

OKLAHOMA ABSTRACTORS BOARD
MINUTES OF REGULAR MEETING
June 20, 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, Jeff Mapes, Randy Coffman, Rex Koller, Scott Ward, and Sue Ann Loggains. Absent: Darin Kent and Lisa Yates.
3. The Minutes of the Regular Meeting of the OAB, conducted on May 16, 2023, were reviewed. A motion was made by Mr. Mapes to approve the minutes as presented. The motion was seconded by Mr. Ward. Motion carried.
Yeas: Darla Ringo, Jeff Lower, Jeff Mapes, Randy Coffman, Rex Koller, Scott Ward, and Sue Ann Loggains. Nos: None.
4. **Chairperson's Report-Randy Coffman:** Mr. Coffman thanked the board members for their contributions and efforts and Ms. Smith and Ayla.
5. **Administrator's Report (Board Report):** Ms. Smith reported Ms. Harper had her baby and is out on maternity leave, scheduled to return July 17th. She also reported that while she's been doing Ayla's job for the past few months, she's noticed some things that she would like to tweak to make the job more efficient and leave less room for error.

One item is the listing of counties on individual licenses. It's her thought that an individual is technically licensed for the entire state, but is constrained by the COAs and or Permits their employer holds for a particular county. She gave an example of one of the larger companies that holds COAs and permits in multiple counties and every time a company has a new COA or Permit come into place, Ayla sends out stickers to be applied to the license of every single employee. If an individual changes companies and changes counties, we have to reissue their license.

Therefore she proposed that they do away with listing counties on individual licenses only and replace it with language tying their ability to abstract to their employer's COA and or Permit holdings. That would allow for automation of the process and create more efficiency.

Ms. Loggains gave an example that she has an employee that works for both her company and a related company and wondered if that would be an impediment. Ms. Smith stated that there are other companies, the larger ones in particular that have multiple ownership entities in multiple counties where their employees are working for any or all of those entities at any given time.

Ms. Loggains said she was concerned, because if something happened and the individual abstractor did something wrong and the company was sued, would there be difficulties because the individual was technically not an employee of the second company for which the problem was caused. She said she just wanted to make sure there wasn't a problem and went on to state that their E&O covers both companies.

Ms. Smith stated that the E&O is the key factor because when employees are "loaned" from one company to another that might be in a temporary state of busyness and in need of aid, the Board requires something in writing. It has to state that any work done by that loaned employee will be covered by the company's E&O while they are there working temporarily.

Mr. Mapes asked if it would impact the loaning of employees in any way. Ms. Smith replied that it would not because they would continue to ask for documentation in writing regarding the coverage of the loaned employee's work.

A motion was made by Mr. Ward to approve the change of the certificates. The motion was seconded by Mr. Koller. Motion carried.

Yeas: Darla Ringo, Jeff Lower, Jeff Mapes, Randy Coffman, Rex Koller, and Scott Ward. Nos: Sue Ann Loggains.

6. **Committee Reports.**

a.) **Budget and Finance – Jeff Mapes:** Mr. Mapes gave an update on the budget reporting that the annual budget is \$298,063.00 with encumbrances of \$35,954.32, which gives us a total Year-To-Date Encumbrances and Expenses of \$237,489.53 and a variance of \$60,573.47. The revenue for the month of April was \$19,200.00 and expenses were \$20,116.21 which leaves us with an ending cash balance of \$999,620.96. After review and discussion, a motion was made by Mr. Mapes to approve the report as presented. Second by Ms. Ringo. Motion carried.

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

b.) **Rules and Regulations – Randy Coffman:** Mr. Coffman reported that the committee has been discussing the conversion of abstracts from one format to the other and thus far has not been able to reach a consensus. It would appear that taking a paper abstract and scanning it creates an electronic abstract and according to what's in Title 5, there has to be some sort of certification to that conversion which is the topic of discussion.

Options for memorializing that transition have included adding a certificate page notating the transition and there has been much discussion on the matter. There was also a suggestion to add a section concerning conversion of an abstract or possibly simply adding a note.

Because the committee can't come to a conclusion despite what the rules state as a requirement, the matter will be taken up again by the next Rules and Regulations

committee. He asked for input from the existing Rules Committee. Mr. Koller stated that there seemed to be a lot of opposition and Mr. Mapes added that there seems to be the requirement in the rule, so something needs to happen whether changing the rule or quantifying the process of conversion.

Mr. Coffman read the rule again emphasizing the portion requiring certification. Ms. Loggains stated that she thought it was important to state that an abstract is being formatted in the conversion, not creating one. Also, when she thinks of something being certified, there's just a stamp that's applied to identify it as such. However, she does agree that something needs to be done but doesn't agree that it has to be by an abstractor in the county where the abstract was produced.

Ms. Ringo added that once an abstract leaves the abstractor's hands, there's no way to control what happens to it. Mr. Coffman agreed.

Mr. Koller read the section from the current Uniform Abstract Certificate that says it contains what it needs to in the abstract. Mr. Coffman likened it to an individual taking their paper abstract and copying it then trying to return the copy as a legitimate abstract and how most companies would refuse to recognize it as such. Ms. Loggains said that perhaps a stamp could be used.

Mr. Nichols in the audience stated that with an extra certificate there could be seventy-seven different versions (one for each county), but if there is uniform language required, it would be the same across the state. He has a page set up with language that he puts in. Ms. Loggains said that their software has a stamp that shows there's been a conversion performed. Mr. Coffman pointed out that what Mr. Nichols does is originally what was suggested.

Mr. Ward stated that he felt like the process was being overcomplicated because the abstract will eventually go back to the county where it was produced and there are mechanisms like title insurance in place to protect the consumer. Mr. Coffman stated that he felt the original concern was more related to third parties converting abstracts than abstractors converting abstracts. Mr. Ward replied that if there is no problem being passed onto the consumer, he didn't feel like anything extra needed to be done. However, if there is something that could be detrimental to the consumer or cost them significant additional funds, it should. Otherwise, it's just making things too complicated.

Ms. Harmon in the audience commented that she has closers in some counties that convert abstracts to an electronic format because it saves time and money transitioning it between the company and the examining attorney. It happens in moments and there's no shipping cost. She questioned why that's different from other third parties that convert an abstract from one format to another.

Mr. Ward said it was his understanding that it could affect whether the abstract was viewed as being certified. Mr. Coffman asked whether that third-party converted

abstract in its electronic form then becomes the official abstract. Ms. Harmon said it didn't with her company but Mr. Ward stated that eventually it will go back to the original abstractor and if that abstractor isn't doing anything but paper abstracts, they might not accept it as still being valid. He added that his concerns were that there could potentially be things that are lost in the conversion that could create a title defect for the consumer and whether the original goes astray and is no longer available to the consumer which could create additional costs if the consumer has to have the abstract rebuilt.

Mr. Francis stated that the actual certificate rules everything. Whether the abstract remains complete, whoever touches the abstract again will go from the last certificate rather than what remains behind it. Ms. French stated that whether an abstractor is converting it or not, in most cases, the work of the closing office is being supervised by Ms. Harmon's COA office.

Ms. Loggains said that the only reason an abstract is certified is for attorneys. Mr. Coffman interjected that the only reason why it's being brought up and discussed is because the rule exists. Mr. Ward said he felt that perhaps the rule needed to be reviewed and addressed by the Rules Committee. At the time the rule was passed, electronic abstracts weren't as prevalent as they have now become. A lot of time was spent crafting the language of the rule, but now it needs to be readdressed to see if the requirement is truly needed.

Ms. Ringo stated that if the rule gets reviewed, the state as a whole needs to be taken into consideration because how things are done in the rural parts of the state can be very different from how they're done in the more metropolitan areas.

Ms. Parrish in the audience added that she's pretty sure that abstractors who have their COA aren't the ones not handling abstracts with care when converting them. And since abstractors are the only ones under the authority of the OAB, why is there the need for a rule that can't be enforced on anyone but abstractors?

Mr. Coffman said that it would be a mechanism to justify a poorly converted abstract processed by a third party could be held as illegitimate. He then closed the conversation and said the rules committee would take the issue up again.

Ms. Smith reported that the current rules going through the process have been approved by joint resolution and all final submissions were made. Therefore, they can be considered finalized and will go into effect on November 1st.

- c.) **Licensing and Testing-Rex Koller:** Mr. Koller reported that since the last board meeting, there were 1 person who took the test and 1 who passed. The next testing date is July 20th at the testing center.
- d.) **Inspections-Katherine Smith:** Ms. Smith reported that there had been ten inspections since the last Board Meeting. Eight companies had no findings, but two

did and the recommendations from the Enforcement Committee for penalties related to the 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 Mr. Lower. Motion passed.

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

Abstention: Darla Ringo, Rex Koller, and Sue Ann Loggains abstained from those reports related to their employer's companies.

Consent Orders: Ms. Smith reported that there were four consent orders in the packet, related to inspections reviewed at a previous board meeting. The Respondents has agreed to the order, signed it and returned it with the penalty. The first is from Pioneer Abstract in Harper County. They had a minor indexing issue and received a penalty of \$200. The second is from Muskogee Abstract and Title who had several orders completed outside of guidelines and received a penalty of \$1,300. Next is Guaranty Abstract in Guymon. They also had several orders outside of guidelines and they received a penalty of \$2,500. The fourth was for Eufaula Abstract and Title in McIntosh County who also had orders completed outside of guidelines as well as their indexing being severely out of date which they have a demonstrated history of as well. They were assessed a penalty of \$12,000.

Ms. Smith also pointed out that the number of orders pulled for inspections has tripled to a total of thirty-six orders for every company.

Ms. Smith asked for a motion to accept the consent orders and authorize the Chairperson to sign off of them. A motion was made by Mr. Lower. Second by Mr. Ward. Motion passed.

Yeas: Darla Ringo, Jeff Lower, Jeff Mapes, 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 Ms. Ringo. Motion passed.

Yeas: Darla Ringo, Jeff Lower, Jeff Mapes, 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 Custer County Abstract, Green Country Title & Closing, LLC (Adair), Smith Brothers Abstract & Title Co., LLC (Seminole). A motion was made

by Mr. Ward on behalf of the Enforcement Committee to approve the applications. Second by Mr. Koller. Motion passed.

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

Abstention: Darla Ringo and Rex Koller abstained from those reports related to their employer's companies.

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 Sovereign Abstract and Title of McIntosh County. 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: Darla Ringo, Jeff Lower, Jeff Mapes, Randy Coffman, Rex Koller, Scott Ward, and Sue Ann Loggains. Nos: None.

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 Oklahoma Digital Abstract, LLC dba Delaware County Abstract. 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: Darla Ringo, Jeff Lower, Jeff Mapes, Randy Coffman, Rex Koller, Scott Ward, and Sue Ann Loggains. Nos: None.

Complaint OAB-2023-W143: The complainant alleged that the Respondent was not producing abstracts within guidelines. The Enforcement Committee agreed and recommended the assessment of a penalty, which the Board agreed to. After discussion and comments, a motion was made by Mr. Ward on behalf of the Enforcement Committee to approve the recommendation from the Enforcement Committee and issue a Consent Order assessing the recommended penalty. Second by Mr. Lower. Motion passed.

Ms. Loggains asked how many employees the company has. Ms. Smith answered that they have eight employees. Five that are licensed, but two of the licensees are the owners who also run a closing company. Ms. Loggains clarified that they only have three full-time abstractors and Ms. Smith confirmed.

Yeas: Darla Ringo, Jeff Lower, Jeff Mapes, Randy Coffman, Scott Ward, and Sue Ann Loggains. Nos: Rex Koller.

7. **Election of Officers:** Mr. Coffman opened the floor for discussion.

A motion was made by Mr. Koller to nominate Scott Ward for Chairman. Second by Ms. Loggains. Motion Passed.

Yeas: Darla Ringo, Jeff Lower, Jeff Mapes, Randy Coffman, Rex Koller, and Sue Ann Loggains. Nos: None. Abstention: Mr. Ward

A motion was made by Ms. Loggains to nominate Darla Ringo for Vice-Chairperson. Second by Mr. Ward. Motion Passed.

Yeas: Jeff Lower, Jeff Mapes, Randy Coffman, Rex Koller, Scott Ward, and Sue Ann Loggains. Nos: None. Abstention: Ms. Ringo.

A motion was made by Ms. Ringo to nominate Sue Ann Loggains for Secretary. Second by Mr. Ward. Motion Passed.

Yeas: Jeff Lower, Darla Ringo, Jeff Mapes, Randy Coffman, Rex Koller, and Scott Ward. Nos: None. Abstention: Ms. Loggains.

8. **New Business:** Mr. Coffman asked for new business. There was none.
9. **Report Legal Counsel-Joe Ashbaker:** Mr. Ashbaker, sitting in for Ms. Scimeca reported that he had no report.

Mr. Coffman said that in the Enforcement Meeting, Ms. Scimeca had updated them that things in Love County was still moving forward but so far hadn't been officially transitioned to Love County.

10. **Visitor's Comments:** Mr. Coffman asked for any visitor comments. There were none.
11. **Announcement of next meeting:** Tuesday, July 18, 2023, at 10:00 a.m., 421 NW 13th Street, Suite 100 (OLERS) Conference Room, Oklahoma City, Oklahoma.
12. **Adjournment:** Mr. Coffman asked for a motion to adjourn the meeting. Motion was made by Mr. Lower. Second by Mr. Mapes. Motion passed.
Yeas: Darla Ringo, Jeff Lower, Jeff Mapes, Randy Coffman, Rex Koller, Scott Ward, and Sue Ann Loggains. Nos: None.