

OKLAHOMA ABSTRACTORS BOARD
MINUTES OF REGULAR MEETING
April 18, 2023

1. A regular meeting of the Oklahoma Abstractors Board (OAB) was called to order by Chairperson Randy Coffman at 10:00 a.m., at the OLERS Conference Room, 421 NW 13th Street, Suite 100, Oklahoma City, Oklahoma.
2. Darla Ringo called the roll. Attending were: Darin Kent, Darla Ringo, Jeff Lower, Lisa Yates, Randy Coffman, Rex Koller, Scott Ward, and Sue Ann Loggains. Absent: Jeff Mapes
3. The Minutes of the Regular Meeting of the OAB, conducted on March 21, 2023, were reviewed. A motion was made by Ms. Ringo to approve the minutes as presented. The motion was seconded by Mr. Kent. Motion carried.
Yeas: Darin Kent, Darla Ringo, Jeff Lower, Lisa Yates, Randy Coffman, Rex Koller, Scott Ward, and Sue Ann Loggains. Nos: None.
4. **Chairperson's Report-Randy Coffman:** Mr. Coffman reported that he had attended the Oklahoma Land Title Association's convention to give a report for the Board and had a good time there.
5. **Administrator's Report (Board Report):** Ms. Smith reported that online licensing has been put on hold. The progress in the last three months has been minimal and with Ayla due to go out on maternity leave for twelve weeks very soon, it made sense to hold on the project. After a discussion with the Executive Committee it was decided that for the duration of Ayla's leave, the office would be run by Ms. Smith alone primarily because of the volume of non-public personal information that comes into the office. She wasn't comfortable with hiring a temp to be in the office with access to that information. If there is an occasion that Ms. Smith needs to be out of the office for inspections, which is usually only one day per month, the office would be closed.
6. **Committee Reports.**
 - a.) **Budget and Finance – Lisa Yates:** Ms. Yates gave an update on the budget reporting that the annual budget is \$298,063.00 with encumbrances of \$43,541.16, which gives us a total Year-To-Date Encumbrances and Expenses of \$205,869.21 and a variance of \$92,193.79. The revenue for the month of March was \$49,690.00 and expenses were \$21,880.83 which leaves us with an ending cash balance of \$979,333.12.
After review and discussion, a motion was made by Ms. Yates to approve the report as presented. Second by Mr. Lower. Motion carried.
Yeas: Darin Kent, Darla Ringo, Jeff Lower, Lisa Yates, Randy Coffman, Rex Koller, Scott Ward, and Sue Ann Loggains. Nos: None.

- b.) **Rules and Regulations – Randy Coffman:** Mr. Coffman stated that the Rules Committee met to discuss a change in the rules that went into effect in November of 2021. At that time, there was discussion about electronic abstracts to expand on the previously minimal definition of digital abstracts and the rule was changed.

One of the items is - The conversion of an Abstract of Title from paper format to electronic format or from electronic format to paper format must be conducted by a licensed abstractor employed by a holder of a certificate of authority for the county in which the property is located, or designee under the supervision of such holder of a certificate of authority, who shall certify to its conversion from one format to the other and to its completeness.

It has been discussed that paper abstracts were going out to perhaps closing companies or an attorney and they were scanning the abstracts and essentially creating an electronic abstract. There were questions of whether this was a proper thing to be done or even allowed which was what brought about that particular section of the language.

Anything pertaining to the abstract or the abstract product needs to be done by a COA holder and not a third party just as when a customer has copied their paper abstract and brings it in and says they want to keep their abstract, but gives the copy to the company to be brought to date and the company refuses because they didn't produce the copy.

The committee realized that nothing was ever done related to the certification to the conversion of an abstract. After a meeting, the company produced a couple of options that they considered and they were sent to the Board. One is an actual standalone certificate which would be attached to the abstract after conversion. There was discussion about whether it was necessary or adding undue burdens upon the abstractor so the other is a change to the existing Uniform Abstract Certificate.

The committee could not come to an agreement, but it is thought that the language demands that something needs to be set in place to satisfy the language of the rules requiring certification.

Ms. Loggains asked why it needed to be done by a COA holder in the county and not just any COA holder. Mr. Coffman said that any work done on an abstract has to be done in that county and this conversion falls under that work. Ms. Loggains said she disagreed even though it's what the rule says.

Mr. Koller commented that his goal was to have two different certificates, one for paper and one for electronic. He didn't want to do anything that would retroactively impact existing abstracts, but thought it would be better to create something that could be added to the abstract the next time it was handled. He added comments from the Attorney General when asked his opinion and he stated that the addition of a conversion certificate was an unnecessary burden that would create consumer

confusion without adding any benefit. Mr. Koller stated that he can see that, but he can also see what's in Title 5 so that's why he thought of having two different certificates.

Ms. Yates asked about the abstract conversion certificate and whether it was what was sent to the Attorney General. Mr. Koller said it was. She asked when there was an expectation that the conversion certificate would be used. Mr. Coffman explained what when there was a paper abstract being converted to an electronic abstract or vice versa, that's when it would be used and would go in as the last page of the abstract.

Ms. Ringo stated that she was confused as to why there would need to be one and clarified when it would be used. Ms. Loggains said that there could just be something on the certificate showing it was converted. Mr. Coffman said that was the other option but that it doesn't quite cover it all like in commercial transactions where there are several base abstracts that come together and are continued under a supplemental so you could not account for the conversion of those original base abstracts under the revised certificate.

Mr. Charles Nichols in the audience asked about the situation where there is one base and six supplementals, would there be seven different certificates? Mr. Coffman stated he thought that if it was a situation of a continuation of an existing base, only one would be needed, but with supplementals, each one would need a certification.

Mr. Loggains asked about a digital certificate and Mr. Coffman said that he expected that the form would be just another one on their system that gets signed electronically like the others.

Ms. Yates asked Mr. Koller to clarify whether it was conversion certificate alone that was sent to the Attorney General or both options. He confirmed that it was the certificate alone. He added that there were technological ways to add watermarks or such to signify that a digital file had come from an abstract company and not someone else. Mr. Coffman said that there were examples of paper abstracts going out and coming back undone, so it was clear that the abstract had been scanned in and it was felt that it was important that the abstractor be the one that has control of that process and not someone else to avoid scans coming from third parties presented as valid abstracts.

Ms. Kristi French in the audience stated that she didn't like the idea of recertifying to an abstract's completeness after it has already been completed by another COA holders. She would just create a digital supplemental to the paper base because she thinks it's cumbersome and wouldn't want to certify to someone else's work. Mr. Coffman clarified that she wouldn't be certifying to their work, only to the conversion. She states that she treats electronic and paper exactly the same. Mr. Koller stated that all the certificate does is state that the company is scanning all the

pages it received and shipping it out just the way they received it. Ms. Loggains asked whether the attorney would then be sent both the paper base and electronic supplemental and Ms. French replied that some parts of her company do and some don't. They don't have a uniform process. She stated that abstractors are already complying to so many things that she didn't see why there needed to be this added layer.

Ms. Scimeca stated that it is already in the rule but the question is whether there needs to be a form. Mr. Charles Holleman in the audience stated that his company always just adds a stamp that it has been converted by the company. Even when they receive paper abstracts, they go ahead and convert it and stamp it because they don't want the paper abstracts and the stamp goes on the front on the caption page or cover page.

Mr. Nichols stated that if the certificates match up, it seems that it wouldn't need to be done. Ms. Smith stated that she thought the bigger concern is not from abstractor to abstractor but from third parties who are converting abstracts and trying to pass them off as complete abstracts when they may not be because their scanning processes may be deficient.

Several people spoke up and said that sort of thing happens all the time anyway whether there is a certificate or not. Ms. Terri Parrish of the audience stated that she wanted to know what the purpose of the certificate was. Is it just to say that an abstract was paper and now it's not? Who does that benefit?

Ms. Yates stated that eventually it will be obsolete, and everything will be digital. Ms. Parrish said that it already happens with a paper abstract and it comes back taken apart and if there's something missing, you call the abstractor who did it. Even with digital abstracts, if it goes to a closing company and gets sent to another abstractor, if the second abstractor finds an issue with it, they're going to call the originator of the abstract, not the closing company because they know exactly what's in that abstract. Therefore, what is the purpose? Are we trying to do something that we think the statute says or trying to clarify the statute? What are we trying to satisfy?

Mr. Coffman stated that what we're trying to satisfy is the way the rule was written that says a company will certify to an abstract's conversion. Ms. Loggains said that there wouldn't be anything wrong with using the stamp example showing it's been converted.

Ms. Yates asked what the problem was with using the modified UAC example. Ms. Parrish stated that the problem with that is that now you have two certificates which could be confusing and a third party scanning an abstract wouldn't have that certificate. Therefore, would it be easier to correct the intent of the law? Maybe that wasn't the intent. Mr. Coffman stated that it was the intent that the abstractor be the one making the conversion and that there needs to be a statement saying they did it.

Ms. Parrish stated that an abstractor doesn't always have control over that. So why does that certificate matter if I'm not the one doing it? Mr. Coffman said that the converted abstract would not be considered to be a legitimate abstract.

Mr. Kent stated that he tends to agree with the audience that it will create more issues and confusion and ways for people to screw up than it would resolve. Ms. Loggains asked whether it was the attorney who is most concerned with seeing that an abstract is legitimate. Mr. Coffman stated that he'd been questioned by customers about how they're supposed to know whether it was complete. Mr. Kent said that the addition of the certificate wouldn't do anything to ensure that everything was there.

Ms. Loggains said that she doesn't think there's an issue with closing companies scanning abstracts unless they're trying to then give it to an attorney for an opinion.

Ms. Scimeca pointed out again that the rule requires that the conversion be certified to as to the completeness of the conversion. She then read the entire section. The conversion of an Abstract of Title from paper format to electronic format or from electronic format to paper format must be conducted by a licensed abstractor employed by a holder of a certificate of authority for the county in which the property is located, or designee under the supervision of such holder of a certificate of authority, who shall certify to its conversion from one format to the other and to its completeness.

Ms. Loggains said that she still felt that the intent was conversion for examination. Ms. Parrish disagreed and repeated the question as to the purpose. Mr. Coffman said that what he's hearing is that people don't care who converts an abstract or who does what. Anyone can do it.

Ms. Yates asked when the rule was passed. Ms. Scimeca said that the effective date was November 1, 2021. Ms. Yates said that perhaps the board needed to revisit the rule. Mr. Coffman asked in what way it should be revisited. Mr. Nichols said that he didn't know why a closing company would be scanning an abstract, they do it, but why do they do it? Ms. French said that she has heard of closing companies scanning abstracts because it's easier to give it to the customer in an electronic form such as on a flash drive at closing. Mr. Ward stated that in his opinion that the customer needs to be sure that what they're receiving is a certified digital copy and to not ensure that they are is not ensuring protection of the consumer.

Mr. Jason Waldroup from the audience stated that paper and electronic abstracts are treated the same by his company. However, there is a difference between that and a closing company that was provided a paper abstract that they scan to send to an attorney and then that company giving it back to the original company and trying to pass it off as a valid abstract. That's a scan of the abstract and the original abstractor shouldn't have to accept it as valid because they know they produced and gave it to them in paper form. However, he agrees with Ms. Parrish that he doesn't see the purpose especially since there hasn't been any apparent issues.

Mr. Kent asked whether there have been issues. Mr. Coffman confirmed that there have not. Mr. Ward suggested that perhaps the rule needs to be revised and Mr. Coffman pointed out that the earliest the rule could be changed and go into effect would be November 2024. The topic was tabled to revisit at the next board meeting because the rule exists and he doesn't know if it can be ignored.

c.) **Licensing and Testing-Rex Koller:** Mr. Koller reported that there has been no testing since the last board meeting. The next testing date is May 3rd at the Basic Abstractors School and the next regularly scheduled test is May 18th at the testing center.

d.) **Inspections-Katherine Smith:** Ms. Smith reported that there had been seventeen inspections since the last Board Meeting. All but two companies had no findings and the recommendations from the Enforcement Committee for penalties related to the two companies is in the packet. There were no questions or discussion, so she asked for a motion to approve the inspection reports as presented and the recommendation from the Enforcement Committee. A motion was made by Mr. Ward. Second by Ms. Ringo. Motion passed.

Yeas: Darin Kent, Darla Ringo, Jeff Lower, Lisa Yates, Randy Coffman, Rex Koller, Scott Ward, and Sue Ann Loggains. Nos: None.

e.) **Enforcement Committee Reports-Scott Ward:**

Applications for Licenses: Presented to the Board for approval was a list of applicants for abstract licenses or renewals, which are set out in the attachments hereto. A motion was made by Mr. Ward on behalf of the Enforcement Committee to approve all the licenses presented, subject to administrative review and to make sure all compliance issues were met, and appropriate fees paid. Second by Mr. Kent. Motion passed.

Yeas: Darin Kent, Darla Ringo, Jeff Lower, Lisa Yates, Randy Coffman, Rex Koller, Scott Ward, and Sue Ann Loggains. Nos: None.

Renewal of Certificate of Authority (With NO Fee Changes): Presented to the Board for approval were applications for renewal of Certificate of Authority with their rate sheet by Alfalfa Guaranty Abstract Company (Alfalfa), First American Title Insurance Company (Tulsa), Grand Valley Abstract Title and Closing of Pryor, LLC dba Smith Brothers Abstract & Title Co., LLC (Mayes), Metro Abstract Title and Closing Company of Wagoner dba Smith Brothers Abstract & Title Co., LLC (Wagoner), Smith Brothers Abstract & Title (Caddo), Smith Brothers Abstract & Title Co., LLC (Tulsa), Smith Brothers Abstract & Title Co., LLC (Washita). A motion was made by Mr. Ward on behalf of the Enforcement Committee to approve the applications. Second by Mr. Lower. Motion passed.

Yeas: Darin Kent, Darla Ringo, Jeff Lower, Lisa Yates, Randy Coffman, Rex Koller, Scott Ward, and Sue Ann Loggains. Nos: None.

Abstention: Mr. Koller and Ms. Ringo abstained from voting on those licenses pertaining to their company's business interests.

Renewal of Certificate of Authority (With Fee Changes): Presented to the Board for approval were applications for renewal of Certificate of Authority with their rate sheet by Abstract & Guaranty of Blaine Co., Dewey County Abstract, Marietta Abstract Company, Inc., Smith Brothers Abstract & Title Co., LLC 0006 (Pittsburg), Smith Brothers Abstract & Title Co., LLC 0007 (Pittsburg), Washington County Abstract dba Southern Abstract Co. (Washington). A motion was made by Mr. Ward on behalf of the Enforcement Committee to approve the applications. Second by Mr. Koller. Motion passed.

Yeas: Darin Kent, Darla Ringo, Jeff Lower, Lisa Yates, Randy Coffman, Rex Koller, Scott Ward, and Sue Ann Loggains. Nos: None.

Abstention: Mr. Koller and Ms. Ringo abstained from voting on those licenses pertaining to their company's business interests.

Rate Changes Only: Presented to the Board for approval were amended rate sheets by Wagoner County Abstract Company, LLC. A motion was made by Mr. Ward on behalf of the Enforcement Committee to approve the amended rate sheet. Second by Ms. Ringo. Motion passed.

Yeas: Darin Kent, Darla Ringo, Jeff Lower, Lisa Yates, Randy Coffman, Rex Koller, Scott Ward, and Sue Ann Loggains. Nos: None.

New Permit to Build an Abstract Plant: Presented to the Board for approval was an application for a New Permit to Build an Abstract Plant by Lawyers Title of Oklahoma, LLC (Grady). After discussion and comments, a motion was made by Mr. Ward on behalf of the Enforcement Committee to approve the application. Second by Mr. Lower. Motion passed.

Yeas: Darin Kent, Darla Ringo, Jeff Lower, Lisa Yates, Randy Coffman, Rex Koller, Scott Ward, and Sue Ann Loggains. Nos: None.

New Permit to Build an Abstract Plant: Presented to the Board for approval was an application for a New Permit to Build an Abstract Plant by Lawyers Title of Oklahoma, LLC (Pottawatomie). After discussion and comments, a motion was made by Mr. Ward on behalf of the Enforcement Committee to approve the application. Second by Mr. Kent. Motion passed.

Yeas: Darin Kent, Darla Ringo, Jeff Lower, Lisa Yates, Randy Coffman, Rex Koller, Scott Ward, and Sue Ann Loggains. Nos: None.

New Permit to Build an Abstract Plant: Presented to the Board for approval was an application for a New Permit to Build an Abstract Plant by Chicago Title Oklahoma Co. (Canadian). After discussion and comments, a motion was made by Mr. Ward on behalf of the Enforcement Committee to approve the application. Second by Mr. Lower. Motion passed.

Yeas: Darin Kent, Darla Ringo, Jeff Lower, Lisa Yates, Randy Coffman, and Scott Ward. Nos: None.

Abstention: Mr. Koller and Ms. Ringo abstained from voting on those licenses pertaining to their company's business interests.

Renewal of Permit to Build an Abstract Plant: Presented to the Board for approval was an application for a Renewal of Permit to Build an Abstract Plant by Mod Marshall, LLC (Carter). After discussion and comments, a motion was made by Mr. Ward on behalf of the Enforcement Committee to approve the application. Second by Mr. Koller. Motion passed.

Yeas: Darin Kent, Darla Ringo, Jeff Lower, Lisa Yates, Randy Coffman, Rex Koller, Scott Ward, and Sue Ann Loggains. Nos: None.

7. **New Business:** Mr. Coffman asked for new business. There was none.
8. **Report Legal Counsel-Whitney Herzog-Scimeca:** Ms. Scimeca stated that she had been working with the Enforcement Committee and gave an update on the ongoing case in Carter County. There was a request to change venue but there has been no ruling so far.
9. **Visitor's Comments:** Mr. Coffman asked for any visitor comments. Ms. French thanked Mr. Coffman for attending OLTA Convention and for the OAB giving the exam at the school.
10. **Announcement of next meeting:** Tuesday, May 16, 2023, at 10:00 a.m., 421 NW 13th Street, Suite 100 (OLERS) Conference Room, Oklahoma City, Oklahoma.
11. **Executive Session for Staff Reviews:** A motion was made by Ms. Ringo to enter Executive Session. Second by Ms. Ringo.
Yeas: Darla Ringo, Jeff Lower, Lisa Yates, Randy Coffman, Rex Koller, Scott Ward, and Sue Ann Loggains. Nos: None.
Absent: Darin Kent had to leave the meeting early.

A motion was made by Mr. Lower to exit Executive Session. Second by Mr. Ward.
Yeas: Darla Ringo, Jeff Lower, Lisa Yates, Randy Coffman, Rex Koller, Scott Ward, and Sue Ann Loggains. Nos: None.

Mr. Coffman stated that the board wished provide a three percent (3%) salary increase to both staff members. A motion was made by Ms. Ringo to do so. Second by Mr. Koller. Motion passed.
Yeas: Darla Ringo, Jeff Lower, Lisa Yates, Randy Coffman, Rex Koller, Scott Ward, and Sue Ann Loggains. Nos: None.
12. **Adjournment:** Mr. Coffman asked for a motion to adjourn the meeting. Motion was made by Mr. Ward. Second by Ms. Yates. Motion passed.

Yeas: Darla Ringo, Jeff Lower, Lisa Yates, Randy Coffman, Rex Koller, Scott Ward, and Sue Ann Loggains. Nos: None.