

OKLAHOMA ABSTRACTORS BOARD
MINUTES OF SPECIAL MEETING
November 19, 2024

1. A special meeting of the Oklahoma Abstractors Board (OAB) was called to order by Chairperson Scott Ward at 10:00 a.m., at the OLERS Conference Room, 421 NW 13th Street, Suite 100, Oklahoma City, Oklahoma.
2. Jeff Mapes called the roll. Attending were: Darla Ringo, Jason Waldroup, Jeff Lower, Jeff Mapes, Randy Coffman, and Scott Ward. Absent: Darin Kent and Sue Ann Loggains. Rex Koller arrived just after the minutes were approved.
3. The Minutes of the Special Meeting of the OAB, conducted on October 15, 2024, were reviewed. A motion was made by Mr. Mapes to approve the minutes as presented. The motion was seconded by Mr. Lower. Motion carried.
Yeas: Jason Waldroup, Jeff Lower, Jeff Mapes, Randy Coffman, and Scott Ward. Nos: None
Abstention by Ms. Ringo because she was absent.
4. **Chairperson's Report - Scott Ward:** Mr. Ward reported that everything is going well and running smoothly. He has been working with staff and the Executive Committee on various items.
5. **Administrator's Report (Board Report):** Ms. Smith reported that the online licensing platform has gone live and overall, the experience seems to be positive for users. She did make remarks regarding an employer's inability to see licensee's expiration dates and that a transaction fee of a little over \$5 per license if paying by credit card. A company can opt to still send in a check. She then notified the board of upcoming vacation time for staff members.
6. **Committee Reports.**
 - a.) **Budget and Finance – Darla Ringo:** Ms. Ringo gave an update on the budget. The annual budget is still \$276,789.000 with encumbrances of \$79,092.43, which gives us a total Year-To-Date Encumbrances and Expenses of \$134,181.70 and a variance of \$142,607.30. The revenue for the month of October was \$73,251.01 and expenses were \$24,221.97 which leaves us with an ending cash balance of \$1,085,002.28.. After review and discussion, Ms. Ringo made a motion to approve the report as presented. Second by Mr. Lower. Motion carried.
Yeas: Darla Ringo, Jason Waldroup, Jeff Lower, Jeff Mapes, Randy Coffman, Rex Koller, and Scott Ward. Nos: None.
 - b.) **Rules and Regulations – Rex Koller:** Mr. Koller reported that the committee developed language to create uniformity with Title 46 (leaving out non-federal

mortgages that have passed the statutory guidelines) and standardize the language needed on certificates and caption pages.

5:11-5-3. Preparation of abstracts would include an addition of item 4 under section a.

(4) an abstract may be compiled with consideration to and under the guidance of 46 O.S. § 301(B) and 16 O.S. §§ 61-63 et seq. and omit non-federal mortgages past the statutory right of foreclosure.

5:11-5-3. Forms would have an addition under section 4 adding item E.

(E) if the abstract certification excepts non-federal mortgages past the statutory right or foreclosure, there shall be language containing the following elements: (i) A statement that the abstract has been compiled with consideration to and under the guidance of 46 O.S. § 301 (B) and 16 O.S. §§ 61-63 et seq., (ii) state the time-period in number of years prior to the Certificate date used for the exception of applicable mortgages, (iii) state that any mortgages to federal programs in which the United States or one of its agencies is the mortgagee, within said time period have not been excepted.

Use of this would not be mandatory, but could help speed the process for the building of complete abstracts. Mr. Waldroup added that it might require some retraining to be done right, but that it could be very beneficial.

Abstractors should check with their company and underwriters to ensure what they are comfortable with.

Ms. Smith was asked to give an overview of the rulemaking process. She also reminded them that the language could be adjusted based on comments received or feedback during the public hearing. Mr. Ward asked for everyone to review the language and offer feedback if they feel there needs to be changes.

A motion was made by Mr. Koller on behalf of the Rules Committee to enter the rulemaking process with the language presented. Second by Ms. Ringo. Motion passed.

Yeas: Darla Ringo, Jason Waldroup, Jeff Lower, Jeff Mapes, Randy Coffman, Rex Koller, and Scott Ward. Nos: None.

- c.) **Licensing and Testing-Katherine Smith:** Ms. Smith reported that since the last board meeting there had been twenty-nine people take the test and twenty-six passed. The next testing date is this coming Thursday, November 21st at the OAB offices and is the last test for the year.

- d.) **Inspections-Katherine Smith:** Ms. Smith reported that there had been no inspections since the last board meeting and there won't be any more regular inspections until spring.

Consent Order: In the packet is a consent order related to inspection findings. Choctaw County Abstract who had three orders completed outside of guidelines. Because the company did not have a demonstrated history of late orders, they were assessed a penalty of \$500.00. They agreed to the penalty, paid it, and signed the consent order. She welcomed any questions, but there were none so she asked for a motion to accept the consent order and authorize the chairperson to sign off on it and officially close the matter. A motion was made by Mr. Lower. Second by Ms. Ringo. Motion passed.

Yeas: Darla Ringo, Jason Waldroup, Jeff Lower, Jeff Mapes, Randy Coffman, Rex Koller, and Scott Ward. Nos: None.

- e.) **Enforcement Committee Reports-Jeff Lower:**

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. Lower 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. Koller. Motion passed.

Yeas: Darla Ringo, Jason Waldroup, Jeff Lower, Jeff Mapes, Randy Coffman, Rex Koller, and Scott Ward. Nos: None.

Abstention: Ms. Ringo, Mr. Waldroup, Mr. Mapes, Mr. Coffman, and Mr. Koller abstained from voting on those licenses related to their employer's business holdings.

Renewal of Certificate of Authority (With No Changes): Presented to the Board for approval were applications for renewal of Certificate of Authority with their rate sheet with no fee changes by Albright Abstract & Title Guaranty Company (Kay), Bryan County Abstract Company, Buffalo Land Abstract Company (Johnston), Fairview Abstract Company (Major), Grant County Abstract Company, Jackson County Abstract Company, Jelsma Abstract Company dba Logan County Abstract Company, Oklahoma Digital Abstract, LLC dba American Eagle Abstract Wagoner County, Okmulgee Land Title Company, Old Republic Title Company of Oklahoma (Canadian), Old Republic Title Company of Oklahoma (Oklahoma), Old Republic Title Company of Oklahoma (Cleveland), Photo Abstract Company, PHS title, LLC dba Smith Brothers Abstract & Title Co (Pottawatomie). A motion was made by Mr. Lower on behalf of the Enforcement Committee to approve the applications. Second by Mr. Mapes. Motion passed.

Yeas: Darla Ringo, Jason Waldroup, Jeff Lower, Jeff Mapes, Randy Coffman, Rex Koller, and Scott Ward. Nos: None.

Abstention: Ms. Ringo, and Mr. Koller abstained from voting on those licenses related to their employer's business holdings.

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 with fee changes by American Abstract of McClain County, Bailey Hans, LLC dba Garfield County Abstract Company, Bailey Hans, LLC dba Guarantee Abstract Co. (Garfield), Bailey Hans, LLC dba Humphrey Abstract Co. (Garfield), Guaranty Abstract Partners, LLC dba Smith Brothers Abstract & Title Co., LLC (Tulsa), and Sovereign Abstract & Title of Okfuskee County. A motion was made by Mr. Lower on behalf of the Enforcement Committee to approve the applications. Second by Ms. Ringo. Motion passed.

Yeas: Darla Ringo, Jason Waldroup, Jeff Lower, Jeff Mapes, Randy Coffman, Rex Koller, and Scott Ward. Nos: None.

Abstention: Ms. Ringo, and Mr. Koller abstained from voting on those licenses related to their employer's business holdings.

New Certificate of Authority: Presented to the Board for approval was an application for a New Certificate of Authority by Enterprise Land Title Data of Oklahoma (Oklahoma).

A motion was made by Mr. Lower on behalf of the Enforcement Committee to approve the New COA application. Second by Mr. Koller. Motion was withdrawn.

The floor was opened for comments from both the existing COA holders and applicant. Ms. Kristi French was present for the applicant and had no comments.

Mr. Waldroup stated that there had been concerns regarding the source of documents for keying a plant and he said that he felt Ms. Smith had some concerns, as well.

Ms. Smith responded that she did not have concerns but that concerns were brought to her from members of the CoData group which is the data source for most of the companies in Oklahoma County. There is an agreement the members signed which says they cannot take that data and reuse it for a new plant. After a flurry of phone calls, she contacted both Clerk's offices because she did not have to go to the courthouse to do the inspection as she typically does because all of their records are online in Oklahoma County and she used those records and the applicant's plant was populated all the way back to sovereignty which the CoData plant is not.

When reviewing the plant, Ms. Smith had the impression that some sort of data transfer had happened from the Clerk's offices, but the person she got that impression from was an abstractor available to answer questions that arose and wasn't really part of the actual build process. When Ms. Smith contacted the Court Clerk's office, she was told that there wouldn't be any type of data transfer because they would tell anyone inquiring that they could just go get the data online and she has verified that it does go back to sovereignty.

Then she contacted the County Clerk's offices which was not a straight-forward process. She was transferred multiple times and eventually ended up with a woman

named Teresa to whom she explained why she was calling and asked about whether there might have been some sort of data transfer because that's the impression she had of what happened. Teresa verified that for the CoData group, there is an FTP folder where they put the daily records, but that anyone who is an abstractor in Oklahoma County has a login and can access it. When asked if it included documents back to sovereignty, Teresa said no, but that if someone asked for records back that far, they would be told to just go to the website.

The Clerk's office was contacted by someone from the CoData group and talked to someone higher up in the organization and was told that no, they probably would have done something more formal. However, that is not the person that Ms. Smith spoke to, and Teresa, a representative of the Clerk's office gave a very different answer.

She performed the inspection process she always does and actually was more thorough because she did have access (from the Clerk's sites) to records that did go all the way back to sovereignty and she was able to compare content side-by-side.

There were still concerns from members of the CoData group that their information was used in some way that would be contrary to their agreement. Ms. Smith tried to contact the company that was listed by the applicant as aiding in the keying of information, but despite trying several contact routes and leaving voicemails, no one from the company responded.

So, yes, concerns were raised, but based upon the inspection, the veracity of their plant is solid and it is her opinion that if there is a potential that something happened between the applicant and CoData, that's not up to the Board to verify anymore than has been done.

Mr. Coffman stated that it is his understanding that OSCN does not go back to sovereignty. Ms. Smith stated that he is correct, in most counties, the records may only go as far back as the 1980s or 1990s, but she was able to pull records from Oklahoma County's OSCN information that went all the way back. She was able to get records from 1907, 1910, 1915 and was able to verify them in the applicant's plant. Mr. Waldroup asked if she actually had court case numbers that she looked for to which Ms. Smith stated that she went looking for names because the law says only that they have to have an index of names.

Mr. Michael Korstjans from the audience stated that there are guidelines to build an abstract and that it might be good to hear from the applicant how they carried out the building of their plant. The board has a responsibility to ensure that process was followed and stated that the board might want to ask for more information about that from the applicant. Ms. French said that she was not directly involved with the plant build but that they do have extensive technology and have built several plants in the state and know what they're doing. The data is obtained, put into an instance where it could be keyed and tested for completeness. It was a large undertaking but Oklahoma

County's direct access to digital records was extremely helpful. She did verify that the records came directly from the Clerk's offices. Ms. Smith added that when she researched the company that was helping with keying that they did have significant staffing offshore to help with the process. Ms. French verified yet again that none of the records came from CoData.

Mr. Waldroup pointed that in the guidelines that records must be obtained from the Clerk's offices and not from any other source and must have permission from the Clerk's to do so. Ms. Smith pointed out again that when she contacted the County Clerk's office she was told by Teresa, a representative of the Clerk's office, that they could just get the records online. She was the person three different people from the Clerk's office told Ms. Smith was who she needed to speak to.

Mr. Korstjens stated that anyone with any kind of technical background would know that using the County Clerk's website for the massive downloading of records wouldn't be feasible. He also stated that he hadn't heard anything thus far that provided concrete proof as to how the documents were obtained.

Mr. Ward asked what was on the original application. Ms. Smith stated that their development plan was very typical in those received from applicants that states they'll get their records from the Clerk's offices but that would have been on their permit application, and she did not bring it with her to the meeting. She added that she inspected the same way she has inspected every plant thus far. Their chains of title were perfect. There were issues with abstract but it didn't really have to do with records as much as the compilation of the abstracts.

Ms. Ringo asked the applicant whether they got permission from the Clerk's. Ms. French stated that there were multiple meetings with both the Court Clerk and County Clerk.

Mr. Coffman asked if there were ways for the CoData group to verify whether images were taken from their system. Mr. Waldroup stated that he was not aware of anything.

Mr. Luttrull from the audience said that perhaps there needed to be a little different inspection because this situation of someone building a new COA in a county where they already hold a COA is unusual. He feels there needs to be absolute statements regarding their acquisition of records and similar statements from the Clerk's offices. Because there would always be a question of where the records came from and that needed to be resolved.

Ms. Terri Parrish stated that when someone applies for a permit, they have a development plan to submit. When the building of the plant starts, usually there is something submitted that says how everything was done as well as doing inspections every 30 or 90 days. So there should be several logs or other type of information that's been submitted and that should be verified along the way. She asked if Ms. Smith had those types of records that could be presented to the board. Ms. Smith

responded that when she came on board, she was trained how to do inspections and never was she told she needed to be in the permit holders plants every 30 or even 90 days. The only guidance she was given was that there need to be quarterly updates and that a plant only needs to be inspected every 3 years as required by law. This is the first time she's hearing she's supposed to be in their plants more often than that. Ms. Parrish said that it was a different Board and that they required a more strenuous examination of permits.

Mr. Coffman asked if progress reports have been received and Ms. Smith verified that there had been.

Mr. Ward stated that he wanted to be sure that the board was examining everything needed, but that there was also a duty to the applicant to do things in a timely manner, even if it requires a special meeting. Ms. Scimeca said that yes, it could be tabled and that special meetings, if needed, could be set with 48 hours notice. Mr. Koller pointed out the section in the statutes that states that the only prohibition is copying indexes directly from the Clerk's offices. Ms. Smith stated that she was led to believe that was included because people were simply photocopying the Clerk's indexes and using them as their own index instead of recording them in their own system of record keeping.

Because of the lingering questions, the motion on the table was withdrawn by Mr. Lower and Mr. Koller withdrew his second. Mr. Lower made a new motion to table the matter until the next meeting. Second: Mr. Coffman.

Yeas: Darla Ringo, Jason Waldroup, Jeff Lower, Jeff Mapes, Randy Coffman, Rex Koller, and Scott Ward. Nos: None.

7. **Staffing Adjustments:** Ms. Smith stated that last month it was approved to seek a Part Time abstractor to perform inspections. She included the job description in the packet and asked for feedback and/or approval to use the proposed job description and more forward with hiring.

Motion was made by Ms. Ringo. Second by Mr. Mapes. Motion passed.

Yeas: Darla Ringo, Jason Waldroup, Jeff Lower, Jeff Mapes, Randy Coffman, Rex Koller, and Scott Ward. Nos: None.

8. **Report Legal Counsel-Whitney Herzog-Scimeca:** Ms. Scimeca had no report.
9. **Visitor's Comments:** Mr. KC West thanked the board for allowing Ms. Harper to attend the Basic Abstractors School for the OLTA and administer the licensing test.
10. **Announcement of next meeting:** Tuesday, December 17, 2024, at 10:00 a.m., 421 NW 13th Street, Suite 100 (OLERS) Conference Room, Oklahoma City, Oklahoma.

11. **Adjournment:** Mr. Ward asked for a motion to adjourn the meeting. Motion was made by Mr. Mapes. Second by Mr. Lower. Motion passed.
Yeas: Darla Ringo, Jason Waldroup, Jeff Lower, Jeff Mapes, Randy Coffman, Rex Koller, and Scott Ward. Nos: None.