



Minutes
Board of Directors Meeting
Monday, October 23, 2023
Zoom Meeting

Board & Committee Chairs in attendance (quorum met; see attached list of present voting Board members)

1.0 General Business

- a. The meeting was called to order by President Craig Trummel at 11:00 a.m.

Craig introduced new Board member Jensen Salisbury, appointed to replace Bill Ronhaar.

- b. Minutes from the April 3, 2023, Board of Directors meeting.

Action: The Board approved the minutes, with a correction to the Legislative Report.

- c. **President’s Report** – Craig introduced Jensen Salisbury, appointed as a Board member to replace Bill Ronhaar.

- d. **Executive Director Report** – George Peters.

Financial Report: George referred to the financial report in the handouts.

The association has less money currently in the bank than budgeted at the beginning of the year and will likely end the year with between \$8,000 and \$10,000 instead of the usual target amount of \$20,000. Two major factors were fewer attendees at the Lynnwood seminar (200 instead of the usual 300) and the added cost of the first \$9,000 deposit for the 2024 PNW Convention, which is in May instead of mid to late summer. The Board also discussed venue and food costs for the seminars, and the probability of increasing the attendee cost from \$120 to \$150, which would still be significantly less than any other educational offerings for LPO or MCLE credits.

George will circulate a budget for 2024 to the Board for review and approval before the end of the year.

Action: The Board approved the financial report.

[Post meeting note: The 2024 WLTA Budget was approved by the Board electronically in December.]



2023-2024 Officers
Craig Trummel, President
Jim Blair, Vice President
Meri Hamre, Immediate Past President

2022-2024 Directors
Ashley Callahan
Ben Case
Gerry Guerin
Gale Hickok
Paul Hofmann
Peter Johndrow
Dan MacMillan
Maureen Pfaff
Jensen Salisbury

2023-2025 Directors
Lori Bullard
Anthony Carollo
Scott Meyer
Bernt Nesset
Erin Stines
Michelle Taylor
Chris Rollins

Committee Chairs
*Jim Blair-*Agents Section*
*Megan Powell-*Underwriter Section*

*Sari-Kim Conrad-*OIC Liaison*

*Sean Holland & *JP Kissling-*Legislative*
Ashley Callahan-*Judiciary*
Megan Powell-*Native American Affairs*
Gerry Guerin & Michelle Taylor-*Education*

Lori Bullard & Allison Davis-*Examiners Manual*

Paul Hammann-*Membership*
Paul Hofmann-*Washington Title Professional, TITAC, Technology*

Maureen Pfaff-*TAN*
TBD-*Grievance*

Chris Rollins-*Nominating*
(*Automatic Board Member)

2.0 Continuing Business

- a. **Nooksack Water Adjudication** – JP Kissling. JP noted that he'd had a conversation with Realtors® but there is nothing new on this subject.
- b. **DOR – Taxation of Recoding Fees Collected in Escrow** – Sean Holland. The DOR's audit report of Pioneer Title Company of Washington says that sales tax must be paid on the recording fees collected by title companies, and that those funds be included in the gross revenues and thus subject to the B&O tax. The final report will likely maintain that position, and Pioneer will appeal it. Land Title & Escrow in Skagit County is facing the same issue and has hired a law firm to represent it. A concern would be that other funds in escrow – excise tax, payoff amounts, etc., could also be considered taxable by the DOR.

This was discussed at the convention and the President appointed a committee, comprised of Sean Hollan, JP Kissling, Craig Trummel, Michelle Taylor, Scott Meyer, Jay Carey and Maureen Pfaff, joined by Carrie, Jesse Hamilton and Kitty Goodwin, to look into what could be done. That group met via Zoom last week, and decided to get more information via a survey sent to members, such as: whether you have been collecting or paying the tax on recording fees, and has the DOR contacted you about this issue, how fees are collected (flat fee, per transaction, using recording vendor, etc. The DOR letter to Pioneer Title suggested that the word would be communicated to others in the department about the need to enforce payment of the tax.

The most straightforward approach would be to seek a legislative fix. This may be difficult this year since it is a short session with not much time to get a bill passed. Also, a bill might only provide for exemption going forward, but if it's not retroactive title companies could be liable for such taxes in previous years. That possibility needs to be anticipated. Meetings with DOR would be appropriate in any event. The WTLA might need counsel to advise it, and the WLTA will want to reach out to others who would be impacted, including Realtors®, the Escrow Association of Washington, the Bar, etc. It was also suggested that perhaps ALTA could assist. Sean will contact Elizabeth Blosser after the meeting.

Action: The Board approved a motion to authorize a supplemental dues assessment to members if during the year the Board approves the hiring of counsel to advise it on this matter.

- c. **WATIRO** – Dan MacMillan. Dan noted that the current status has evolved from pro active to “inactive” as not much is happening; still being involved in data collection. It would seem that if and when rates are set, they would be reduced on average from the current rates.
- d. **AOLs – Attorney Opinion Letters** – Lori Bullard. Nothing new to report. Fannie Mae has withdrawn its pilot project, and there are bills in both the Senate and House that would require GSEs to require title insurance if buying a loan. The ALTA is still focused on these products, but there is no current need to keep this item on the agenda.
- e. **Recording Standard Commission** – Sean Holland & JP Kissling. Sean noted that he and JP are the representatives, which includes the three following “sub” commissions, notwithstanding that the WLTA has appointed Ben Case, Lori Bullard, Chris Rollins and Meri Hamre to participate in two of them. Their 2-year terms are staggered; Sean's appointment expires at the end of this term and JP's expires at the end of 2024.

Action: The Board approved the re-appointment of Sean for a new 2-year term.

1. **Document Rejections Commission.** (Ben Case, Lori Bullard). Lori noted that there was no recent activity by this commission.

2. **Standardization of Document Titles Commission.** (Chris Rollins, Meri Hamre). Chris said that this commission hasn't been active lately, but will start up again with document headings. Before sending the new fees and document headings to all of the auditors in the state it will submit it to the Attorney General's office. One focus will be on the cost of re-recording a document, which is currently high and will only get worse in the coming year. The auditors do not feel that this is a subject that they can pursue legislatively; rather it would be up to organizations such as the WLTA. He noted that Rep. Jamila Taylor is supportive, and this will be beneficial to the WLTA in pursuing a legislative solution to excessive recording fees. He recommended some additional changes to the RCWs and the auditors suggested that \$25 might be a starting point of discussion as a flat fee for re-recorded documents. Carrie's office can coordinate with Rep. Taylor's office for getting the bill process started. It's perhaps a bit late in the legislative process, but it might be pretty straightforward.
3. **Restrictive Covenants Commission** (Sean Holland, JP Kissling). JP noted that there is nothing new, and it will be necessary to reach out to Vicky Dalton on the status of this commission.
- f. **ALTA Cannabis Workgroup** – Erin Stines. Erin said that the Senate had moved the Safer Banking Act (fka the Safe Banking Act put forward by the House in 2013) forward, so that is progress and looks good for offering federal protection to banks and credit unions serving state-sanction marijuana businesses.
- g. **Possible Bylaws Amendments** – Erin Stines. Erin noted that it might be good to appoint a committee to follow up with the main issue of amending the bylaws to permit a Board member (who are all employees of member companies) to give a proxy to another employee of that same company, rather than requiring such a proxy to be given to another Board member who may not be an employee of the Board member's company. She suggested that she, JP and George could perhaps draft something for the Board to consider and vote on, rather than continue the general discussion by Board members. As to the other question – who can be a committee chair – that could be more easily addressed. This would allow someone who is not currently employed by a member company (such as Dwight Bickel, who is retired) to be chair or co-chair of a committee. George noted that his contract with the WLTA allows him to be a committee chair or member, notwithstanding that this is not specified in the bylaws. She and JP will take a stab at some language and discuss with George.
- h. **SLRAC** – JP Kissling & Sean Holland. JP reported that ALTA has come up with a model "good funds" law, and the feds are pushing out the new FedNow (an electronic funds transfer program). Washington has a good funds statute and there is a model act, but as Carrie noted it may be hard to see progress on that front given the short session. If not this session, it's something the WLTA would want to go forward on in the 2025 session.

Sean noted that the ALTA is still looking at the Uniform Law Commissions work on model legislation regarding racially restrictive covenants, including something similar to Washington's statute allowing an owner to record a document that essentially repudiates any earlier recorded document creating an illegal restrictive covenant. It may be that at some point in the future the model act could replace Washington's current language.

Other legislation that ULC is working on includes marketable title and redaction of public records (names and other identifying information) for the protection of public figures. (Washington's statute concerns victims of domestic abuse and some members of the judiciary. A workgroup has come up with a model trust that could be used to shield identities of parties to

recorded documents.) At the September meeting, Pria had a presentation on so-called “sovereign citizens”.

- i. **State LTA Leaders** – George Peters. No report.
- j. **PRIA/PREP** – Paul Merz. No report
- k. **OIC Letter** – Regarding re-visiting dollar amounts. (Discussed later in the meeting, with discussion shown here.) A draft letter was before the Board.

Action: The Board approved sending the letter before the Board as drafted, minus any reference to (and without including) any enclosure, and without specifying any dollar amounts.

3.0 New Business

- a. **ALTA Good Funds Workgroup** – Lisa Hamilton. Her report included in the handouts for this meeting.

- b. **Contract Extension** for Carrie Tellefson, Lobbyist

Action: The Board approved the annual contract extension for Carrie.

- c. **Contract Extension** for George Peters, Executive Director

Action: The Board approved the annual contract extension for George with changes previously approved electronically by the Board

Committee Reports

- a. **Membership** – Paul Hammann.

CourtTrax had expressed an interest in Affiliate membership, but has not yet submitted an application. Paul felt that they would qualify for membership.

[Post Meeting Note: The Board approved the CourtTrax application for Affiliate membership electronically after the meeting.]

Stavvy had also inquired about an Affiliate membership but has not submitted an application. Paul felt that they would also qualify for membership.

- b. **Convention** – Jim Blair. Jim noted that the committee had discussed a desire to include an economist on the agenda. Suggestions for speakers from within our members would be welcome. Also, members will be contacted regarding sponsorships. Jim will also look into organizing golf for attendees. Utah has decided not to participate.
- c. **Examiners Manual** – Lori Bullard & Allison Davis. No new report. They will meet in a week, and have had a couple of volunteers for chapter revisions.
- d. **Legislative** – Sean Holland/JP Kissling/Carrie Tellefson. Sean discussed that the DOL may adopt a rule adding biometrics as a form of identification for remote online notarizations. It’s in the uniform act, but he is not aware that anyone uses it. The technology may not be far enough advanced to make it practical, but there are certain categories of individuals who may benefit from use of biometrics. The WLTA sent a letter in opposition to it, but saying that when national standards (requiring the database to support current methods of identification to match a biometric element for a particular individual) are adopted and a national database is available it might be able to support at that time.

Another suggestion was to amend the statutes regarding notarization of leases. Most leases do not impact the transfer of real estate because they would not be recorded (for example, leases of residential apartments or other types of residences). But any lease of real property (which is a

conveyance) that would be insured must be acknowledged, and any statute dealing with this issue must be clear on this issue. He and George proposed some amended language in the proposed bill, which while not entirely adopted, resulted in changes that would be acceptable to title insurers. It would provide that while lease (or memorandum) need not be acknowledged, it must be if it is recorded.

He had been contacted by a member of the House Civil Rights Judiciary Committee passing along an inquiry by a member of the House, asking what title companies are doing to help prevent seller identity fraud. After talking to Chris Rollins, he was able to respond that title companies are taking this issue very seriously, including sending letters to customers. He was also able to point out that insureds who get the homeowners policy have coverage post-policy date.

Carrie noted that Jamie Pederson, who sits on the Uniform Law Commission, will be introducing a bill based on a uniform law relating to uniform deposits. He believes the banking community will support it, and title companies were observers of the drafting process. She recommended that someone on the Legislative Committee review it with an eye to being able to support it.

- e. **Judicial Committee** – Ashley Callahan. Ashley said that the WTLA was asked by counsel for Commonwealth to provide an amicus brief on *Main Street v. Commonwealth*, a case out of Clark County. The Judiciary Committee decided that the WLTA should wait and see further developments. It involves the question of duty to defend, and has some covered claims and non-covered claims. Main Street owns land occupied by a night club, and has a one-half interest in an adjoining alley. The night club required two entrances, the one on the street and a second one opening onto the alleyway. C-Tran disputed Main Street's title to the alley and challenged Main Street's use of it. They blocked the use of the second entrance off the alley, resulting in the night club being shut down. Commonwealth accepted tender of a claim and told Main Street that it would file a lawsuit to perfect its half interest in the alley.

Commonwealth later determined that Main Street's title was as insured. Thus it wouldn't do anything, but would step in if C-Tran sued Main Street. Main Street said that Commonwealth said it would sue, and was breaching its duty to its insured. Main Street then sues C-Tran to quiet title to the alleyway; C-Tran then counter-sued Main Street to quiet title to the half interest in the alley and also claim adverse possession. Main Street then re-tendered the claim to Commonwealth. Commonwealth responded that it would defend on the quiet title action, but not the adverse possession claim, since it was a standard coverage policy and adverse possession was an off-record matter.

Main Street and C-Tran settled, with C-Tran apparently paying money to Main Street to settle the title claim to the alley. Main Street now sues Commonwealth for breach of contract under the policy and for bad faith. Commonwealth filed a motion to dismiss, outlining its belief as to coverage and that it acted appropriately. Commonwealth prevailed, but Main Street is now appealing, arguing that Commonwealth had a duty to file a lawsuit based on its initial letter. As to the bad faith argument, Commonwealth notes that the insurer has several options when accepting a tender. As to the covered versus non-covered claims, the law in Washington is pretty clear (unlike in California, for example) that an insurer is not obligated to defend against a non-covered matter.

As noted, the Judiciary Committee feels it is not necessary at this time to participate via an amicus brief, since the title company won at the trial court level, and the duty to defend is well articulated in the policy (and this is not so much an argument about a duty to indemnify). Newer policies specify that there has to be a lawsuit against the insured.

If an amicus brief is provided, the Board would also have to adopt a supplemental budget to cover that cost.

Eris Stines reported on a case out of the 8th Circuit of the US Court of Appeals, Show Me State Premium Homes. It involves a tax sale purchaser in a non-judicial foreclosure jurisdiction. The purchaser brought a quiet title action against the Department of Housing and Urban Development, who had a second mortgage on the property. HUD maintained that its lien was not eliminated because there was no judicial action as, it asserted, is required by federal law. The court agreed, saying that the local process was an administrative action and not judicial, and thus it did not wipe out the second mortgage. Underwriters will want to review this and determine a course of action when dealing with similar situations.

- f. **Education & Seminar Technology Committee** – Gerry Guerin and Michelle Taylor. Gerry noted that the seminars will be in Yakima and Lynnwood for 2024. He thanked all who participated in the fall seminars in Wenatchee and Lynnwood. It was good to have an ethics credit session for LPOs.
- g. **Customer, Consumer and Insurance Commissioner Liaison Committee** – Sari-Kim Conrad. Carrie had requested a report of title insurance complaints, and the OIC sent the number of title insurance complaints for the last four years, and a comparison with auto insurance complaints. They also shared a link with feedback on their web page updates. Next year she plans to schedule a meeting of WLTA members as a follow-up right after the OIC meeting.
- h. **WTP** – Paul Hofmann. Paul thanked Dan MacMillan for his WTP “test prep” seminar session in Lynnwood, which got good feedback. Dan said that 14 of the attendees in that session said that they intended to apply for the WTP designation. Paul handed out “marketing” flyers at the seminars to encourage interest in the program by attendees. He’ll schedule a committee meeting to re-visit test questions, having identified some that have never been answered correctly. The goal is to get more WTPs on board. Maureen suggested contacting Dwight to see if he’d be interested in doing classes or study guides for those interested in taking the test to become a WTP.
- i. **Native American Lands Workgroup** – Megan Powell. No report.
- j. **TITAC** – Paul Hofmann. Paul has replaced Kris Weidenbach. He reported that the account balance is \$6,915, with an additional \$419 collected via a 50/50 raffle at the Lynnwood seminar for a current total of \$7,334. He will meet with Kris to be added to the bank account (which is at Bank of America), with Kris remaining as a backup signee; it was also suggested that George could be added to that account as well. Kris is also finishing up collecting documentation for TITAC.
Action: The Board authorized adding Paul and George to the bank account.
- k. **Agents Section** – Jim Blair. Jim said that at the next Annual Meeting he will step down as chair of the Agents Section and a new chair will be elected by the members of that Section.
- l. **Underwriters Section** – Megan Powell. No report.
- m. **Newsletter** – George Peters. The next Newsletter will be made available at the next convention.
- n. **Grievance** – Scott Meyer. No report.
- o. **TAN** – Maureen Pfaff. Maureen noted that the last attempt to use the TAN email at ALTA One had glitches. She said that she regularly reminds her people to join or renew their membership,

because it is so important when it is necessary to get the attention of our legislators on legislative matters. It might also be possible to use TAN to send messages to other agencies, such as the DOR, and not just legislators. Elizabeth Blosser may be able to answer that question.

- p. **Technology** – Paul Hofmann. No report
- q. **Nominating Committee** – Meri Hamre. No report.

4.0 Upcoming Meetings

(1) Monday, April 15, 2024, (2) Monday, May 20, 2024 (Board & Annual – at Convention).

5.0 Adjournment

Action: Motion to adjourn the meeting was carried, meeting adjourned.

Attested:



George Peters, Executive Director

DRAFT

WLTA BOARD MEETING – DATE: 10-23-2023 – Quorum = 12; Board attendance = 17

OFFICERS	Position	Company	Yes	No	Actual	Proxy To
Craig Trummel	Vice President	WFG	1			
Jim Blair	Vice President	Fig	0			
Meri Hamre	Immediate Past President	Aegis Title Group	1			
DIRECTORS	TERM 2023-2025		0	0	0	
Lori Bullard	Director 2023-2025	Pacific Northwest	1			
Anthony Carollo	Director 2023-2025	Vista Title	1			
Scott Meyer	Director 2023-2025	Title Resources Guaranty	1			
Bernt Nasset	Director 2023-2025	Horizon Group	1			
Chris Rollins	Director 2023-2025	Stewart	1			
Erin Stines	Director 2023-2025	Westcor	1			
Michelle Taylor	Director 2023-2025	First American	1			
DIRECTORS	TERM 2022-2024		0	0	0	
Ashley Callahan	Director 2022-2024	Old Republic	1			
Ben Case	Director 2022-2024	Title One	1			
Gerry Guerin	Director 2022-2024	Old Republic	1			
Gale Hickok	Director 2022-2024	Guardian Northwest	1			
Paul Hofmann	Director 2022-2024	Aegis Title Group	0			
Peter Johndrow	Director 2022-2024	Stewart	0			
Dan MacMillan	Director 2022-2024	FNT Group	1			
Maureen Pfaff	Director 2022-2024	Olympic Peninsula	1			
Jensen Salisbury	Director 2022-2024	Whatcom Land	1			
CHAIRS	COMMITTEE		0	0	0	
Jim Blair	Agent Section	Fig	0			
Megan Powell	Underwriter Section	First American	1			
Sean Holland	Legislative Co-Chair	Fidelity National	1			
JP Kissling	Legislative Co-Chair	Fidelity Title	0			
Sari-Kim Conrad	CCR & OIC Liaison	First American	1			
OTHERS		Quorum = 12	19		0	
George Peters	Executive Director	WLTA	X			
Carrie Tellefson	Lobbyist	Sound Gov't Solutions	X			
Sam Miller	Lobbyist	Sound Gov't Solutions				
Paul Hammann		Agents National				
Kris Weidenbach		Chicago				
Kent Pelt		Doma				
Paul Merz		Integritech Solutions		TENT		
Lindsay Doucette		Fidelity National				
John Martin		First American				
Jen Modjeska		First American				
Shawn Toor		First American				
Marcella Carey		Frontier Title				
Brian Bowers		NexTitle				
David Fennell		NexTitle	X			
Stephen Routh		NexTitle				
Theresa Kolesinski		NexTitle	X			
Allison Davis		Old Republic				
Paul Brown		Old Republic				
Cidney Bryan		Old Republic				
Cameron McFaddan		Old Republic				
Steve Metcalfe		Premier Title				
Josh Hernandez		Real Advantage (Orange Coast)	X			
Kiel Rado		Real Advantage	X			
Tiani Brandner		Stewart				
Erin Sheckler		Stewart				
Dwight Bickel		Title Advisor				
Bob Rice		Title Resources Guaranty				
Steven Black		Westcor				
Erik Helgeson		Westcor				