13	2
Civil Cases					
Lawsuits Filed	0	1	7	2	1
Judgments	2	0	1	0	0
Criminal Cases					
Criminal Charges Filed	54	35	19	24	34
Convictions	38	20	9	12	9
Pleas in Abeyance			9	4	3
Audits	50	36	54	23	34
Fines Paid	\$3,353,142	\$880,333	\$450,393	\$690,066	\$210,090
Restitution Ordered	\$28,167,307	\$63,649,804	\$2,480,666	\$25,026,659	\$31,036,757

Customer Service

Registration/Corporate Finance

Another key component of the Division's efforts to promote legitimate capital markets is to register securities offerings that are qualified to be sold in this state and review the adequacy of disclosures to potential investors by companies offering certain types of securities. In addition, Division employees spend considerable time meeting with companies seeking to raise capital to explain the many options for raising capital and to discuss how to improve the quality of disclosure to potential investors.

The chart below lists the number of registrations, exemption offerings, and other filings reviewed by the Corporate Finance Section of the Division.

Securities Filings	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
Registrations Coordination Qualification	136 1	146 2	128 1	123 1	116 0
Exemptions	63	36	41	40	50
Opinion/No Action Letters	3	7	4	4	3
Mutual Funds	3,998	4,252	4,514	4,911	5,150
Rule 506	531	659	808	1032	1,076
Total	4,732	5,102	5,496	6,111	6,395



Matheson Courthouse, Salt Lake City

Investor Education



The Division of Securities exerts significant effort in not only punishing those who engage in investment fraud, but also trying to prevent future losses due to fraud. The best way to *prevent* investment fraud is by educating investors, those raising capital and professionals who deal with finances. During fiscal year 2008, the Division presented at 22 seminars directed at investors, reaching 2,500 citizens. Among these are specialized education efforts, including the following:

Seniors

Partnering with AARP, the Division made presentations to hundreds of seniors in Park City, Richfield, and Brigham City.

Division employees also educated seniors about investment fraud through the Senior Expo, Logan and Utah Valley Estate Planning Councils, and a presentation at the Utah Caregiver Conference.

Secondary Schools

The Division is a board member of, and financial contributor (through the Investor Education and Training Fund) to, the Utah Council on Economic Education. The UCEE sponsors the Stock Market Game that reached 2,725 students in 48 Utah schools, giving them an opportunity to understand stock quotes, research companies, experience simulated trading, and apply current events in our economy. In addition, Division employees visit classrooms to teach students and participated in training 55 new Stock Market Game advisors and 57 teachers statewide on financial literacy.

Professional groups

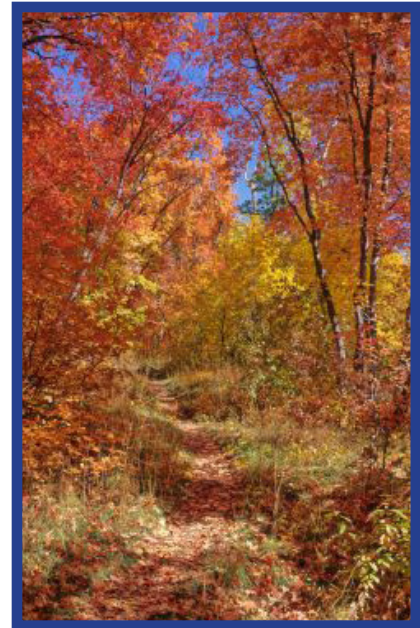
Employees in the Division are active in professional groups relating to securities topics including the Securities Section of the Utah State Bar and the capital formation group, the Wayne Brown Institute. Division staff has presented seminars to multiple professional audiences.

Staff Highlight

Staff Highlight

Dave Hermansen has worked for the Division of Securities for 17 years. His career in the securities industry began in 1981 working as a stockbroker for Western Capital & Securities and AAA Capital & Securities. In 1991, he joined the Division of Securities and quickly advanced to the position of lead auditor in the licensing section, conducting examinations and investigations of brokerage firms and agents. Dave was selected by the National Association of Securities Dealers to lead a multi-state task force to investigate a “boiler room” brokerage firm in New York. As a result of the investigation the firm ceased operations. He is currently an investigator for the enforcement section investigating allegations of investment fraud and working with prosecutors to bring cases to trial. With his 25 years of experience, Dave is the enforcement section’s “go to guy” for industry information. In January of this year, Dave received a “Letter of Commendation” from Governor Jon Huntsman, Jr. for his work on an investigation that led to the return of \$863,000 for victims in a southern Utah fraud case. In addition to his enforcement duties, he recently volunteered to work as an examiner in the corporate finance section of the Division reviewing registrations.

Dave attended the University of Utah and graduated from Weber State University with a teaching degree in secondary education. Just for fun! Dave spends his weekends working on his cattle ranch located in the mountains of central Utah.



Mill Creek Canyon Fall Colors

Securities Announces New Director, Keith Woodwell

Keith Woodwell was appointed Director of the Division of Securities in March 2008. Keith was previously with the U.S. Central Intelligence Agency, held a position as Associate General Counsel to the Utah Legislature, graduated Magna Cum Laude in 1995 with a Juris Doctorate from Brigham Young University’s Law School and graduated Magna Cum Laude in 1991 with his Bachelor of Arts degree in Philosophy, Minor in International Relations from Brigham Young University

Questions specific to the Division of Securities may be directed to:

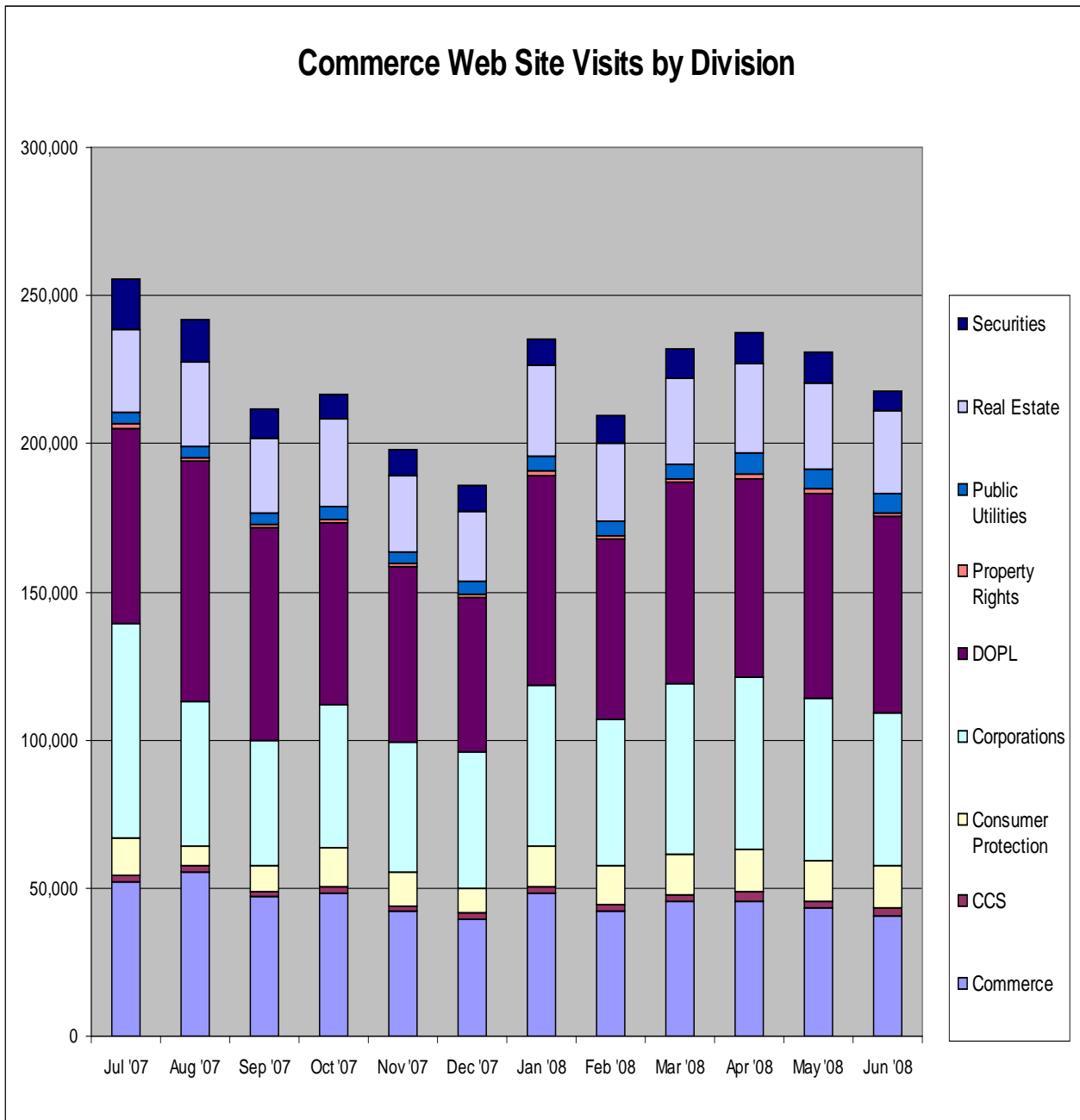


Keith Woodwell, Director
Division of Securities
(801) 530-6600 kwoodwell@utah.gov

Web Trends



The Department of Commerce continues to improve customer service across all Divisions through our online business, information and licensing services. The table below reflects monthly visitor totals and online adoption by division.



Web Trends



Division of Corporations and Commercial Code <u>Certificates of Existence</u>	Fiscal Year 2008
Phone/Mail/Walk-In Transactions	678
Online Transactions	11,337
Total Transactions	12,015
Online Adoption	94.36%

Division of Corporations and Commercial Code <u>Annual Business Renewal</u>	Fiscal Year 2008
Phone/Mail/Walk-In Transactions	22,111
Online Transactions	149,447
Total Transactions	171,558
Online Adoption	87.11%

Division of Corporations and Commercial Code <u>Registration Information Change Form</u>	Fiscal Year 2008
Phone/Mail/Walk-In Transactions	6,288
Online Transactions	55,080
Total Transactions	61,368
Online Adoption	89.91%

Division of Corporations and Commercial Code <u>Uniform Commercial Code Filings</u>	Fiscal Year 2008
Phone/Mail/Walk-In Transactions	8,281
Online Transactions	14,834
Total Transactions	23,115
Online Adoption	64.17%

Division of Corporations and Commercial Code <u>Uniform Commercial Code Continuation Filings</u>	Fiscal Year 2008
Phone/Mail/Walk-In Transactions	1,029
Online Transactions	3,544
Total Transactions	4,573
Online Adoption	77.50%

Web Trends



Division of Corporations and Commercial Code <u>Uniform Commercial Code Termination Filings</u>	Fiscal Year 2008
Phone/Mail/Walk-In Transactions	1,630
Online Transactions	7,832
Total Transactions	9,462
Online Adoption	82.77%

Division of Corporations and Commercial Code <u>Uniform Commercial Code Certified Searches</u>	Fiscal Year 2008
Phone/Mail/Walk-In Transactions	146
Online Transactions	1,119
Total Transactions	1,265
Online Adoption	88.46%

Division of Corporations and Commercial Code <u>One Stop Online Business Registration</u>	Fiscal Year 2008
Phone/Mail/Walk-In Transactions	36,750
Online Transactions	18,751
Total Transactions	55,489
Online Adoption	34.10%

Division of Corporations and Commercial Code <u>Business Entity Search - Images</u>	Fiscal Year 2008
Phone/Mail/Walk-In Transactions	1,011
Online Transactions	34,336
Total Transactions	35,347
Online Adoption	97.14%

Division of Corporations and Commercial Code <u>Registered Principal Search</u>	Fiscal Year 2008
Total Online Transactions	28,955
	100%

Division of Corporations and Commercial Code <u>Registered Principal Search through Business Entity</u>	Fiscal Year 2008
Total Online Transactions	184,481
	100%

Web Trends



Division of Occupational and Professional Licensing <u>Verifications</u>	Fiscal Year 2008
Phone/Mail /Walk-In Transactions	2,557
Online Transactions	1,000
Total Transactions	3,557
Online Adoption	28%

Division of Occupational and Professional Licensing <u>Verification Page Views</u>	Fiscal Year 2008
Total Online	3 ,381,673

Division of Occupational and Professional Licensing <u>Professional License Renewal</u>	Fiscal Year 2008
Phone/Mail /Walk-In Transactions	17,379
Online Transactions	66,356
Total Transactions	83,735
Online Adoption	79%

Division of Real Estate <u>License Renewal</u>	Fiscal Year 2008
Phone/Mail/Walk-In Transactions	3,558
Online Transactions	8,854
Total Transactions	12,412
Online Adoption	71%

Division of Real Estate <u>License Management System (RELMS)</u>	Fiscal Year 2008
Phone/Mail/Walk-In Transactions	8,743
Online Transactions	9,558
Total Transactions	18,301
Online Adoption	52%

Division of Real Estate <u>License Verification System (RELVS)</u>	Fiscal Year 2008
Total Online	568,869

Utah Department of Commerce Financial Summary 2008



FY 2008 Expenditure Summary

Department of Commerce Expenditures Fiscal Year 2008

Expenditures by Division:

Administration	\$3,690,000
DOPL	\$7,645,000
Securities	\$1,569,000
Consumer Protection	\$1,203,000
Corporations	\$1,950,000
Real Estate	\$1,737,000
Public Utilities	\$2,844,000
Committee of Consumer Services	\$997,000
Building Rent	\$225,000
Total	\$21,864,700

Utah Department of Commerce



Heber M. Wells Building

Utah Department of Commerce
Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84111

www.commerce.utah.gov