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**BEFORE THE DIVISION OF OCCUPATIONAL AND PROFESSIONAL LICENSING  
OF THE DEPARTMENT OF COMMERCE  
OF THE STATE OF UTAH**

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IN THE MATTER OF THE LICENSE OF	)	<b>SURRENDER</b>
<b>DAVID REED BOLICK</b>	)	<b>STIPULATION AND ORDER</b>
TO PRACTICE AS AN	)	
PHYSICIAN/SURGEON	)	CASE NO. DOPL 2009- <i>126</i>
IN THE STATE OF UTAH	)	

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**DAVID REED BOLICK** ("Respondent") and the Division of Occupational and Professional Licensing of the Department of Commerce of the State of Utah ("Division") stipulate and agree as follows:

1. Respondent admits the jurisdiction of the Division over Respondent and over the subject matter of this action.
2. Respondent acknowledges that Respondent enters into this Stipulation knowingly and voluntarily.

3. Respondent understands that Respondent has the right to be represented by counsel in this matter and Respondent's signature below signifies that Respondent has either consulted with an attorney or Respondent waives Respondent's right to counsel in this matter.

4. Respondent understands that Respondent is entitled to a hearing before the State of Utah's Physicians Licensing Board ("Board"), or other Division Presiding Officer, at which time Respondent may present evidence on Respondent's own behalf, call witnesses, and confront adverse witnesses. Respondent understands that by signing this document Respondent hereby knowingly and intelligently waives the right to a hearing, the right to call witnesses on Respondent's own behalf, the right to call witnesses, the right to confront adverse witnesses, and any other rights to which Respondent may be entitled in connection with said hearing. Respondent understands that by signing this document Respondent hereby knowingly and intelligently waives the right to all administrative and judicial review as set forth in §§ 63G-4-301 through 63G-4-405, and Utah Administrative Code R151-46b-12 through R151-46b-15.

5. Respondent waives the right to the issuance of a Petition and a Notice of Agency Action in this matter.

6. Respondent understands that this Stipulation and Order, if adopted by the Director of the Division, will be classified as a public document. The Division may release this Stipulation and Order, and will release other information about this disciplinary action against Respondent's license, to other persons and entities.

7. Respondent admits the following facts are true:

- a. Respondent was first licensed as a physician/surgeon in the State of Utah on or about May 2, 1990.

- b. On or about December 5, 2007 Respondent was indicted in the United States District Court for the District of Utah for mail fraud, wire fraud, and conspiracy.
- c. On or about July 31, 2008, Respondent by and through his attorney, filed a Statement by Defendant in Advance of Plea of Guilty. Respondent agreed to plead guilty to one count of attempt and conspiracy to commit mail fraud pursuant to 18 US 1349. In doing so Respondent acknowledged that (1) Respondent agreed with at least one other person to commit mail fraud and wire fraud; (2) Respondent knew the essential objective of the conspiracy; (3) Respondent knowingly and voluntarily participated in the conspiracy; (4) one of the conspirators engaged in an overt act furthering the objective of the conspiracy; (5) there was interdependence among the members of the conspiracy, that the members in some way or manner, intended to act together for their shared mutual benefit.
- d. In August of 2004, Respondent hired B.K. (co-conspirator whose identity is withheld for purposes of confidentiality) to work for Paragon Investment Group, L.P. ("Paragon") and Home Owners Group, L.L.C., which were businesses that Respondent owned. The focus of Paragon was to serve as an administrator of Respondent's assets and other companies and to direct investments, while the purpose of Home Owners Group was the acquisition and ownership of residential real estate. Respondent relied upon his employees, particularly B.K., for the day to day affairs of the businesses.
- e. In December of 2005, B.K. told Respondent about an opportunity to buy and sell properties in the "River Bottoms" area of Provo, Utah. B.K. told Respondent that many of the homes were undervalued, and that they could capitalize on the current up-swing in real estate value. B.K. stated that they could use "investment buyers" to purchase the house and hold the property to resell at a later time. The profits would then be shared between B.K., Respondent, and the investment buyer. The proceeds from these transactions would be used to buy income-producing assets. B.K. and Respondent discussed this opportunity and the funds involved in these transactions passed through Paragon and Home Owners Group.
- f. Beginning in December of 2005, Respondent recruited a straw buyer, F.S. (identity withheld for purposes of confidentiality), and introduced him to B.K. F.S. purchased two River Bottoms properties from Home Owners Group for approximately double the price contracted by Home Owners Group. The purchase money loans obtained by F.S. involved the use of false and deceptive statements to lenders concerning his qualifications

(e.g., occupancy, income, and assets). The final loan packages were submitted (via mail or courier) by Precision Title (Orem, Utah) to loan underwriters for America's Wholesale Lender and America's Broker Conduit. B.K. and Respondent participated in supplementing F.S.'s loan applications with false and misleading verifications of deposits into his bank account and false documents pertaining to assets.

- g. The above transactions yielded excess loan proceeds that were diverted to Home Owners Group and Paragon. These proceeds were used to pay salaries, commissions, and feed to participants in the above scheme. In addition, these proceeds were used to make mortgage payments on the River Bottoms properties, fund other property acquisitions, and fund other business ventures. Over time, mortgage payments on the River Bottoms properties ceased completely, resulting in foreclosure efforts on each property.
- h. On or about February 17, 2006, in execution of the above scheme, \$1,942,614.31 in loan funds from a bank outside of Utah was transferred to the account of Precision Title at Capital Community Bank in Orem, Utah, in connection with F.S.'s straw purchase of the property at 259 West Stone Brook Lane.
- i. On or about April 2, 2009, Respondent was sentenced in the United States District Court for the District of Utah to serve 41 months in the custody of the Federal Bureau of Prisons, followed by 36 months supervised release. Respondent, as part of his sentencing, was ordered to: (1) refrain from incurring new credit charges; (2) provide the probation office access to all requested financial information; and (3) not be self-employed during his term of supervised release. Respondent along with other defendants were ordered to jointly pay full restitution in the amount of \$5,506,035.25.

8. Respondent admits, for the purposes of this administrative matter only, that Respondent's conduct described above is unprofessional conduct as defined in Utah Code Ann. § 58-1-501(2)(a) and (c) and that said conduct justifies disciplinary action against Respondent's license pursuant to Utah Code Ann. § 58-1-401(2)(a). Respondent hereby surrenders Respondent's license to practice as a physician/surgeon in the State of Utah. Respondent agrees that the issuance of the Order in this matter constitutes disciplinary action by the Division

pursuant to Utah Administrative Code R156-1-102(7) and Utah Code Ann. § 58-1-401(2)(a) and (b). Respondent agrees not to reapply for licensure as a physician surgeon in the State of Utah for a period of three years from the date the Division Director signs this Stipulation and Order. The Division does not guarantee that any future application by Respondent for licensure will be granted. If the Division Director accepts the terms of this Stipulation and Order, Respondent forfeits all rights to practice as a physician/surgeon in the State of Utah. Respondent understands that Respondent will not receive any refund of license or renewal fees previously paid to the Division.

9. This Stipulation and Order, upon approval by the Director of the Division, shall be the final compromise and settlement of this non-criminal administrative matter. Respondent acknowledges that the Director is not required to accept the terms of this Stipulation and Order and that if the Director does not do so, this Stipulation and the representations contained therein shall be null and void, except that the Division and Respondent waive any claim of bias or prejudgment they might otherwise have with regard to the Director by virtue of his having reviewed this Stipulation, and this waiver shall survive such nullification.

10. This document constitutes the entire agreement between the parties and supersedes and cancels any and all prior negotiations, representations, understandings or agreements between the parties regarding the subject of this Stipulation and Order. There are no verbal agreements that modify, interpret, construe or affect this Stipulation.

11. If Respondent violates any term or condition of this Stipulation and Order, the Division may take action against Respondent, including imposing appropriate sanction, in the manner provided by law.

12. Respondent has read each and every paragraph contained in this Stipulation and Order. Respondent understands each and every paragraph contained in this Stipulation and Order. Respondent has no questions about any paragraph or provision contained in this Stipulation and Order.

DIVISION OF OCCUPATIONAL &  
PROFESSIONAL LICENSING

RESPONDENT

BY:   
NOEL TAXIN  
Bureau Manager

BY:   
DAVID REED BOLICK

DATE: 5/12/09

DATE: \_\_\_\_\_

MARK L. SHURTLEFF  
ATTORNEY GENERAL

Received 5-11-09 via U.S.P.S.  
with date stamp *my*

BY:   
L. MITCHELL JONES  
Counsel for the Division

DATE: 12 May 2009

**ORDER**

THE ABOVE STIPULATION, in the matter of **DAVID REED BOLICK**, is hereby approved by the Division of Occupational and Professional Licensing, and constitutes my Findings of Fact and Conclusions of Law in this matter. The issuance of this Order is disciplinary action pursuant to Utah Administrative Code R156-1-102(7) and Utah Code Ann. § 58-1-401(2)(a) and (b). The terms and conditions of the Stipulation are incorporated herein and constitute my final Order in this case.

DATED this 13<sup>TH</sup> day of May, 2009.

DIVISION OF OCCUPATIONAL AND  
PROFESSIONAL LICENSING



THAD LEVAR  
Interim Director

Investigator: Jared Memmott