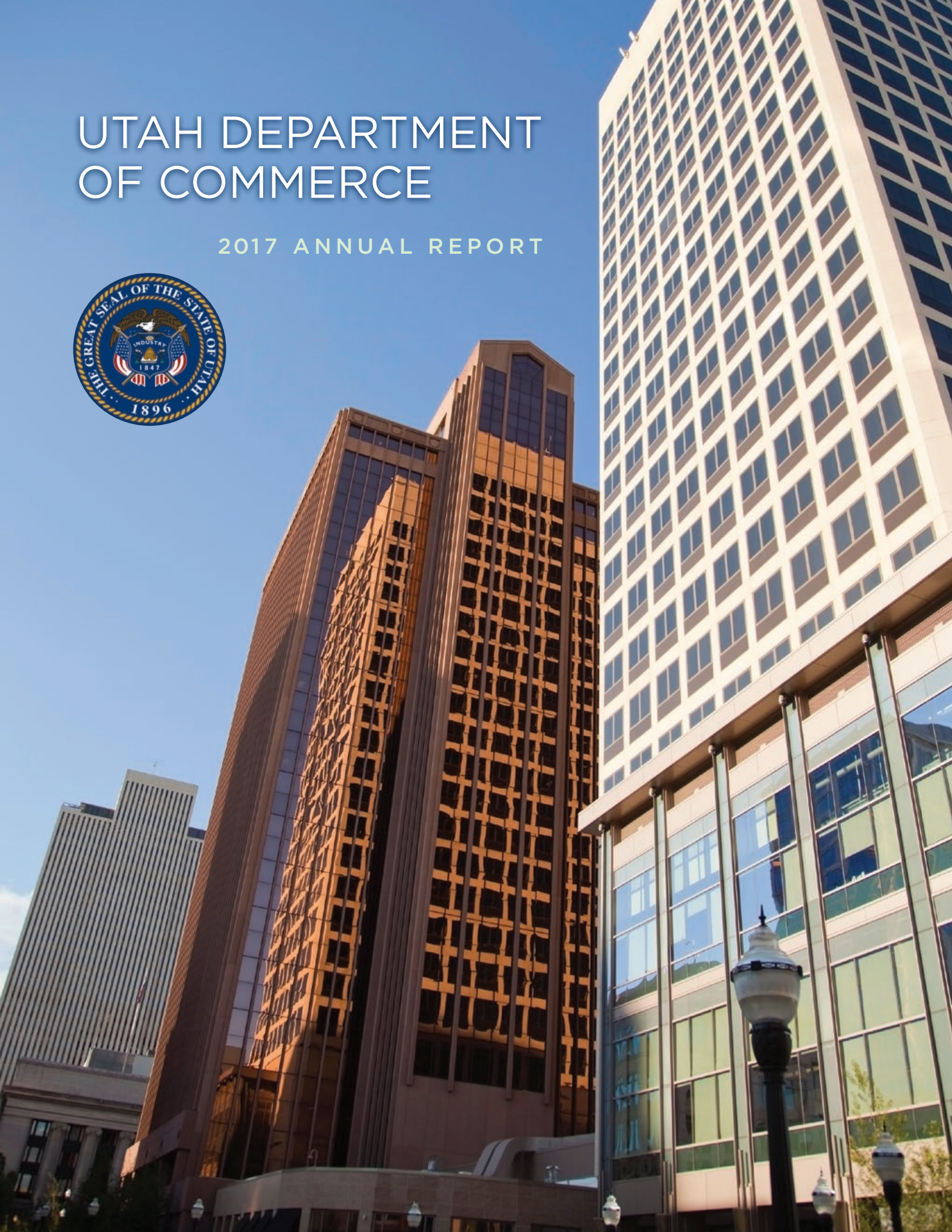


UTAH DEPARTMENT OF COMMERCE

2017 ANNUAL REPORT



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.

TABLE OF CONTENTS

- 1 Governor's Statement / Executive Director's Statement
- 2 Department of Commerce Cornerstones | 2017

Division Reports

- 4 Administration
- 7 Office of Consumer Services
- 10 Consumer Protection
- 14 Corporations & Commercial Code
- 20 Occupational & Professional Licensing
- 26 Office of the Property Rights Ombudsman
- 28 Public Utilities
- 32 Real Estate
- 38 Securities
- 42 Web Trends
- 45 Financial Summary

MESSAGE FROM GOVERNOR GARY R. HERBERT



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

GARY R. HERBERT
GOVERNOR

SPENCER J. COX
LIEUTENANT GOVERNOR

Dear Reader,

It is my pleasure to introduce the 2017 annual report for the Utah Department of Commerce. The regulation and licensing services, provided by the eight divisions within the Department of Commerce, have actively protected Utahns from frauds and scams. By providing users friendly services both in person and online, issuing licenses to professionals across hundreds of industries, and by protecting the rights of consumers, the dedicated employees at the Utah Department of Commerce have earned the trust of our residents by helping to make Utah one of the most trusted states for conducting business in the nation.



Utah was named the #1 State for Economic Outlook by *Rich States, Poor States*, the #1 Best State for Employment by *U.S. News and World Report*, and the #1 State for Business by *24/7 Wall Street*. The efforts and initiatives of Utah's Department of Commerce help to make Utah a trusted state for conducting business.

As Utah's economic climate continues to evolve, I am confident in our Department of Commerce, which continues to look for innovative ways to adapt and meet the needs of our changing population.

Sincerely,

Gary R. Herbert
Governor

MESSAGE FROM FRANCINE A. GIANI, EXECUTIVE DIRECTOR



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah Department of Commerce

FRANCINE A. GIANI
Executive Director

THOMAS A. BRADY
Deputy Director



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

It is my pleasure to present the Annual Report for Fiscal Year 2017 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, 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. The following are highlighted achievements for each Division:

Administration represented Utah in obtaining over \$7M in state fines collected from the Volkswagen emissions settlement to fund the purchase of clean CNG school buses initiatives.

Office of Property Rights Ombudsman conducted 140 formal mediations, arbitrations for property owners.

Office of Consumer Services actively participated both in the informal settlement discussions and the litigated proceeding to ensure all residential and small customers fairly both those with and without rooftop solar.

Division of Consumer Protection recovered over \$12 M in benefits for consumers.

Division of Corporations and Commercial Code updated One Stop Online Business Registration program to provide easier, faster services for end users registering businesses or DBA's online.

Division of Occupational and Professional Licensing implemented a new and improved Controlled Substance Database (CSD) to provide health care practitioners better information when determining whether or not to prescribe or dispense controlled substances such as opioids.

Division of Public Utilities Pipeline Safety conducted comprehensive inspections of Questar Gas Company operations, municipal gas distribution operators, and intrastate transmission operators to ensure public safety.

Division of Real Estate processed 84.36% of incoming applications within five working days to meet Governor Herbert's SUCCESS goals to increase efficiency in state government.

Division of Securities presented 68 investor seminars to 14,096 attendees to protect Utahns from fraud.

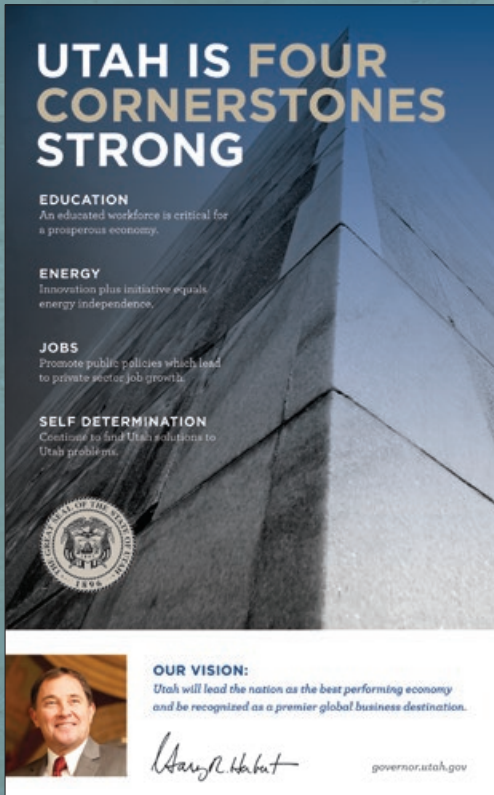
Commerce employees look forward to serving the citizens of Utah and building on our accomplishments in 2017. I invite you to visit our website at www.commerce.utah.gov to learn more about the Utah Department of Commerce.

Respectfully yours,
Francine A. Giani, Executive Director

160 East 300 South, 2nd Floor, PO Box 146701, Salt Lake City, UT 84114-6701
telephone (801) 530-6701 • facsimile (801) 530-6446
www.commerce.utah.gov



UTAH DEPARTMENT OF COMMERCE CORNERSTONES 2017



ADMINISTRATION

E**ducation:** The Department of Commerce supports ongoing goals to educate the public and licensees on agency services to support a positive and robust business environment in Utah.

Energy: The Department of Commerce represented Utah as an agency with the AG in obtaining over 7 million in state fines collected from the Volkswagen emissions settlement to fund the purchase of clean CNG school buses in support of the Governor's emissions reduction initiatives.

Jobs: The Department of Commerce aims to control business costs through fiscal responsibility by keeping license fees stable to encourage business growth across all licensing Divisions.

OFFICE OF CONSUMER SERVICES

Energy: The Office proactively participates in the demand-side management (DSM) advisory groups for Rocky Mountain Power and Questar Gas. Energy efficiency is an important energy resource, especially to lessen the impact of Utah's growing demand for electricity. The Office supports cost-effective conservation and energy efficiency programs as being in the interest of all customers, customer rates, reliability of service, and public policy issues.

DIVISION OF CONSUMER PROTECTION

Education: The Division presents in various settings to educate consumers and businesses.

Energy: The Division has implemented the Governor's idling policy with regard to motor vehicles. During FY 2017, the Division phased out its last old fleet vehicle, replacing it with a fuel-efficient hybrid vehicle.

Jobs: By continuing to monitor business compliance with the Consumer Sales Practices Act and other statutes, the Division helps achieve a more level playing field for companies that deal fairly with consumers.

Self-Determination: The Division continues to regulate immigration consultants to ensure that immigration consultants lawfully assist consumers.

DIVISION OF CORPORATIONS

Jobs: The Division's One Stop Online Business Registration (OSBR) continues to be a premiere online system. The One Stop Business Registration program has even more enhancements. The OSBR Group was able to target problem areas based on customer input and adapt the flow of the application to allow for a more user-friendly experience.

DIVISION OF OCCUPATIONAL AND PROFESSIONAL LICENSING (DOPL)

Jobs: The Governor describes the jobs goal as "The role of government is to empower the private sector - to create a stable and predictable business environment, and to stay off your backs and out of your wallets." For contractors, DOPL implemented the Utah Legislature's directive to only regulate the contractors when necessary to protect the public health, safety and welfare. Based on the Governor's goal and the Utah legislature's recent direction, DOPL and the Construction

Services Commission are consolidating many of the specialty contractor licenses and have eliminated exam and experience requirements for specialty contractor licenses — reducing regulation and increasing the scope of practice for certain specialty contractor licensees -- resulting in increased business opportunity for specialty contractors and reducing barriers to entry into the contracting profession.

With the passing of HB287, the Division drafted rules to implement two new licenses - hair designer and hair design school. These licenses will allow individuals to pursue careers in the hair design industry. Previously, those interested in hair design were required to complete education that included esthetics and nail technology under the cosmetology license. The exam provider has developed a specific exam and will have it available to candidates on or about November 1, 2017.

DOPL focused on sending out email reminder notices for renewal prior to the 60 day requirement. This has helped all licensees by allowing them to renew and continue to work without worry of the status of their license. It has had a larger impact on some of the medical professions where the employers may require the licensees to be renewed prior to the expiration of their license for scheduling purposes.

Self-Determination: DOPL implemented a new and improved Controlled Substance Database (CSD) that permits health care practitioners better information when determining whether to prescribe or dispense controlled substances such as opioids. Without the CSD and the improvements to the CSD, the federal government, states, local governments, and healthcare professionals would be limited in the public health decisions for patients. In addition, the federal government has taken an interest in and is funding grants for states that improve their databases like the CSD.

OFFICE OF PROPERTY RIGHTS OMBUDSMAN

Education: The attorneys in the Office provide numerous training sessions for various local agencies and associations throughout Utah. One of many is the co-creation and implementation of the Land Use Academy of Utah, which provides internet-accessible training for local government officials in urban and rural areas.

Energy: The Office utilizes various public transit systems such as UTA and GREENBike in an effort to conserve energy including participation in various programs such as "Healthy Utah, Idle-free zones, and the Clear the Air Challenge."

Jobs: The Office provides internship opportunities for law students to provide hands-on legal experience in an effort to help students develop much needed legal skills before and after graduation.

Self-Determination: The attorneys at the Office worked closely with legislators, lobbyists, and other stakeholders to ensure laws passed will protect the property rights of citizens. Self Determination: The Attorneys at the OPRO continue to work closely with legislators, lobbyists, and other stakeholders to ensure laws passed would protect the property rights of citizens.

DIVISION OF PUBLIC UTILITIES

Energy: The Division of Public Utilities helps ensure Utahns' access to safe, adequate, and reliable energy at reasonable rates. In Fiscal Year 2017, the Division worked with Rocky Mountain Power and Questar Gas and interested parties on numerous matters to preserve Utah's advantageous utility rates and reliable service. This includes proceedings to properly set rates for net metering customers, negotiations with other states to ensure Utah maintains low rates while preserving its ability to determine its own energy policies. Furthermore, Division activities helped

ensure the safety of Utah's intrastate natural gas infrastructure, including an aggressive replacement program for aging or vulnerable pipelines.

DIVISION OF REAL ESTATE

Education: Division representatives spoke at twenty different events in an effort to educate licensees on trends and changes to regulation as well as answer specific questions practitioners have about their respective industries.

Energy: The Division now has a system in place that allows all applicants the ability to apply for a license online. In addition, over 95% of all licensees renew their license online. These two systems make it easier to apply for and renew a license as well as reduce the amount of paper the Division uses.

Jobs: Over the past four years, the Division of Real Estate has improved license processing efficiency by 59%. With faster license processing times, real estate professionals can better assist Utah buyers and sellers.

DIVISION OF SECURITIES

Education: During FY 2017 the Division of Securities oversaw the administration and management of the Stock Market Game™ in Utah, setting new records for teacher and student involvement in the game. In each semester of the 2016-2017 school year over 1,000 student teams (each comprised of 3-5 students) invested a mock portfolio of \$100,000 over a ten-week period. Students learned how to research stocks, bonds and mutual funds and evaluate the short-term and long-term risks and rewards of various investments. These students gained valuable insights on how the economy and capital markets function in our country. Division of Securities staff trained and worked with teachers around the state to help them implement this fun learning experience in their classrooms.



MISSION STATEMENT

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:

- » Office of Consumer Services (OCS)
- » Division of Consumer Protection (DCP)
- » Division of Corporations and Uniform Commercial Code (CORP)
- » Division of Occupational and Professional Licensing (DOPL)
- » Division of Public Utilities (DPU)
- » Division of Real Estate (DRE)
- » Division of Securities (DS)

UTAH DEPARTMENT OF COMMERCE ADMINISTRATION

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 during the fiscal year 2016-2017. Additional cost savings are included in each Division's report.

UTAH DEPARTMENT OF COMMERCE AGENCY BUDGET HIGHLIGHTS FY 2017

- » General Travel expenditures for FY 2017 totaled less than .5% of the Commerce Service Budget, due to ongoing heightened scrutiny of travel authorizations.
- » Prolonging the useful life of IT equipment and employee workstations contributed to savings of 13% in information technology expenditures.
- » Replaced three fleet fuel midsize vehicles with hybrid vehicles to reduce emissions and improve fuel economy.
- » Represented Utah as an agency with the AG in obtaining over 7 million in state fines collected from the Volkswagen emissions settlement to fund the purchase of clean CNG school buses.

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

NEW AUTOMOBILE FRANCHISE ACT AND POWERSPORT VEHICLE FRANCHISE ACT

Franchise Cases	FY 2015		FY 2016		FY 2017	
	Filed	Closed	Filed	Closed	Filed	Closed
Motor Vehicle....	3	6*	1	1	1	1
Powersport Vehicle....	0	0	1	1	0	0

**3 additional closed cases included one FY 2014 case and two were remanded to the Commerce Administrative Hearing Judge in FY 2015 by Third District Court.*

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 a 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.



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.

Agency Review Statistics	Total	DCP	CORP	DOPL	DRE	DS
Filed	37	4	2	29	1	1
Closed	37	6	2	28	1	0
Affirmed	16	4	2	10	0	0
Remanded..	6	0	0	6	0	0
Dismissed...	14	1	0	12	1	0
Reversed....	0	0	0	0	0	0
Modified....	1	1	0	0	0	0



PUBLIC OUTREACH

Administration participated in media interviews, created and aired public service announcements throughout the state through local television as well as presenting at several Utah events to educate the public about consumer fraud awareness topics.



DECLUTTER DAY 2017

On May 12, 2017 the Utah Department of Commerce hosted its fourth annual "Declutter Day" free public event. Commerce employees partnered with Big Brothers Big Sisters of Utah, MeTech electronic recycling, Columbus Secure Shred and Salt Lake Police Department for the daylong community program. The public was invited to drop off documents for secure shredding, recycle old electronics/computers, recycle expired medication, and donate clothing to charitable causes. Declutter Day 2017 resulted in shredding 6.5 tons of documents, 10.5 tons of electronic waste, 2 tons of clothing and 276 pounds of expired medications were collected for safe disposal. This collaborative effort between state and local organizations provided an overwhelming benefit to members of the Utah public who were able to dispose of clutter without the risk of being exposed to fraud or other deceptive practices. At the same time, the citizens were able to turn in prescription drugs and support a "Green" effort to recycle household clutter.



QUESTIONS

specific to the Department of Commerce Administration may be directed to:



FRANCINE A. GIANI

EXECUTIVE DIRECTOR

801.530.6431

fgiani@utah.gov



The core work of the Office of Consumer Services is to evaluate the impact of utility rate proposals and other regulatory actions and to advocate positions advantageous to residential and small commercial customers.



OFFICE OF CONSUMER SERVICES

INTRODUCTION

The Office of Consumer Services is Utah's utility consumer advocate, representing residential, small commercial and agricultural consumers of natural gas, electric and telephone service. Utah's utility consumer advocate was first established as the Committee of Consumer Services in 1977 by the Utah Legislature, reorganized into the Office of Consumer Services in 2009. The Office has a staff of five led by a Director. The Director, on behalf of the Office, represents the interests of residential and small commercial consumers in regulatory proceedings. A nine member layperson committee advises the Office on its regulatory and advocacy work and helps establish policy objectives.

The Office serves Utah consumers by ensuring that the interests of small consumers are fully represented in electric, natural gas, and telecommunication matters — which includes the vigilant assessment of regulatory actions impacting customer rates, reliability of service, and public policy issues.

UTILITY REGULATORY FILINGS

The core work of the Office is to evaluate the impact of utility rate proposals and other regulatory actions and to advocate positions advantageous to residential and small commercial customers. Regulatory filings occur throughout the year and include a wide range of issues such as: requests for rate increases, proposals for energy efficiency and conservation programs, and presentation of long-term resource plans

to meet customer's future electricity and natural gas needs. Some of the Office's key issues for FY 2017 included:

» **Rooftop Solar and Net Energy Metering:**

Rocky Mountain Power filed in November 2016 for approval of a new rate proposal for residential net metering customers. Soon afterward, Governor Herbert initiated settlement discussions to bring together stakeholders in the effort of finding a less controversial solution for new rooftop solar rates. Over the course of fiscal year 2017, the Office actively participated both in the informal settlement discussions and the litigated proceeding at the Public Service Commission with the goal of ensuring that all residential and small customers are treated fairly both those with and without rooftop solar. A settlement proposal will be put forward for approval in early fiscal year 2018.

» **STEP Legislation and Implementation:**

In the 2016 session, the Utah legislature passed a significant piece of legislation impacting Rocky Mountain Power's Utah customers called the Sustainable Transportation and Energy Plan (STEP) Act. This fiscal year, Rocky Mountain Power submitted a series of requests for the Public Service Commission to implement the various aspects of STEP. The Office reviewed the proposals and helped shape reporting plans to make certain that customers get as much benefit as possible from the programs funded by STEP. One key element of the STEP legislation was an electric vehicle program and a related pilot



program evaluating time-of-use rates for residential customers. The Office will closely analyze the results of this pilot in evaluating its appropriateness for ongoing residential rate design.

» **Dominion Energy/Questar Gas Corporation Merger:**

This fiscal year, parties reached a settlement regarding approval of a merger between Questar Gas Company and Dominion Energy. The Office

participated actively to ensure that the statutory requirement for net benefits to customers was realized. The settlement was approved and the merger became official in Fall 2016 with the subsequent name change implemented in June 2017. The Office continues to evaluate the performance of the new merged company and verify that it follows through on its commitments to customers.

» **Utah Universal Service Fund (UUSF) Changes:**

The UUSF is designed to augment the revenues for telephone providers in order to ensure that all Utahns having access to basic telephone service. In 2017, the Utah Legislature enacted revisions to the UUSF to clarify certain elements of how the fund is collected from customers and used to fund infrastructure. The Office worked with other stakeholders





to safeguard that the legislation kept basic consumer protections in place and will continue its work as the Public Service Commission establishes new rules to implement the legislation.

» **Integrated Resource Planning:**

Long-term resource planning is an ongoing activity for all utilities and the Office actively participates in these resource planning processes. This fiscal year both Dominion Energy (formerly Questar Gas) and Rocky Mountain Power proposed significant investments in new resources. The Office is digging into the details of these proposals and will continue its efforts next fiscal year in several dockets in front of the Public Service Commission that will evaluate the cost effectiveness of the utilities' proposals and whether such investments would be in the public interest.

» **Multi-State Process:**

Since Rocky Mountain Power is part of a six-state system, the utility must have a method for allocating costs among the different state jurisdictions. Over time, most of the involved states have created a "Multi-State Process (MSP)" in order to reach agreement upon a mutually acceptable method. Because of divergent state energy policies, this agreement must now be revised. The Office represents Utah's residential and small commercial customers in these negotiations with the goal of ensuring that costs are allocated fairly and Utah does not have its costs driven up by other states' policies.

» **Energy Efficiency:**

The Office proactively participates in the demand-side management (DSM) advisory groups for Rocky Mountain Power and Questar Gas. Energy efficiency is an important energy resource, especially to lessen the impact of Utah's growing demand for electricity. The Office supports cost-effective conservation and energy efficiency programs as being in the interest of all customers.

» **Misc. Reports and Utility Filings:**

In addition to the larger cases, each year the Office participates in the review of contract approvals, the audit of utility cost trackers and a large number of utility reports. The Office reviews these reports to confirm that the needs of the small customers we represent are being met by the various, ongoing utility initiatives.

FEDERAL AND REGIONAL REGULATORY ISSUES

While the majority of the Office's work is focused on state regulatory proceedings and state/regional policy initiatives, the Office also monitors federal actions and regional forums that play a key role in utility regulation. The Office participates in the Northern Tier Transmission Group to monitor transmission planning for our region and ensure that costs from those efforts are allocated fairly to Utah customers. The Office also monitors the regional electric reliability work taking place at the Western Electricity Coordinating Council and Peak Reliability.

The Office also continued its work from last year in evaluating the potential development of an expanded Regional Independent System Operator, which would coordinate the transmission grid across a larger footprint and run a centralized energy market. Although the efforts currently appear focused on other regions in the West, the Office watches for initiatives that may impact Utah utility customers.

QUESTIONS

**specific to the Office
of Consumer Services
may be directed to:**



MICHELE BECK

DIRECTOR

801.530.6674

ocs@utah.gov



MISSION STATEMENT

The Division of Consumer Protection's mission is to respond to consumer complaints, protect consumers from unfair and deceptive practices, encourage businesses to develop fair practices, and provide education to consumers and businesses.

DIVISION OF CONSUMER PROTECTION

ABOUT THE DIVISION

The Division has a staff of over twenty employees who accomplish the Division's mission through a three-pronged approach: education, registration, and enforcement.

Education:

The Division works with governmental agencies, consumer groups, and others to ensure consumer awareness of deceptive practices and to distribute brochures and other educational materials to the public. The Division also educates businesses on the requirements of state law.

In Fiscal Year 2017, the Division presented at 16 engagements and attended nine community fairs in an effort to educate the residents of Utah about scams impacting the state. The Division also issued several media releases to warn Utahns about scams.

Registration:

The Division regulates the following entities:

- » Charitable Organizations
- » Credit Service Organizations
- » Debt-Management Service Providers
- » Health Spas
- » Immigration Consultants
- » Pawnshops and Secondhand Merchants
- » Postsecondary Proprietary Schools
- » Professional Fund Raisers
- » Sellers of business opportunities
- » Telemarketers
- » Transportation Network Companies

Enforcement:

The Division administers the following statutes:

- » Business Opportunity Disclosure Act
- » Charitable Solicitations Act
- » Child Protection Registry
- » Consumer Sales Practices Act
- » Credit Services Organizations Act
- » Health Spa Services Protection Act
- » Immigration Consultants Registration Act
- » Music Licensing Practices Act
- » New Motor Vehicle Warranties Act
- » Pawnshop and Secondhand Merchandise Transaction Information Act
- » Postsecondary Proprietary School Act
- » Postsecondary School State Authorization Act
- » Price Controls During Emergencies Act
- » Prize Notices Regulation Act
- » Telephone and Facsimile Solicitation Act
- » Telephone Fraud Prevention Act
- » Transportation Network Company Registration Act
- » Unfair Practices Act
- » Uniform Debt-Management Services Act





FISCAL YEAR 2017 HIGHLIGHTS

Benefits Recovered for Consumers

The Division recovered over \$1,220,528 in benefits for consumers during FY 2017.

"Resources for Businesses" Section of Website

The Division rolled out a "Resources for Business" section on the Division's website. Available at https://dcp.utah.gov/for_businesses.html, this section provides businesses information on complying with laws enforced by the Division.

Multistate Cases

The Division participated in multistate actions, including a major settlement with Volkswagen regarding its emissions "defeat device."

Amendments to Laws Enforced

The Division worked with the Utah Legislature on S.B. 33, Consumer Protection Revisions. The bill amended several statutes enforced by the Division.



TOP TEN CONSUMER COMPLAINTS

The top consumer complaints received by the Division during FY 2017 and types of complaints the Division might receive in each category are as follows:

1 Internet Offer/Sales:

Misrepresentations or other deceptive practices; failure to deliver online purchases and hidden fees.

2 Alarm Systems:

Aggressive sales tactics and misrepresentations used in door-to-door solicitations; failure to allow cancellations within stated time period.

3 Home Improvement/Repair:

Failure to start or complete job; refusal of job completion until consumer agrees to a higher price than originally agreed upon.

4 Retail Sales:

False advertising and other deceptive practices; defective merchandise; problems with coupons; failure to deliver.

5 Telemarketing:

Misrepresentations during telemarketing calls; failure to abide by do-not-call provisions; telemarketers not being registered with the Division to conduct telemarketing.

6 Retail Sales/Deposits/ Refunds:

Failure to honor stated refund policies.

7 Auto Repair:

Failure to obtain express authorization prior to providing repairs and services; charging a consumer more than authorized by the consumer.

8 Repairs and Services — Not Auto Repair:

Failure to obtain express authorization prior to providing repairs and services that are not auto repairs.

9 Coaching Services:

Misrepresentations regarding the services to be provided and the results of the program; selling "coaching" services for exorbitant fees that usually correlate with the amount that consumers have available on their credit cards. Coaching services are usually for Business Opportunities.

10 Other:

Consumer transactions that do not fall within one of the Division's established complaint categories.



STATISTICS

	Fiscal Year	2015	2016	2017
Complaints				
Complaints Received.....		1,740	1,576	1,615
Complaints Opened.....		1,495	1,322	1,332
Complaints Closed		1,654	1,531	1,804
Complaints Referred/Not Assigned.....		245	254	283
Active Registrations				
Business Opportunities		7	9	8
Business Opportunity Franchise Exemptions		1,189	1,238	1,279
Charitable Organizations.....		4,248	4,625	4,891
Charitable Organizations Exemptions		1,464	1,516	1,608
Credit Service Organizations		19	20	20
Debt Management Service Providers.....		40	37	34
Health Spas		236	238	224
Immigration Consultants.....		38	36	43
Pawn Shop Registration.....		116	116	115
Secondhand Merchandise Dealers		291	250	214
Postsecondary Proprietary Schools		73	72	90
Postsecondary Proprietary Schools Exemptions		989	1,131	1,216
Professional Fund Raisers		107	109	114
Professional Fund Raising Counsel or Consultant		169	169	167
State Authorization – Postsecondary Accredited Schools.....		96	71	56
State Authorization – Postsecondary Private Nonprofit Schools		87	98	101
State Authorization – Postsecondary Public Nonprofit Schools		49	61	63
Telemarketers.....		76	84	94
Telemarketers Exemptions		125	129	134
Transportation Network Companies.....		2	2	2
<i>Some data under Statistics and Registrations has been corrected from prior reports.</i>				
Total Consumer Benefits Recovered & Fines Collected				
Total Consumer Benefits Recovered		\$1,363,175	\$1,255,589	\$1,220,528
Total Fines Collected		\$139,544	\$208,047	\$355,717

Some data under Statistics and Registrations has been corrected from prior reports.

QUESTIONS

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



DANIEL O'BANNON

DIRECTOR

801.530.6601

dobannon@utah.gov



MISSION STATEMENT

The Division of Corporations & 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.

DIVISION OF CORPORATIONS & COMMERCIAL CODE

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 and monitors principal changes all statutory business entities, state trademarks, collection agencies, and article 9 (UCC) and agricultural (CFS) lien notice filings. There are other less noticeable, but equally important filings.

Those businesses which should register with the Division are profit and non-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.

Out-of-state motorist service of process is also filed with the division. Certain bankruptcy filings are sent to the division for notice only.

The Division is charged with a variety of small filings, such as:

- » **Pharmacy Benefit Managers, the Governmental Entity Database** — an online directory of contact for any governmental entity;
- » **OneStop Business Registration web site** — a partnership with multiple agencies from local, state and federal level;
- » **Verify Utah** — an online voluntary registry of businesses that have complied with the federal e-Verify program;
- » **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 center that answers an average of 7,000 phone calls per month. The help staff also provides an online information chat for those using online services. The agency has two customer service counters for walk-in assistance.

The Division of Corporations and Commercial Code continues to look for innovative ways to give business filers access to services 24 hours a day, 7 days a week.



HELP CENTER

The Help Center answers about 77,500 calls a year. The five member Help Center fields 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.

SERVICE CENTER

The Division has two service centers; one in the first floor lobby and one on the second floor with public access computers, which have streamlined the process of filing documents so customers face a minimal wait time. As a result, the Division of Corporations and Commercial Code usually keeps within the 24 to 48 hour turnaround time on all incoming documents.

Customer service is not something we can achieve with systems and processes alone. The Division's goal is to empower our employees, particularly those on the front line, to make a difference as they are the face of the Division. The Division of Corporations and Commercial Code continues to be committed to adopting new technology for online services that especially help all businesses meet regulatory obligations quickly and efficiently.



ONESTOP BUSINESS REGISTRATION

The OneStop Business Registration 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.

- » better user navigation
- » improved glossary and FAQ
- » live help

FILINGS

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
One Stop Business Registration										
In-house Filings	36,690	30,365	28,736	26,964	23,449	29,561	30,962	30,649	32,771	24,068
Online Filings	18,751	19,613	20,329	21,994	28,861	27,878	27,421	30,446	32,824	44,319
Total	55,441	49,978	49,065	48,958	52,310	57,439	58,383	61,095	65,595	68,387
Adoption Rate	34.13%	39.24%	41.43%	44.92%	55.17%	48.53%	46.97%	49.83%	50.04%	64.81%
Difference from Previous Year ...	4,721	862	716	1,665	6,867	-983	-457	3,025	2,378	11,495
% Increase	33.65%	4.60%	3.65%	8.19%	31.22%	-3.41%	-1.64%	11.03%	7.81%	35.02%

All Online Services

Total Online Filings	255,616	332,613	331,080	339,710	411,905	411,974	434,516	445,866	456,196	487,388
Adoption Rate	77.00%	81.00%	82.00%	82.00%	84.00%	85.00%	87.00%	89.00%	90.00%	89.00%
Difference from Previous Year ...	43,119	76,997	-1,533	8,630	72,195	69	22,542	11,350	21,680	41,522
% Increase	20.29%	30.12%	-0.46%	2.61%	21.25%	0.02%	5.47%	2.61%	4.86%	9.10%

Certificates of Existence

In-house Certificate	678	422	482	492	440	377	395	314	381	336
Online Certificate	11,337	10,530	10,716	12,369	12,152	12,786	14,644	15,525	16,208	16,417
Total	12,015	10,952	11,198	12,861	12,592	13,163	15,039	15,839	16,589	16,753
Adoption Rate	94.36%	96.15%	95.70%	96.17%	96.51%	97.14%	97.37%	98.02%	97.70%	97.99%
Difference from Previous Year ..	-826	-807	186	1,653	-217	634	1,858	881	1,564	892
% Increase	-6.79%	-7.12%	1.77%	15.43%	-1.75%	5.22%	14.53%	6.02%	10.68%	5.75%

Annual Business Renewal

In-house Renewals	22,111	22,132	19,498	18,360	17,588	14,998	15,355	11,250	8,569	13,182
Online Renewals	149,447	160,163	166,964	175,246	183,899	188,947	206,262	222,686	235,109	247,295
Total	171,558	182,295	186,462	193,606	201,487	203,945	221,617	233,936	243,678	260,477
Adoption Rate	87.11%	87.86%	89.54%	90.52%	91.27%	92.65%	93.07%	95.19%	96.48%	94.94%
Difference from Previous Year ..	35,714	10,716	6,801	8,282	8,653	5,048	17,315	16,424	28,847	24,609
% Increase	31.40%	7.17%	4.25%	4.96%	4.94%	2.74%	9.16%	7.96%	13.99%	11.05%



- » improved owners (principals) section
- » ability to preview articles
- » ability to upload certificates
- » enhanced receipting system
- » faster name approval during business hours

This encouragement of online filings helps the Division manage growth in business without requiring growth of government.

The following local partners offer business licensing services through OSBR: Salt Lake City, Salt Lake County, Sandy City, Provo, Logan, Murray, West Jordan, South Logan, and Springville.

QUESTIONS

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



KATHY BERG

DIRECTOR

801.530.4849

kberg@utah.gov

OTHER DATA ENTRY

Fiscal Year	Reinstatements	Amendments	Mergers	Conversions	Renewals	Change Forms	Average Entities Gained per Month	Total	Percent Increase
2008.....	3,232	4,401	499	1,618	22,111	6,288	1,512	18,144	-9%
2009.....	2,259	4,042	463	1,458	22,132	5,371	494	5,928	-67%
2010.....	2,665	3,049	352	617	19,498	4,617	516	6,192	4%
2011.....	2,433	2,828	320	997	17,752	3,895	791	9,492	53%
2012.....	2,191	2,971	299	1,006	17,041	3,462	823	9,976	4%
2013.....	1,840	2,974	303	1,146	15,326	3,276	1,106	13,272	34%
2014.....	1,904	2,777	300	1,101	15,199	3,607	935	11,220	-15%
2015.....	1,710	2,906	589	928	11,250	4,210	872	10,464	-7%
2016.....	1,632	3,334	329	1,397	8,569	3,981	946	11,352	8%
2017.....	1,711	3,518	286	1,756	13,182	4,407	927	11,124	-2%

NEW FILINGS

Fiscal Year	CORP	% Increase	DBA	% Increase	LLC	% Increase	LP	% Increase	Total	% Increase
2008.....	11,491	-9%	16,793	0%	27,283	-1%	618	-17%	56,185	-3%
2009.....	9,256	-19%	15,659	-7%	24,344	-11%	515	-17%	49,774	-11%
2010.....	8,566	-7%	15,747	1%	24,143	-1%	378	-27%	48,834	-2%
2011.....	8,043	-6%	15,747	1%	24,976	3%	436	15%	48,739	0%
2012.....	8,102	1%	15,667	3%	27,693	11%	622	43%	52,084	7%
2013.....	7,590	-6%	15,531	-1%	33,033	19%	1,058	70%	57,212	10%
2014.....	7,427	-2%	15,994	3%	34,303	4%	467	-56%	58,191	2%
2015.....	7,702	4%	16,150	1%	36,726	7%	374	-20%	60,952	5%
2016.....	8,003	3.91%	17,404	7.76%	39,744	8.22%	237	-36.63%	65,388	7.28%
2017.....	7,746	-3.21%	17,843	2.52%	42,361	6.58%	207	-12.66%	68,157	4.23%



UNIFORM COMMERCIAL CODES

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
UCC-1										
In-house Filings	8,281	4,391	4,137	6,500	4,380	3,725	4,292	5,103	5,747	6,141
Online Filings	14,834	13,904	11,830	8,867	12,372	14,148	14,565	13,995	17,135	19,624
Total	23,115	18,295	15,967	15,367	16,752	17,873	18,857	19,098	22,882	25,765
Adoption Rate	64.17%	76.00%	74.09%	57.70%	73.85%	79.16%	77.24%	73.28%	74.88%	76.17%
Difference from Previous Year	654	-930	-2,074	-2,963	3,505	1,776	417	-570	3,140	2,489
% Increase	4.61%	-6.27%	-14.92%	-25.05%	39.53%	14.35%	2.95%	-3.91%	22.44%	14.53%

UCC-2										
In-house Filings	146	164	121	143	112	110	116	78	45	43
Online Filings	1,119	949	1,449	1,159	1,281	967	1,163	1,281	1,019	1,394
Total	1,265	1,113	1,570	1,302	1,393	1,077	1,279	1,359	1,064	1,437
Adoption Rate	88.46%	85.27%	92.29%	89.02%	91.96%	89.79%	90.93%	94.26%	95.77%	97.01%
Difference from Previous Year	-40	-170	500	-290	122	-314	196	118	-262	375
% Increase	-3.45%	-15.19%	52.69%	-20.01%	10.53%	-24.51%	20.27%	10.15%	-20.45%	36.80%

UCC-3										
Terminations/Continuations										
In-house Filings	2,659	1,915	2,208	7,253	1,999	1,665	1,650	2,159	2,996	10,911
Online Filings	11,376	10,603	10,796	6,057	11,501	11,302	10,287	9,636	9,188	3,503
Total	14,035	12,518	13,004	13,310	13,500	12,967	11,937	11,795	12,184	14,414
Adoption Rate	81.05%	84.70%	83.02%	45.51%	85.19%	87.16%	86.18%	81.70%	75.41%	24.30%
Difference from Previous Year	2,645	-773	193	-4,739	5,444	-199	-1,015	-651	-448	-5,685
% Increase	30.29%	-6.80%	1.82%	-43.90%	89.88%	-1.73%	-8.98%	-6.33%	-4.65%	-61.87%

Fiscal Year	UCC-1	UCC-1 Addendum	UCC-2	UCC-3	Addendum UCC-3	CFS-1	CFS-3
2008	23,115	7,805	1,265	18,748	3,278	303	668
2009	18,295	4,565	1,113	17,394	1,525	361	537
2010	15,967	4,801	1,570	17,034	2,341	436	613
2011	15,367	6,875	1,302	17,167	905	375	511
2012	16,752	4,020	1,393	17,887	1,242	367	559
2013	17,873	3,571	1,077	17,344	920	402	500
2014	18,857	4,372	1,279	16,028	1,286	405	682
2015	19,098	3,641	1,359	18,066	947	370	737
2016	22,882	4,411	1,064	15,609	548	424	537
2017	25,765	6,963	1,437	17,595	817	349	556





MISSION STATEMENT

The mission of the Division of Occupational & Professional Licensing (DOPL) is to protect the public and to enhance commerce through licensing and regulation.

DIVISION OF OCCUPATIONAL & PROFESSIONAL LICENSING

DOPL OBJECTIVES

- » Provide courteous customer service that is responsive, accurate and informative.
- » Collaborate with stakeholders to balance regulation and commerce.
- » Administer programs and applications efficiently.
- » Enforce laws effectively and in a timely manner.
- » Promote a positive working environment where employees can participate and develop as teams and individuals.

TOTAL LICENSES

2017 Total Licensees:	224,732
2017 New Applications	
Submitted:	36,680
2017 Renewals:	
Online	88,409
Manual	3,847
Total	92,256
2017 Percent Online:	95.83%

LICENSEES BY PROFESSION — FISCAL YEAR 2017

(Including Temporary Licences)

Profession Name	License Name	Count
Accountancy	CPA Firm	674
	Certified Public Accountant	5,318
Acupuncture	Licensed Acupuncturist	165
Architect	Architect	2,569
Athlete Agents	Athlete Agent	42
Athletic Trainer	Athletic Trainer	525
Building Inspector	Combination Inspector	303
	Limited Inspector	407
Burglar Alarm	Burglar Alarm Company	187
	Burglar Alarm Company Agent	8,439
	Temporary Burglar Alarm Company Agent	193
C.S. Precursor	Controlled Substance Precursor	9

Profession Name	License Name	Count
Chiropractic	Chiropractic Physician	957
Clinical Mental Health	Associate Clinical Mental Health Counselor	428
	Assoc Clinical Mental Health Counselor Extern	36
	Clinical Mental Health Counselor	1,243
	Volunteer Clinical Mental Health Counselor	1
Commercial Interior Design	Certified Commercial Interior Designer	35
Contractor	B100 – General Building Qualifier	1
	Contractor With LRF	17,797
	Contractor Without LRF	769
	Handyman Exemption Registration	2,030
	Instructor for Construction Mechanical	1
	Instructor for Electrical Trades	6
	Instructor for General Building Trades	23
	Instructor for Plumbing Trades	6
	S260 – General Concrete Qualifier	1
	S294 – Cultured Marble Qualifier	1



Profession Name	License Name	Count
Cosmetology	Barber.....	556
	Barber Apprentice.....	16
	Barber Instructor.....	35
	Barber School.....	13
	Cosmetologist / Barber.....	30,259
	Cosmetologist / Barber Apprentice.....	52
	Cosmetologist / Barber Instructor.....	1,919
	Cosmetology / Barber School.....	36
	Electrologist.....	150
	Electrologist Instructor.....	14
	Electrology School.....	1
	Esthetician.....	999
	Esthetician Instructor.....	15

Profession Name	License Name	Count
	Esthetics School.....	22
	Master Esthetician.....	5,004
	Master Esthetician Apprentice.....	9
	Nail Technician.....	5,364
	Nail Technician Apprentice.....	45
	Nail Technician Instructor.....	222
	Nail Technology School.....	9
Court Reporter	Certified Court Reporter – Shorthand.....	121
Deception Detection	Deception Detection Exam Administrator.....	3
	Deception Detection Examiner.....	21
	Deception Detection Intern.....	1



Profession Name	License Name	Count
Dental	Dental Hygienist	157
	Dental Hygienist with Local Anesthesia	2,993
	Dentist – Anesthesia Class I Permit	876
	Dentist – Anesthesia Class II Permit	1,752
	Dentist – Anesthesia Class III Permit	340
	Dentist – Anesthesia Class IV Permit	93
	Volunteer Dentist Anesthesia Class I	3
	Volunteer Dentist Anesthesia Class II	5
	Volunteer Dentist Controlled Substance	1
Dietitian	Certified Dietitian	834
Direct-Entry Midwife	Direct-Entry Midwife	55
Electrician	Apprentice Electrician	4,778
	Journeyman Electrician	3,971
	Master Electrician	2,016
	Residential Journeyman Electrician	187
	Residential Master Electrician	167
Elevator Mechanic	Elevator Mechanic	136
Engineer/Land Surveyor	Professional Engineer	7,751
	Professional Land Surveyor	703
	Professional Structural Engineer	2,066
Environmental Health Scientist	Environmental Health Scientist	230
	Environmental Health Scientist–Training	14
Factory Built Housing	Factory Built Housing Dealer	40
Funeral Service	Funeral Service Director	361
	Funeral Service Establishment	140
	Funeral Service Intern	41
Genetic Counselor	Genetic Counselor	201
	Temporary Genetic Counselor	6
Geologist	Professional Geologist	827
Health Facility Administrator	Health Facility Administrator	341
	Temporary Health Facility Administrator	1
Hearing Instrument	Hearing Instrument Intern	35
	Hearing Instrument Specialist	121
Hunting Guides/Outfitters	Hunting Guide	401
	Outfitter	133

Profession Name	License Name	Count
Landscape Architect	Landscape Architect	373
Marriage & Family Therapy	Associate Marriage & Family Therapist	159
	Associate MFT Extern	3
	Marriage & Family Therapist	677
Massage	Massage Apprentice	45
	Massage Therapist	6,403
Medical Language Interpreter	Certified Medical Language Interpreter	176
Medication Aide – Certified	Medication Aide – Certified	4
	Temporary Medication Aide – Certified	9
Music Therapy	State Certified Music Therapist	47
Naturopathic	Naturopath including Surgery & OB	1
	Naturopathic Limited CS Testosterone	25
	Naturopathic Physician	47
	Temporary Naturopathic Physician	3
Nurse	APRN	2,255
	APRN Intern	10
	APRN without PP	26
	APRN – CRNA Controlled Substance	296
	APRN – CRNA without PP	300
	Certified Nurse Midwife	171
	Licensed Practical Nurse	2,739
	Registered Nurse	32,265
	Request Authorization to Test – RN	1
	Temporary Licensed Practical Nurse	1
	Volunteer RN	3
Occupational Therapy	Occupational Therapist	836
	Occupational Therapy Assistant	352
Online Internet Facilitator	Online Internet Facilitator	2
Optometrist	CS	345
	Optometrist	506
	Optometrist (Without Certification)	2
	Optometrist Diagnostic Only	7
Osteopathic Physician	Osteopathic Physician & Surgeon	903
	Volunteer Osteopathic CS	1
	Volunteer Osteopathic Physician/Surgeon	2



Profession Name	License Name	Count
Pharmacy	Dispensing Medical Practitioner.....	80
	Dispensing Medical Practitioner Clinic.....	25
	Lethal Injection Use.....	1
	Online Contract Pharmacy.....	3
	Pharmacist.....	3,836
	Pharmacy – Class A.....	529
	Pharmacy – Class B.....	284
	Pharmacy – Class C.....	1,043
	Pharmacy – Class D.....	775
	Pharmacy – Class E Business.....	536
	Pharmacy Intern.....	805
	Pharmacy Technician.....	5,860
	Pharmacy Technician Trainee.....	1,337
	Temporary Pharmacist.....	32
Physical Therapist	Physical Therapist.....	2,126
	Physical Therapist Assistant.....	769
	Temporary Physical Therapist.....	4
	Temporary Physical Therapist Assistant.....	5
Physician	Physician & Surgeon.....	10,325
	Physician Educator CS.....	8
	Physician Educator Type I.....	4
	Physician Educator Type II.....	5
	Physician Online Prescriber.....	2
	Volunteer Physician & Surgeon.....	5
	Volunteer Physician/Surgeon CS.....	3
Physician Assistant.	Physician Assistant.....	1,471
Plumber	Apprentice Plumber.....	1,750
	Journeyman Plumber.....	904
	Master Plumber.....	1,726
	Residential Journeyman Plumber.....	64
	Residential Master Plumber.....	42
Podiatric Physician	Podiatric Physician.....	227
Preneed	Pre-Need Sales Agent.....	283
Private Probation Provider	Private Probation Provider.....	94
Psychologist	Assistant Behavior Analyst.....	23
	Assistant Behavior Specialist.....	13
	Behavior Analyst.....	155
	Behavior Specialist.....	28
	Psychologist.....	978
	Psychology Resident.....	39

Profession Name	License Name	Count
Radiology	Radiologic Technologist.....	2,6733
	Radiologist Assistant.....	11
	Radiology Practical Technician.....	409
Recreational Therapy	Master Therapeutic Recreation Specialist.....	35
	Therapeutic Recreation Specialist.....	295
	Therapeutic Recreation Technician.....	264
Respiratory Care	Respiratory Care Practitioner.....	1,579
Security Companies & Guards	Armed Private Security Officer.....	1,342
	Armored Car Company.....	7
	Armored Car Security Officer.....	339
	Armored Car Training Program Provider.....	4
	Contract Security Company.....	58
	Contract Security Training Program Provider.....	5
	Interim Armed Private Security Officer.....	3
	Interim Armored Car Security Officer.....	4
	Interim Unarmed Private Security Officer.....	13
	Unarmed Private Security Officer.....	3,666
Social Work	Certified Social Worker.....	1,331
	Certified Social Worker Intern.....	20
	Licensed Clinical Social Worker.....	3,733
	Social Service Worker.....	1,932
	Volunteer Licensed Clinical Social Worker.....	1
Speech/Audiology	Audiologist.....	280
	Speech Lang Pathologist & Audiologist.....	14
	Speech Language Pathologist.....	893
	Temp Speech Language Pathologist.....	40
	Temporary Audiologist.....	1
Substance Use Disorder	Certified Advanced SUDC.....	23
	Certified Advanced SUDC Intern.....	1
	Certified SUDC.....	38
	Certified SUDC Intern.....	2
	Licensed Advanced SUDC.....	121
	Licensed SUDC.....	227
Veterinarian	Veterinarian.....	840
	Veterinary Intern.....	23
Vocational Rehab Counselor	Licensed Vocational Rehab Counselor.....	193
Total Active Licenses		224,732



STATE CONSTRUCTION REGISTRY (SCR)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016
PreConstruction Service	—	6	519	219	389	485	494
Construction Loan	—	—	3,939	6,176	6,544	6,717	7,113
Building Permits	43,266	49,976	36,151	37,482	36,778	34,311	36,019
Commencement	43,435	44,655	5,987	1,006	951	878	770
Preliminary Notice	108,445	97,873	140,272	183,466	207,966	210,551	241,489
Intent to Complete	36	41	65	111	108	138	158
Remaining to Complete	91	395	210	130	449	376	270
Completions	4,094	3,174	2,955	4,880	6,709	7,119	8,684
Loan Default	—	—	—	2	3	0	3
Total Filings	199,367	196,120	190,098	233,472	259,897	260,575	295,000

The SCR regulates construction lien rights in Utah by serving as an internet-based registry for property owners, contractors, suppliers, and other interested parties involved in a construction project. The SCR works as an online “bulletin board” and notice center that pinpoints a construction project’s timeline and identifies all of the interested parties participating in the project and providing labor and materials to the project.

RESIDENCE LIEN RECOVERY FUND

	Fiscal Year 2017	Since Inception
Number of Claims Filed	16	2,894
Amount of Claims	\$ 251,844	\$20,778,528
Number of Claims Paid	3	2,059
Amount of Paid Claims	\$43,326	\$15,460,873
Number of Claims Denied	1	568
Number of Claims Dismissed	7	257

The Residence Lien Recovery Fund (RLRF) serves as an alternate payment source for contractors, laborers, or suppliers whose liens are voided because the homeowner already paid the original contractor in full and qualifies for protection under Utah’s Residence Lien Restriction and Lien Recovery Fund Act. The RLRF protects Utah homeowners from having to pay twice for construction on their homes, and protects Utah subcontractors, laborers, and suppliers by allowing them to recover for the cost of their services provided, plus interest.

PRELITIGATION

The Prelitigation Section expedites early evaluation and settlement or other appropriate disposition of malpractice claims. In Utah, before most medical malpractice actions can be filed in court, each claim must be reviewed by a prelitigation panel. Upon proper request by a petitioner, the Prelitigation Section of DOPL will facilitate and manage the appropriate prelitigation hearing panel, consisting of an attorney, a lay member of the community, and a medical professional of the same specialty as the professional

facing the claim. The Prelitigation Section then issues the certificate of compliance proving that the petitioner has complied with this prerequisite.

Fiscal Year 2017

Actions

Cases Opened	587
Requests Denied	37
Hearings Scheduled	322
Cases Closed	461

Outcomes

No Merit	335
Meritorious	16
Stipulated	22
Dismissed	67
Dismissed – Arbitration	2
Split Decision	16
Jurisdiction	1
Other	2

INVESTIGATIONS

DOPL is legislatively responsible to investigate acts or practices inconsistent with generally recognized standards of conduct; unlicensed practice in regulated professions or occupations; allegations of



unprofessional or unlawful conduct; and gross negligence, incompetence, or patterns of negligence or incompetence.

Fiscal Year 2017

Complaints

Received	4,085
Assigned	3,835
Closed	3,868

Actions

Administrative Filings	883
Criminal Filings	32
Citations	1,031
Letters of Concern	349
Referred to URAP	28
Pharmacy Alerts	209

UTAH RECOVERY ASSISTANCE PROGRAM (URAP) AND PROBATION

The Division offers two programs to protect the public from licensees who engage or may engage in misconduct, while still allowing them to practice their occupation or profession. URAP is a confidential approach allowing certain first-time offenders diversion rather than disciplinary action. Probation is a public disciplinary approach. Both approaches have terms and conditions that are carefully monitored and further action is taken for noncompliance.

Fiscal Year 2017

Total Number of Active Licensees	224,732
Total Number of Diversionees (URAP)	80
Total Number of Probationers	489

CONTROLLED SUBSTANCE DATABASE

The Utah Controlled Substance Database Program tracks and collects data on the dispensing of Schedule II-V drugs by all retail, institutional, and outpatient hospital pharmacies, and in-state/out-of-state mail order pharmacies. The data is disseminated to medical and law enforcement professionals and used to identify potential cases of drug over-utilization, misuse, and over-prescribing of controlled substances throughout the state.

Fiscal Year 2017

Total prescription records as of 06/30/2017	29,173,123
Total prescriptions entered in FY 2017	6,091,185
Online reports FY 2017	1,495,313
In-house reports FY 2017	6,366
Number of hospital overdose reports	970
Number of overdose reports mailed to practitioners	3,550
Number of court reports regarding DUI conviction	431
Number of DUI reports mailed to practitioners	654
Number of doctor shopper letters mailed to practitioners	2,684
Number of doctor shopper letters mailed to law enforcement	189
Registered users:	
Pharmacists	2,891
Prescribing practitioners	19,004
Others	684

QUESTIONS

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



MARK STEINAGEL

EXECUTIVE DIRECTOR

801.530.6626

msteinagel@utah.gov



THE MISSION OF THE OFFICE OF THE PROPERTY RIGHTS OMBUDSMAN (THE “OFFICE”) IS TO:

- » **Educate citizens and government officials regarding private property rights and the protection of those rights;**
- » **Encourage state and local government agencies to regulate and acquire land in a manner consistent with applicable statutes and constitutional law;**
- » **Advocate for fairness and compliance with state and local laws and ordinances; and**
- » **Assist citizens and government agencies to resolve property disputes fairly, in accordance with existing law, without expensive and time-consuming litigation.**

OFFICE OF PROPERTY RIGHTS OMBUDSMAN

INTRODUCTION

The Office of the Property Rights Ombudsman (the “Office”) is a non-partisan, neutral state office, created by the Utah Legislature to protect the property rights of citizens when state and local government condemns or regulates private land. The Office consists of three attorneys who advise both citizens and government entities regarding property rights and land use laws. The Office regularly mediates disputes between citizens and government entities effectively avoiding costly litigation.

FISCAL YEAR 2017 HIGHLIGHTS

The Attorneys at the Office work every day with the citizens of Utah to help them understand and to protect their property rights. Their efforts help save the hard-earned money of citizens by providing property owners a resource to turn to when their property rights are threatened. The Attorneys also work with state and local government agencies to regulate and acquire land in a manner consistent with applicable statutes and constitutional law. The dispute resolution efforts of the Office save citizens and government agencies millions of dollars by avoiding expensive and time-consuming litigation.

Dispute Resolution in Eminent Domain Cases

During the 2017 Fiscal Year, the attorneys at the Office of the Property Rights Ombudsman

- » Logged 1083 telephone calls from citizens and government agencies where questions were answered or concerns resolved with one or two phone calls;
- » Opened 208 cases;
- » Closed 184 cases;
- » Conducted 140 formal mediations and arbitrations..

Dispute Resolution & Legal Opinions Regarding Land Use Cases

During the 2017 fiscal year, the attorneys at the Office of the Property Rights Ombudsman issued 22 Advisory Opinions. Advisory Opinions primarily addressed the following topics: Non-Conforming Uses & Structures, Compliance with Mandatory Land Use Ordinances, Interpretation of Ordinances, and Exactions on Development.

Other Significant Accomplishments

- » The Office provided 30 formal and informal training sessions on topics within its purview to various organizations such as the Utah Association of Counties, Utah League of Cities and Towns, American Planning Association and various County and Planning Commissions.
- » The Office provided hands-on legal experience to an intern from the J. Rueben Clark Law School, BYU University.



- » The attorneys in the Office participate in various committees and programs such as the New Lawyer Mentoring Program, Utah Land Use Task Force, Utah Land Use Institute, Land Use Academy, Davis County Arts Council, and the Utah State Bar Real Property Section.
- » The Office welcomed three new members to the Land Use and Eminent Domain Advisory Board. Ari Bruening, Curtis Bullock, and Clint Drake. Mr. Bullock was also elected as the new Vice Chair of the Board.



QUESTIONS

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

BRENT BATEMAN

LEAD ATTORNEY

801.530.6391

bbateman@utah.gov

propertyrights.utah.gov



MISSION STATEMENT

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.

DIVISION OF PUBLIC UTILITIES

DIVISION ACTIVITIES INCLUDE

- » Investigating applications for certificates to provide utility service or to build new utility facilities;
- » Auditing, analyzing, and investigating proposed rate increases or changes;
- » Investigating and resolving complaints of utility customers;
- » Monitoring the safety of intrastate natural gas pipelines;
- » Auditing the finances and activities of utilities doing business in Utah;
- » Assisting in the monitoring and management of the Universal Service Fund, which provides support for telecommunications customers in high-cost areas;
- » Monitoring compliance with Utah law and Public Service Commission (PSC) rules and orders;
- » Coordination and consultation with other state agencies in developing and implementing utility and other state policies;
- » Advising the Governor and Legislature as requested.

ABOUT THE DIVISION

The Division's staff of over 30 employees works with the PSC, the Office of Consumer Services and other state agencies, regulated telecommunications, electric, natural gas and water utilities, the public, outside experts, attorneys, and other states' utility regulators. Staff members have expertise

in accounting, auditing, business, finance, economics, statistics, customer service, and engineering.

HIGHLIGHTS

Energy

In a Public Service Commission proceeding addressing net metering policies for electricity customers, the Division analyzed a Rocky Mountain Power proposal to change rates for customers with rooftop solar. Despite recommending the Commission reject the utility's request, the Division proposed various other options for ensuring solar generation customers are not subsidized by other customers. At the close of FY 2017, the Division was negotiating a settlement that would meet Division goals and provide an orderly transition. The settlement should be approved in FY 2018.

The Division agreed with Dominion Energy to finalize its acquisition of Questar Corporation, including Questar Gas, the regulated utility. The initial proposal from Dominion Energy did not plainly show benefits for Utah ratepayers. Ultimately, Dominion agreed to a number of mechanisms to protect Utah ratepayers from risks of other Dominion businesses as well as concessions ensuring Utah ratepayers realize savings from the acquisition. Dominion has completed the acquisition and rebranded Questar Gas as Dominion Energy.

The Division completed an audit of Dominion Energy's Wexpro Company. Wexpro is an oil and gas exploration company that develops resources for dedication to Dominion Energy's Utah gas customers. The arrangement has saved ratepayers hundreds of millions of



dollars over its 30+ year life. The Division's audit revealed that Wexpro charges were generally accurate and warranted, though it revealed a few items in need of correction. Negotiations between the Division, Dominion Energy, and Wexpro led to an adjustment in ratepayers' favor of over \$12 million.

Telecommunications and Water

The Division alerted the Public Service Commission to a decline in telecommunications revenues that threatened to diminish funds for the state's universal service fund. Working with the Commission and others, the Division proposed a new rate for contributions that has stabilized the fund. Legislation following that change has necessitated further evaluation as a new funding mechanism

is developed. That effort has required the Division to coordinate efforts with telecommunications companies and the Tax Commission to identify the companies and lines covered by the statute. The Division anticipates the Public Service Commission will implement the new charge for collection beginning in January, 2018.

The Division filed a request for a rate increase for Community Water Company, which serves in Summit County. Community Water's system has suffered from inattention





FIVE-YEAR HISTORY OF UTILITY COMPLAINTS

Utilities	Fiscal Year	2013	2014	2015	2016	2017
Electric.....		130	114	109	84	109
Natural Gas.....		105	110	62	59	67
Telecomm –						
ILEC* & Century-Link.....		117	131	113	125	94
CLEC**.....		40	31	32	21	18
Long Distance.....		16	8	9	3	0
Water/Sewer.....		7	9	11	0	0
Total.....		415	403	336	292	288

* Incumbent Local Exchange Carriers, e.g. Century Link, All West, Frontier, Beehive

** Competitive Local Exchange Carrier, e.g. AT&T, McLeod USA, Integra

and is in need of repair and replacement. The Division requested a rate increase to provide more revenue so the utility can meet its customers' needs and begin building a capital reserve account. The Commission approved the rate increase. Shortly thereafter, one of the company's water tanks began leaking and had to be removed from service. The utility implemented outdoor watering restrictions and has begun the process of replacing the tank. Division personnel have been working with the utility to request the Public Service Commission approve an assessment or other rate to provide needed revenue. Meanwhile, the company is exploring selling its operations to another water provider, likely a public entity.

Pipeline Safety

The Pipeline Safety Section operates under federal law to investigate safety and other conditions relative to the piping of natural gas within Utah. The section works with local natural gas distribution companies, such as Questar Gas Company, as well as municipal operators, intrastate transmission operators and master meters.

During fiscal year 2017, Pipeline Safety personnel conducted comprehensive inspections of Questar Gas Company operations, municipal gas distribution operators, and intrastate transmission operators. The section also inspected pipeline construction projects and investigated incidents on pipelines. These inspections assure that operator procedures and operations are consistent with federal regulations for safe functioning of natural gas systems. Notably, Pipeline Safety increased inspections of small operators of master meters in FY 2017 in response to additional guidance from the federal Pipeline and Hazardous Materials Safety Administration.

PIPELINE SAFETY INSPECTIONS

Fiscal Year 2017

Questar Gas Company Regions	10
Municipal Gas Distribution Operators .	5
Intrastate Transmission Operators.....	7
Gathering Operators.....	3
Small Gas System	
Operators (Master Meters).....	42
Construction	11
Incident.....	36

QUESTIONS

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



CHRIS PARKER

DIRECTOR

801.530.7622

chrisparkeri@utah.gov



MISSION STATEMENT

The mission of the Division of Real Estate is to protect the public and promote responsible business practices through education, licensure and regulation of real estate, mortgage, and appraisal professionals.



DIVISION OF REAL ESTATE

2017 SUCCESS GOALS

In fiscal year 2017, the Division of Real Estate maintained efficiency gained through the Governor's SUCCESS Program. The average number of applications received per month dropped slightly from 288 per month to 278 per month, but efficient processing times stayed significantly higher than our baseline from 2013.

	Baseline	FY 2017
Average applications received per month ...	194.4	278.50
Percentage processed within five days.....	74.9%	84.36%

Date / Event

October 2016 – Division representative spoke at the Utah Association of Realtors Board of Directors Meeting.

October 2016 – Division-sponsored Instructor Development Workshop held in Park City. Speakers included Justin Harding, Governor's Chief of Staff, Division Director, Division enforcement and licensing supervisors, and guest speakers Eric Storey, and Tage Flint.

October 2016 – Division representatives spoke at a Broker Town Hall for the Northern Wasatch Association of Realtors.

October 2016 – Division Representative spoke at a Broker Town Hall for the Salt Lake Board of Realtors.

November 2016 – Division representatives spoke at the Utah Association of Mortgage Professionals Expo.

January 2017 – Division representative spoke to the Utah Chapter of the Appraisal Institute.

January 2017 – Division representative spoke at the Utah Association of Realtors Board of Directors Meeting.

January 2017 – Division representatives spoke to the Utah Apartment Association.

March 2017 – Division representatives spoke at the Utah Chapter of the Appraisal Institutes Annual Symposium.

April 2017 – Division representatives Spoke to the Utah Association of Appraisers Real Estate Conference & Value Expo.

May 2017 – Division representative spoke at the Utah Association of Realtors Board of Directors Meeting.

April - May 2017 – Three-hour Division-sponsored continuing education seminars held in Park City, Vernal, Logan, Layton, Provo, Moab, Richfield, Cedar City, and St. George.

2017 OUTREACH

In fiscal year 2017, the Division sponsored its annual Instructor Development Workshop and Caravan. In addition, Division staff spoke at several industry sponsored events. The Division continues to meet the needs of industry and the public by speaking about important issues at events around the state. The table below lists the Division's outreach efforts for the past fiscal year.



STATUTORY CHANGES

Representative Gage Froerer sponsored the Division's 2017 bill. Changes were made to the Utah Residential Mortgage Practices and Licensing Act, Real Estate Licensing and Practices Act, and the Appraisal Management Company Registration and Regulation Act. Highlights of HB196S01 include the following:

For Real Estate, Mortgage and Appraisal:

- » Allows the Division to use citation authority for violations occurring within one year.
- » Allows the Division to conduct a public or private investigation.

For Real Estate:

- » Grants rulemaking authority for exempt persons or transactions.
- » Allows a Principal or Branch broker to simultaneously supervise up to three branches.
- » Allows a sales agent working for a dual broker's property management company to obtain a Property Management Sales Agent designation allowing the agent to perform sales.
- » Grants rulemaking authority for the process a principal broker or branch broker must follow when terminating a sales agent or associate broker.

- » Requires a licensee to reimburse the Division for the cost of a trust account audit, but only when the Commission finds that gross mismanagement, comingling, or misuse occurred.

For Appraisal Management

- » Prohibits an appraisal management company from previously having a license or registration revoked by a government regulatory body unless subsequently vacated or converted.
- » Prohibits any act that violates appraiser independence.



LICENSING

The Division renews real estate and appraisal licenses on a biennial basis (two years following initial application) and mortgage licenses annually from November 1 through December 31. Real Estate Licensees are sent an email license renewal reminder notification 45 days, 30 days, and 14 days prior to license expiration and 2 days following expiration. These notices cease following the renewal of a license.

Real Estate Brokers receive monthly notifications which provide helpful real-time information regarding the licensing status of all affiliated licensees working for their brokerage. This system informs Principal and Branch Brokers whether licensees working for their entity have completed required continuing education courses in advance of their license renewal. In addition, this tracking system allows supervising brokers to be well informed regarding upcoming license renewal deadlines. This system allows the Broker to easily account for those licensees whose licenses will soon be, or that have expired. This well-functioning process allows brokers to better supervise and monitor the licensing status of individuals working for their brokerage.

The Division worked with their website service contractor to eliminate several licensing system malfunctions that had caused unnecessary and frustrating licensing affiliation and renewal delays. The licensing system is running at a more efficient and streamlined fashion as a result of system programming updates.

EDUCATION

The Division conducts an annual Instructor Development Workshop to assist professional instructors of real estate, mortgage, and appraisal education. The annual workshop helps educators refine and improve their instructional skills. State licensees benefit from having knowledgeable, well trained educators that not only know their subject matter, but also have enhanced delivery skills to heighten the learning experience of prospective and established licensees.

The following tables give historical data as to the number of certifications issued by the Division, as well as the number of prelicensing examinations that have been administered:

CERTIFICATION ISSUED

	Fiscal Year	2013	2014	2015	2016	2017
Educational Programs		36	32	31	39	26
Real Estate Pre-Licensing Instructors		38	35	32	29	28
Real Estate CE Courses		1,102	1,215	1,007	741	660
Real Estate CE Instructors		390	426	452	568	483
Mortgage Pre-Licensing Instructors		8	7	7	5	4
Mortgage CE Courses		0*	6*	7*	7*	7*
Mortgage CE Instructors		0*	6*	7*	4*	7*
Appraisal CE Courses		455	479	425	448	225
Appraisal Instructors		41	34	63	68	66
Appraisal Pre-Licensing Instructors		18	53	23	33	47

**Under the licensing program that has been adopted across the country in order to comply with the federal S.A.F.E. Act, continuing education (CE) courses for mortgage professionals are now reviewed and approved at the national level by the Nationwide Mortgage Licensing System (NMLS). In fiscal year 2014, the Division implemented a state-specific CE course that is handled outside of the NMLS.*

PRE-LICENSING EXAMINATIONS ADMINISTERED

	Fiscal Year	2013	2014	2015	2016	2017
Real Estate Agent Exams		1,388	2,673	3,029	3,559	3,872
Real Estate Broker Exams		144	272	304	275	245
Mortgage PLM Exams		79	179	144	123	161
Appraiser Exams		27	46	57	32	33

Mortgage Loan Originator exams are now scheduled and administered through Nationwide Mortgage Licensing System.

TOTAL NUMBER OF LICENSES/REGISTRATIONS

	Fiscal Year	2012	2013	2014	2015	2016	2017
Real Estate.....		20,754	18,198	21,739	22,858	24,745	26,035
Mortgage.....		4,241	4,840	4,358	5,276	5,786	6,519
Appraiser.....		1,393	1,384	1,396	1,314	1,415	1,461
Appraisal Management Companies (AMCs)		143	147	140	148	142	139
Subdivision/Timeshare.....		393	566	657	643	558	550
Total.....		26,924	25,135	28,290	30,239	32,646	34,704

NEW LICENSES/REGISTRATIONS ISSUED

	Fiscal Year	2012	2013	2014	2015	2016	2017
Real Estate.....		1,401	1,042	2,197	2,479	2,600	2,640
Mortgage.....		665	1,113	1,174	949	1,112	1,435
Appraiser.....		236*	145*	255*	252*	267*	302*
Appraisal Management Companies (AMCs)		26	21	16	12	12	9
Timeshare.....		115	276	211	220	164	190
Total.....		2,443	2,597	3,853	3,912	4,154	4,565

*Includes temporary permit and reciprocal licenses.

LICENSES/REGISTRATIONS RENEWED

	Fiscal Year	2012	2013	2014	2015	2016	2017
Real Estate.....		8,475	8,229	8,998	8,060	8,950	8,839
Mortgage.....		4,137	4,045	5,752	4,603	4,915	5,459
Appraiser.....		597	651	694	691	603	689
Timeshare.....		63	194	72	125	130	129
Total.....		13,272	13,119	15,516	13,479	14,598	15,116

ENFORCEMENT STATISTICS

	Fiscal Year	2012	2013	2014	2015	2016	2017
Complaints Received							
Real Estate.....		436	389	423	288	481	352
Appraiser.....		129	78	59	56	38	38
Mortgage.....		154	139	108	59	92	46

Cases Opened

Real Estate.....	491	199	221	186	253	335
Appraiser.....	123	60	55	44	38	33
Mortgage.....	212	83	84	46	54	61

Cases Closed

Real Estate.....	412	194	141	142	476	303
Appraiser.....	122	62	76	43	31	42
Mortgage.....	275	61	59	30	92	34

Total Open Cases as of June 30, 2017

Real Estate.....	208	225	272	296	291	393
Appraiser.....	55	67	32	45	43	35
Mortgage.....	18	43	79	89	69	81

FISCAL YEAR 2017 SANCTIONS

Sanctions	Appraisal	Mortgage	Real Estate	Total
Remedial Education.....	4	0	23	27
Fines.....	6	3	45	54
Probation.....	0	17	113	130
Suspension.....	0	0	2	2
Revocation/Surrender.....	0	0	1	1
Denial.....	0	3	7	10
Cease and Desists.....	0	0	7	7
Citation.....	0	2	24	26
Criminal referrals.....	0	0	1	1

ENFORCEMENT

The Division's enforcement staff receives complaints regarding licensees in the real estate, mortgage, and appraisal industries. Complaints range from advertising complaints or unlicensed activity to allegations of fraud in the sale and purchase of homes.

In an effort to address the number of complaints the Division receives on an annual basis, the Division added the position of Real Estate Analyst. This position will assist the Division with drafting stipulated settlements, as well as representing the Division in licensing and enforcement hearings.

In May 2016, the Legislature granted the Division citation authority. The Division has utilized this new authority to resolve minor violations more efficiently. This has allowed attorney's representing the Division to focus on more serious conduct. The majority of citations issued have been for advertising violations.

The Division referred one real estate case criminally. This case involved several real estate agents and one escrow officer.

The Division continues to pursue cases which result in administrative actions as well. The following tables provide data about the type and number of disciplinary sanctions obtained by the Division, either through stipulation or by disciplinary action in an administrative hearing. Through these actions, the Division ordered a total of \$196,050 in fines during fiscal year 2017.

QUESTIONS

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



JONATHAN STEWART
DIRECTOR

801.530.6751

jstewart@utah.gov



MISSION STATEMENT

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.

DIVISION OF SECURITIES

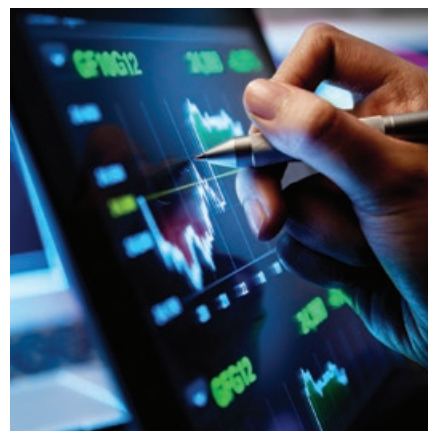
LICENSING

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 Division works closely with the U.S. Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), and securities regulators from other states to streamline the licensing process and ensure consistency."

CORPORATE FINANCE/ SECURITIES REGISTRATION

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 meet 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 LICENSING

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Broker-Dealers	1,641	1,621	1,590	1,563	1,561	1,558	1,534	1,529
Broker-Dealer Agents	88,947	96,660	99,499	101,709	107,354	112,988	118,769	122,071
Investment Advisers (I.A.)	156	142	145	180	202	206	215	234
Federal Covered Advisers	926	906	925	905	946	986	1,035	1,055
I.A. Representatives	3,577	3,881	4,156	4,471	4,823	5,072	5,257	5,410
Certified Broker-Dealers	10	12	16	14	18	16	17	17
Certified Broker-Dealer Agents	73	74	82	91	99	91	88	86
Certified Investment Advisers	—	—	4	6	6	7	6	7
Certified Investment Adviser Representatives	—	—	25	33	31	40	67	43
Issuer Agents	85	87	84	87	85	91	90	109
Total	95,418	103,397	106,526	109,059	115,125	121,055	127,048	130,561



SECURITIES FILINGS

	Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Coordination		92	106	120	104	108	97	88	72
Qualification		1	—	1	—	—	1	2	2
Exemptions		31	53	48	41	40	42	46	34
Opinion/No Action Letter		1	2	2	—	2	2	1	1
Mutual Funds		5,330	5,589	5,749	5,865	5,960	6,221	6,225	5,804
Rule 506		588	690	651	651	794	981	995	1,165
Total		6,043	6,440	6,571	6,661	6,904	7,344	7,357	7,078



COMPLIANCE AND ENFORCEMENT

The Compliance Section of the Division of Securities conducts routine and “for cause” examinations pertaining to the operations of licensed broker-dealers, investment advisers, and their agents. If 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.

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Activity								
New Investigations/Audits ...	—	—	—	—	—	—	—	—
Complaints Received	191	202	226	164	110	109	91	124
Audit Files Opened	34	45	62	82	85	86	100	87
Investigation Files Opened ...	40	83	58	44	39	51	35	48
Administrative Cases								
New Cases Filed	65	94	87	81	47	76	68	53
Stipulations & Consent Orders	34	34	35	31	37	41	31	33
Adjudicated Orders	4	8	—	19	10	12	2	6
Default Orders	—	—	—	—	23	33	41	22
Criminal Cases								
Criminal Charges Filed	16	34	18	10	12	19	16	20
Convictions	18	13	5	2	7	2	10	13
Pleas in Abeyance	6	7	3	3	1	—	3	6
Fines & Restitution								
Fines Assessed	\$5,363,698	\$1,822,484	\$5,239,452	\$5,239,452	\$2,582,376	\$5,645,788	\$5,048,104	\$627,125
Fines Paid	\$2,676,796	\$1,176,116	\$550,223	\$217,983	\$164,660	\$228,759	\$212,150	\$260,525
Restitution Ordered	\$21,68,786	\$5,256,191	\$2,435,430	\$15,915,435	\$368,786	\$567,583	\$1,979,566	\$1,175,000

**Disclaimer: In 2010, the Utah Division of Securities adopted a new database “progress” to track enforcement, licensing and statistics.*

PUBLIC OUTREACH

Investor Education

	Fiscal Year	2012	2013	2014	2015	2016	2017
Investor Education Presentations.....		55	74	98	80	69	68
Total Number of People Attending Investor Education Presentations		11,920	9,889	14,453	13,293	17,766	14,096



The Stock Market Game

During FY 2017 the Division of Securities oversaw the administration and management of the Stock Market Game™ in Utah, setting new records for teacher and student involvement in the game. In each semester of the 2016-2017 school year over 1,000 student teams (each comprised of 3-5 students) invested a mock portfolio of \$100,000 over a ten-week period. Students learned how to research stocks, bonds and mutual funds and evaluate the short-term and long-term risks and rewards of various investments. These students gained valuable insights on how the economy and capital markets function in our country. Division of Securities staff trained and worked with teachers around the state to help them implement this fun learning experience in their classrooms.

The Stock Market Game™ (SMG) is a ten-week simulation of Wall Street trading that provides a framework for teaching Utah students about the American economic system. The SMG is designed for classroom use to help students understand the stock market, the costs and benefits involved in economic decision making, the sources and uses of capital, and other related economic concepts. The SMG is currently being used as a teaching exercise of economics within many subject areas. It is intended to be a catalyst for further study of and interest in the American free enterprise system in various subject areas through the

accompanying curriculum materials. For ten weeks, during the fall and spring school semesters, students invest a hypothetical \$100,000 in common stocks on the New York and American Stock Exchanges and on the NASDAQ market. In a typical classroom setting, students form teams of 3 to 5 players and work interactively to research stock selections. During the ten weeks, teams submit their transactions and receive daily portfolios highlighting their current holdings, brokerage fees, margin interest, and team ranking. At the end of the ten week simulation, the top 3 winning teams in each region are recognized with plaques, prizes and award ceremonies. The winning teams are those that have increased the market value of their portfolio by the greatest amount. This year's awards luncheon commended the students for their hard work in reaching the top three awards for each age group category.

The Stock Market Game™ has been played in Utah for 26 years. Outreach to Utah teachers was implemented which included professional development training seminars and 3 week Stock Market Game Teacher Sessions during the summer. Registrants for the statewide program include educators teaching students in public, private, charter and home schools.

QUESTIONS

specific to the
Division of Securities
may be directed to:



KEITH WOODWELL

DIRECTOR

801.530.6600

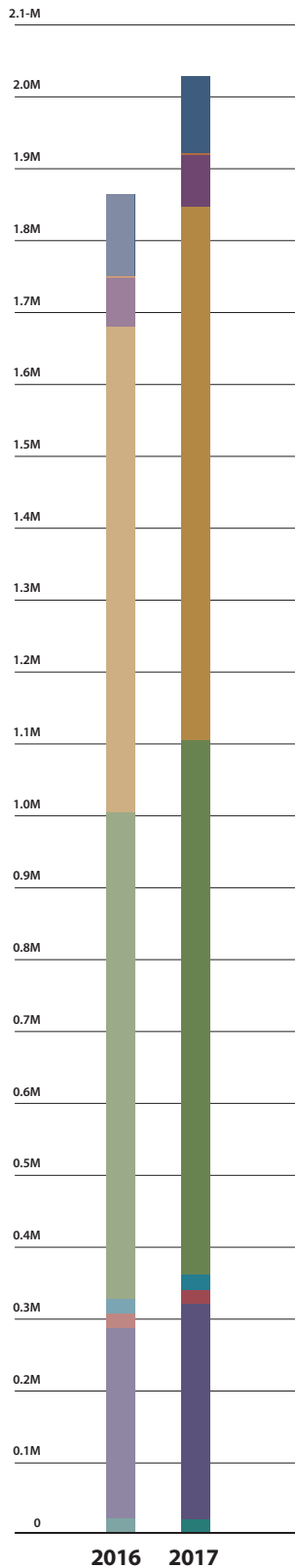
kwoodwell@utah.gov

UTAH DEPARTMENT OF COMMERCE WEB TRENDS



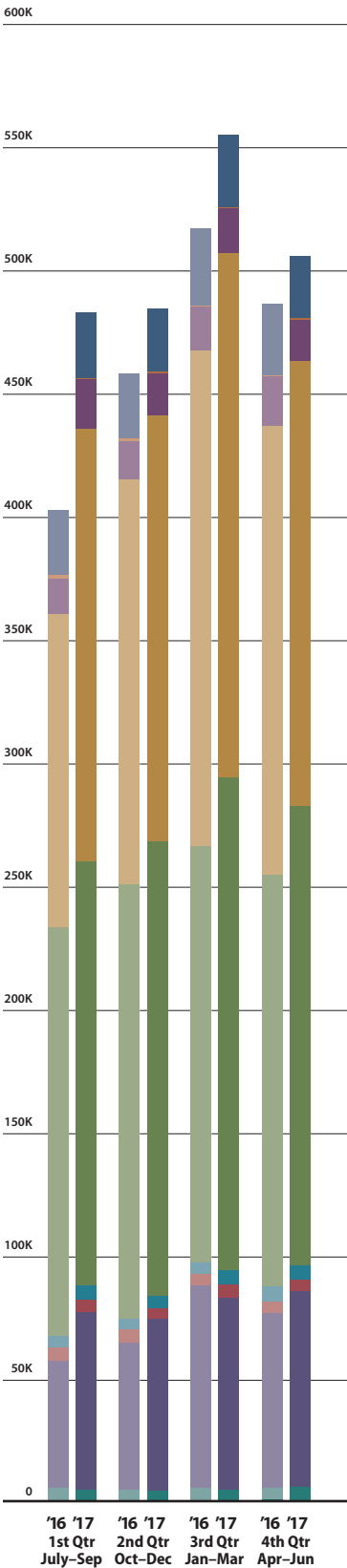
YEARLY WEB TRENDS ACROSS DIVISIONS

Fiscal Year 2016 and Fiscal Year 2017
(visits in millions)



QUARTERLY WEB TRENDS ACROSS DIVISIONS

Fiscal Year 2016 and Fiscal Year 2017
(visits in thousands)



YEARLY WEB TRENDS ACROSS DIVISIONS

Fiscal Year 2009 to Fiscal Year 2017

	Fiscal Year	2016*	2017
Commerce Main Site		113,783	106,952
Consumer Services		3,330	2,342
Consumer Protection		67,763	72,376
Corporations		675,831	742,593
Occupational & Professional Licensing		678,940	743,804
Property Rights		19,422	22,946
Public Utilities		20,583	18,943
Real Estate		264,140	299,543
Securities		18,807	16,922
Total		1,862,599	2,026,421

*Any differences in reported FY 2016 web numbers from the 2016 Annual Report to the 2017 Annual Report is caused by the conversion from using the outdated Webalizer program to the industry standard Google Analytics (adopted in 2017 by the Utah Department of Commerce). The FY 2016 and FY 2017 web numbers in this report and all future web numbers will reflect the Google Analytics conversion.

QUARTERLY WEB TRENDS ACROSS DIVISIONS

Fiscal Year 2016 and Fiscal Year 2017

	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
	Jul-Sep 2015*	Jul-Sep 2016	Oct-Dec 2015*	Oct-Dec 2016	Jan-Mar 2016*	Jan-Mar 2017	Apr-Jun 2016*	Apr-Jun 2017
Commerce Main Site	26,533	26,732	26,601	25,395	31,563	29,246	29,086	25,579
Consumer Services	1,395	444	1,056	677	404	628	475	593
Consumer Protection	14,218	20,048	15,782	17,354	17,879	18,313	19,884	16,661
Corporations	127,542	176,009	164,205	173,121	201,456	212,653	182,628	180,810
Occupational & Professional Licensing	166,177	172,138	176,805	184,618	168,869	200,412	167,089	186,636
Property Rights	4,307	6,053	4,188	5,008	4,747	5,803	6,180	6,082
Public Utilities	5,720	4,700	5,285	4,319	4,926	5,549	4,652	4,375
Real Estate	51,391	72,421	59,652	69,640	81,891	77,690	71,206	79,792
Securities	4,935	3,925	4,248	3,796	4,935	4,141	4,689	5,060
Total	402,218	482,470	457,822	483,928	516,670	554,435	485,889	505,588

MONTHLY WEB TRENDS

Fiscal Year 2016 and Fiscal Year 2017

Fiscal Year 2016	Jul '15	Aug '15	Sep '15	Oct '15	Nov '15	Dec '15	Jan '16	Feb '16	Mar '16	Apr '16	May '16	Jun '16	Total
Commerce Main Site	8,823	8,842	8,868	8,949	8,787	8,865	10,560	9,910	11,093	10,610	9,207	9,269	113,783
Consumer Services	801	426	168	132	653	271	233	80	91	132	166	177	3,330
Consumer Protection	5,187	4,315	4,716	5,536	5,062	5,184	5,689	5,447	6,743	6,447	6,628	6,809	67,763
Corporations	39,957	43,156	44,429	56,632	52,544	55,029	64,629	65,782	71,045	63,138	59,514	59,976	675,831
Occupational & Professional Licensing	44,617	54,141	67,419	56,469	66,287	54,049	63,705	48,773	56,391	52,918	60,660	53,511	678,940
Property Rights	1,377	1,414	1,516	1,488	1,507	1,193	1,367	1,560	1,820	2,060	2,156	1,964	19,422
Public Utilities	2,202	1,893	1,625	1,807	1,928	1,550	1,736	1,469	1,721	1,611	1,577	1,464	20,583
Real Estate	19,250	15,851	16,290	22,082	18,258	19,312	27,479	22,925	31,487	24,537	23,637	23,032	264,140
Securities	1,880	1,818	1,237	1,346	1,487	1,415	1,595	1,663	1,677	1,556	1,458	1,675	18,807
Total	124,094	131,856	146,268	154,441	156,513	146,868	176,993	157,609	182,068	163,009	165,003	157,877	1,862,599
Fiscal Year 2017	Jul '16	Aug '16	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	May '17	Jun '17	Total
Commerce Main Site	8,311	9,871	8,550	8,569	8,269	8,557	10,034	8,955	10,257	8,519	8,499	8,561	106,952
Consumer Services	152	163	129	132	334	211	215	211	202	261	134	198	2,342
Consumer Protection	6,085	7,121	6,842	5,715	5,693	5,946	6,110	5,455	6,748	5,486	5,777	5,398	72,376
Corporations	55,429	63,784	56,796	58,495	56,879	57,747	70,594	64,938	77,121	62,284	61,072	57,454	742,593
Occupational & Professional Licensing	50,180	60,416	61,542	58,822	67,215	58,581	72,906	60,438	67,068	61,290	68,294	57,052	743,804
Property Rights	1,875	2,147	2,031	1,837	1,770	1,401	1,753	1,930	2,120	1,880	2,114	2,088	22,946
Public Utilities	1,566	1,688	1,446	1,415	1,633	1,271	1,476	2,354	1,719	1,380	1,431	1,564	18,943
Real Estate	22,380	24,304	25,737	23,940	21,359	24,341	26,564	22,797	28,329	31,722	24,801	23,269	299,543
Securities	1,108	1,612	1,205	1,216	1,531	1,049	1,277	1,374	1,490	1,484	1,475	2,101	16,922
Total	147,086	171,106	164,278	160,141	164,683	159,104	190,929	168,452	195,054	174,306	173,597	157,685	2,026,421

QUARTERLY WEB TRENDS — INDIVIDUAL DIVISIONS

Fiscal Year 2016 and Fiscal Year 2017

(visits in thousands)

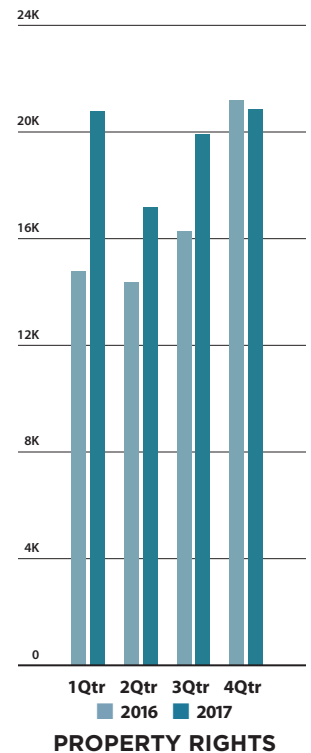
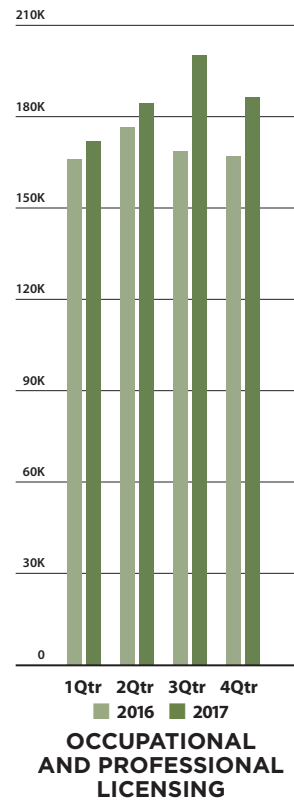
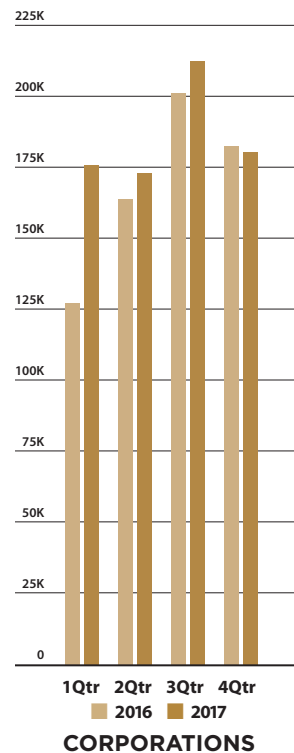
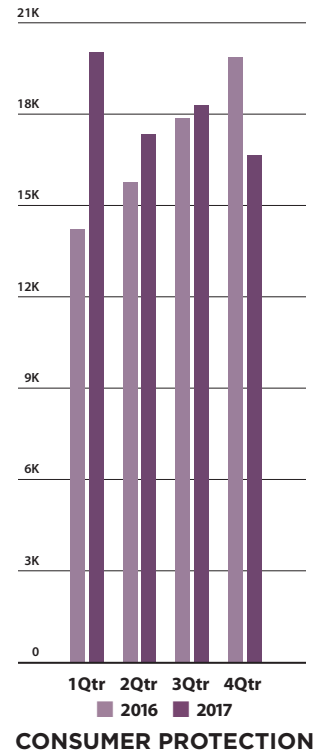
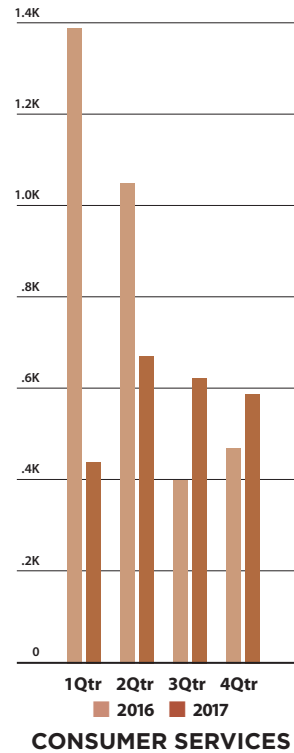
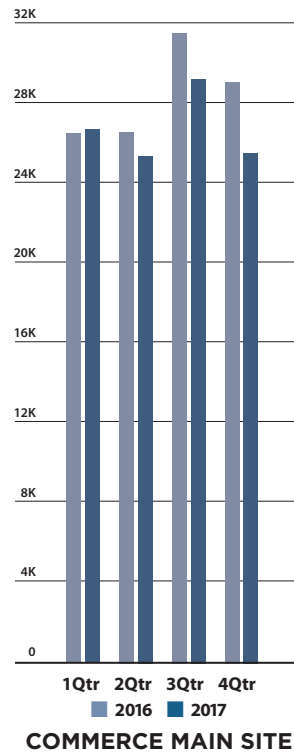
1 Qtr: Jul-Sep

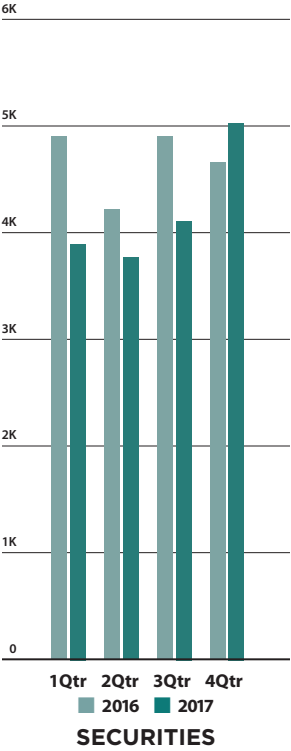
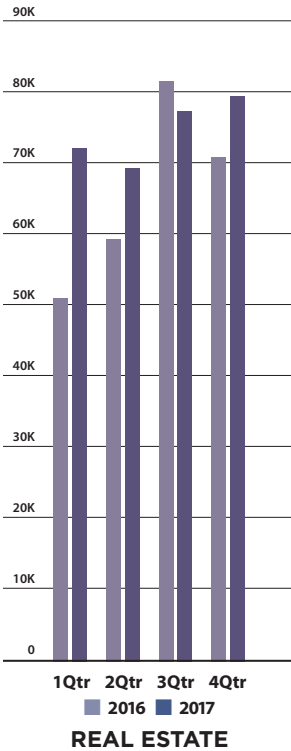
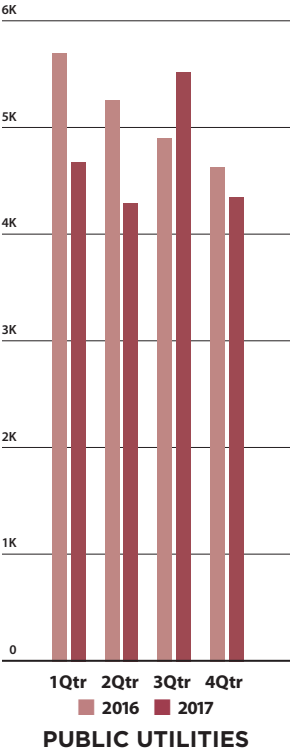
2 Qtr: Oct-Dec

3 Qtr: Jan-Mar

4 Qtr: Apr-Jun

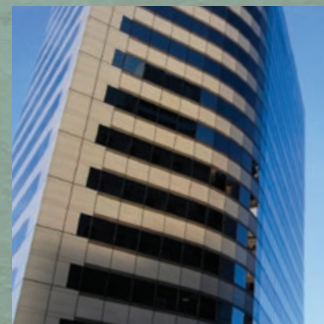
*Any differences in reported FY 2016 web numbers from the 2016 Annual Report to the 2017 Annual Report is caused by the conversion from using the outdated Webalizer program to the industry standard Google Analytics (adopted in 2017 by the Utah Department of Commerce). The FY 2016 and FY 2017 web numbers in this report and all future web numbers will reflect the Google Analytics conversion.





COMMERCE FISCAL YEAR 2017 EXPENDITURES BY DIVISION

Division Name	Expenditures
Commerce Administration.....	\$4,477,900
Property Rights Ombudsman.....	\$ 519,000
Occupational & Professional Licensing	\$8,295,000
Securities.....	\$2,131,000
Consumer Protection.....	\$1,988,000
Corporations & Commercial Code.....	\$2,346,000
Real Estate.....	\$1,937,000
Public Utilities	\$3,832,000
Consumer Services	\$ 943,000
Building Operations & Maintenance	\$ 288,000



UTAH DEPARTMENT OF COMMERCE

Heber M. Wells Building

160 East 300 South • Salt Lake City, UT 84111

(801) 530-6701

www.commerce.utah.gov