



**Minutes
Board of Directors Meeting
Monday, February 12, 2024
Zoom Meeting**

Board & Committee Chairs and others in attendance. Quorum met; see attached list of voting Board members in attendance.

1.0 General Business

- a. The meeting was called to order by President Craig Trummel at 11:05 a.m.
- b. Minutes from the October 23, 2023, Board of Directors meeting.
Action: The Board approved the minutes.
- c. **President’s Report** – Craig noted that Scott Meyer was currently not employed by a member, and thus his positions as Board member and Chair of the Grievance Committee are open and will remain so for now. He also introduced Robin Aberasturi, with Futura Title, who will be attending Board meetings. Two additional new meeting attendees, Josh Hernandez with Real Advantage Title, and Kevin Fiet with Fidelity, were also introduced.¹
- d. **Executive Director Report** – George Peters.

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

George referred to the financial report, showing a healthy balance sheet, and to the list of members showing dues status. About 65% of agent dues have been remitted, and about 30% of underwriter dues, but another \$25,000 or so of dues have been received since that report was generated, and will be deposited shortly.

Action: The Board approved the financial report.

George referred to the list of Board members, Committee Chairs and committee members, reminding everyone to review that and make sure it is correct and up to date.

George reported that he attended a webinar on the duties of an executive director, secretary, treasurer, etc. Included was a discussion of the extent to which minutes reflect what was done during a meeting and what discussions were had. Technically minutes can be minimal, stating the time and duration of the meeting, that a quorum was met, that the Board took a particular action or voted not to do so. In the event of a dispute between or among attendees, a more detailed record could



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
Bernt Nessel
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)

¹ Note: see attached roster, which also tracks attendance, of Board members & others interested in attending Board meetings.

be subject to inclusion in litigation. That has never been an issue with the WLTA and is likely never to be. George's approach is similar to that historically taken with respect to meeting records, with more detail about discussions that were had about matters before the Board. He avoids including the names of those making comments if that could potentially reflect negatively on the association in the future. But in other instances, he will often identify the persons making comments. Of course, reports made by committee chairs will reflect those names.

Another issue is the retention of records. It is recommended that associations not keep video or written transcripts of meetings. They will be kept long enough for George to refer to them when preparing the minutes of a meeting, after which he will delete them. Only the official written minutes will be retained.

2.0 Continuing Business

- a. **DOR – Taxation of Recoding Fees Collected in Escrow** – Sean Holland & JP Kissling. JP reported that a bill dealing with this issue was dropped, and while the auditors and Realtors® were also on board with it, it did not progress. It did not have bipartisan support and the DOR's report pegged its financial impact at about \$18 million, so it died in committee. Current options include supporting a bill next year, supporting Pioneer Title's litigation with perhaps an amicus brief. At this point a hearing is about seven months down the road.

The WLTA conducted a survey of its members. Three members have been affected by this type of ruling in their audits by the DOR. One audit was completed and two audits are still in process (including Pioneer Title's), and the WLTA was aware of all three of them going into the survey. Of the 60 responses to the survey, 57 were completely unaware of the issue, not having been advised by the DOR in any audit (or otherwise) that such fees collected from the parties to pay for recording fees are considered taxable income.

One respondent said that the sales tax was being collected and remitted to the state, but it is possible that the question was not fully understood, and the tax might not in fact be being collected. However, it was noted that it was possible that the member paid a fine in the past after an audit, but has not been collecting and paying the tax since.

He noted that if the results of the report are to be provided to members, names of the respondents would be redacted. But it would allow those affected to point out to the DOR that it is not common practice by even the DOR. JP shared a copy of some of the questions for the Board's review. It was suggested that the results should be summarized in a Word document listing the questions, with the number or "yes" and "no" answers, rather than a spreadsheet with all 60 full responses, particularly with companies named.

As to the survey, some responses were seemingly contradictory and confusing (for example, answering one question that the sales tax was collected on the fees collected from the parties, but answering another question that the collected fees were not paid to the county. But a follow up with one respondent concluded that the questions were not fully understood. Other responses indicated that since the issue had not been raised by the DOR, even the concept of collecting a sales tax on these funds were not clearly understood. Also, it seemed that all of the comments offered by respondents mirrored the discussions had by the Board during its previous meetings when discussing the issue, and it may not be necessary to include them in any dissemination of the survey results.

There was a meeting with the attorney (Robert Mahon, Perkins Coie) representing Pioneer Title in the dispute about the taxability of recording fees collected in the course of an escrow. Sean felt that the results, distilled to reflect only response data, could be helpful to Pioneer Title's

counsel when dealing with its appeal of the audit results, particularly with respect to industry practices as dealt with in the WAC.

One positive avenue of discussion, thanks to JP's research, is WAC 284.29.255 (relating to the "inducement" rule promulgated by the OIC) which specifically deals with the advancement of such fees.

Sean noted the potential for an amicus brief in a trial situation (not in the DOR appeals process), but there is no present need to take action in that regard, since a trial, if it happened, would be several months out. He also noted the idea of seeking an opinion from the Attorney General's office, but the WLTA cannot do that directly; it could only be sought by a legislator. It would seem that the best course of action at this time would be to work within the DOR appeals processes.

Dan MacMillan asked if there was a way for the WLTA to arrange a retainer with Perkins Coie now to ensure attorney-client privilege, and perhaps further protect the confidentiality of the survey results. He suggested asking Bob Mahon if that limited representation would be doable and perhaps full representation in the future if not a conflict with their representation of Pioneer Title. Sean said he could check with Bob and report later. George noted that the WLTA has the funds and probably would be able to pay whatever retainer might be required initially, if Sean's discussion resulted in a need to advance a retainer. Any special assessment to members for a retainer could be done later as the need arose. Sean would advise the Board if there was a need for substantial funds.

Action: The Board approved that Sean and JP, as co-chairs of the Legislative Committee, draft a letter addressed to the Board that provides a summary of the survey results, and invite comments from the Board. Upon consensus approval of the letter (email vote after review), it would be sent to counsel for Pioneer title.

- b. **Nooksack Water Adjudication** – JP Kissling. JP said not much is happening. There was an online presentation on January 31, 2024, explaining the adjudication, but nothing new on the Department of Ecology website. Since water rights are not covered by title insurance, there is not much point in keeping this on the agenda for future Board meetings. If there are any new relevant developments, he will report as necessary.
- c. **WATIRO** – Dan MacMillan. Dan said that he and Megan Powell will be meeting with the president of WATIRO later in the afternoon to discuss the latest results from the actuary in what has been a prolonged process. It is hoped that there will soon be a rate table that the WATIRO Board could vote on later this year, which would be followed by a rate filing with the OIC, and then a review and comments by the OIC. He would expect the next Board meeting in maybe March or April.
- d. **Recording Standard Commission** – Sean Holland & JP Kissling. Sean noted the Commission is driven mainly by the recorders, who have been focused on the legislative session, so not much is happening with it.
 1. **Document Rejections Commission.** (Ben Case, Lori Bullard). No report.
 2. **Standardization of Document Titles Commission.** (Chris Rollins, Meri Hamre). No report. Chris noted that action on fees (in particular the cost for re-recording a document) will be revisited next year.
 3. **Restrictive Covenants Commission** (Sean Holland, JP Kissling). No report. Sean pointed out that the purpose of the commission is to deal with the mechanic's of how that process, including documentation, would work with respect to the courts and the recording offices. George noted that the bill dealing with common interest communities includes language

from the uniform act dealing with the ability of HOA boards to file amendments relating to discriminatory covenants.

- e. **ALTA Cannabis Workgroup** – Erin Stines. No report.
- f. **Possible Bylaws Amendments** – Erin Stines. Erin reported that suggested changes to one section had been drafted, but not yet discussed by her, George and JP Kissling.
- g. **SLRAC** – JP Kissling & Sean Holland. Sean noted that there has only been one SLRAC meeting, on January 30, since the last WLTA Board meeting. Topics included the Uniform Transfer of Real Property on Death act, and the Uniform Partition of Heirs Property Act which was enacted in Washington in 2021 (RCW 7.54). This deals with fractional heirship issues, where over a period of time and several generations, it would be difficult to identify the many potential heirs of the original deceased owner where there was no will or similar method of identifying those who have inherited the title (including heirs of inheriting heirs). This is more prevalent in Native American land ownerships.
- h. **State LTA Leaders** – George Peters. No report.
- i. **PRIA Local** – Paul Merz. Paul said that their most recent meeting was well-attended (including by some at this Board meeting) in December. They will try for one or two per year. It is more active now than in recent years and it is good for our industry to maintain relationships with assessors, auditors and similar groups. He asked that members let him know if there are any topics that should be discussed.

He discussed the October 7 ransomware attack on his company and similar attacks on title insurers nationally. His best advice is to be prepared and be vigilant – back up data is good, systems are regularly patched, personnel are educated as to what not to click on, etc.

Paul Hofmann followed up that cyber security is a big part of what is addressed at ALTA agent events. He noted that if it can happen to large corporations it can happen to title operations. Review cyber, fidelity and E&O policies to make sure they align with actual operations and practices. He is also utilizing a program in his emails to anyone (customers, etc.) that pings back if it is opened in a foreign country, alerting him of a possible compromise for that account. Suspicious activity was spotted the first day it was used, and since then.

- j. **OIC Letter** – Regarding re-visiting WAC dollar amounts – Megan Powell. Megan reported that a letter (from George, on behalf of the WLTA) was sent to the OIC requesting this matter be put on the next rules making agenda, but that there has as yet been no response.

Action: George will contact Michael Walker to ascertain where the OIC might be on this question.

3.0 New Business

- a. There was no new business introduced.

Committee Reports

- a. **Membership** – Paul Hammann. Paul noted that Stavvy has yet to submit a formal application. However, their qualification as an Affiliate Member has been established, and the Board could pre-approve their membership conditioned upon the submission of a formal application and payment of dues.

Action: The Board pre-approved Stavvy as a member pending the submission of a formal application and payment of dues, without the need for further action in that event.

- b. **Convention** – Jim Blair. Jim said that the agenda has been finalized except for an economist. Invitations for registration have been sent.

The golf course is only 9 holes, so the fee should be lower than for a full 18 hole course. So far no one has signed up for golf, but it's early in the registration process.

Currently there are 5 vendors (a good turnout would be 15), but again it is early. Emails were sent to about 50 potential vendors.

Reserving a room at the lodge is important, to take advantage of the limited number (compared to previous years) of rooms in our block.

George will be contacting potential sponsors, notably the underwriters, about sponsorship opportunities. This is an important source of revenue needed to cover the costs of the event. Registration fees are important but not sufficient.

Craig also noted that a number of attendees of past conventions, including most recent one hosted by Washington at Semiahmoo, had suggestions for re-imagining how the convention could work, including changes in structure and dates. As an association we need to encourage attendance by as many people as we can, and seek feedback from those will be there.

- c. **Examiners Manual** – Lori Bullard & Allison Davis. There are a handful of volunteers to review manual chapters or write new chapters, and asked for more to step up.

She also brought up the issue of whether or not to change the password or adopt a new password system. The main reason to change the password, perhaps on an annual basis, is that the current password has been in use for some years, and likely by some who no longer qualify to use it. It was noted that many users might have downloaded chapters in the past (thus not needing the password that often), and chapters are not updated that regularly (thus, users – knowing that, realize that previously downloaded chapters are likely the most recent). The actual Paul Merz will work with George to come up with a plan to transition to a new password.

The question was raised whether any links (for example, showing email addresses of Board members to facilitate contacting an individual board member) posed a security risk. It was noted that email addresses are included, purposely, in the member directories, which members need for the convenience of their customers. Craig noted also that business contact information can be found any number of ways. [*Comment:* The email address for the Executive Director is shown on the website.]

- d. **Legislative** – Sean Holland/JP Kissling/Maureen Pfaff/Carrie Tellefson. Sean said that the first cut-off deadline for bills to be reported out of committee in the house of origin has passed, and the second one is tomorrow (except for budget related bills, which generally do not concern the title industry). The session end is about 3 weeks away (March 7).

As far as bills tracked by the WLTA, the first is **HB 2340**, supported by the auditors, which relates to redaction of restrictive covenant documents. It never got a hearing and is dead. **SB 5840** sponsored by the Bar Association related to the requirement for a lease to be acknowledged, which the WLTA supported only if the lease was not to be recorded. Any lease to be recorded should be acknowledged. That was acceptable to the Bar and the bill passed out of the Senate and testimony in the House is set for this coming Tuesday, at which the WLTA will be set to testify again. **SB 6034** provided for an exemption of recording fees collected by title companies from sales tax, but it did not survive. **HB 2140** (abolishing adverse possession in Washington State) died. As to **SB 5968**, a home equity sharing bill, the original bill had a number of built-in consumer protection provisions (including that an equity sharing agreement did not create a lien, did not run with the title, would cap the return to the investor), which were eventually stripped out of the bill. The current version essentially classifies such an agreement as a residential mortgage loan, which would be subject to RCW 31.04.015 (the consumer protection act), and since it doesn't dictate its effect on the record title, the WLTA doesn't have

a position on it. The effective result is likely that if such an agreement shows up on the title a release would be required.

JP complimented Sean's testimony in general and especially the most recent one on adverse possession, even getting the legislature's committee members to laugh. He and other Board members recommended that everyone view it. Maureen thanked Sean and JP and all the contributing Legislative Committee members for their hard work this session.

The Legislative Committee will have a full report at the Annual meeting in May, and will be included in the Newsletter for members.

- e. **Judicial Committee** – Ashley Callahan. With Ashley on jury duty, Craig gave the Judiciary Committee report. The WLTA received a request to provide an amicus brief for litigation involving the interpretation of easement language. The committee felt that since title policies expressly except the terms and provisions of an easement from coverage, that it was not necessary to spend the money or time on an amicus brief. Cases include:
Velasques Framing v Cascadia Homes – Here, the Washington Supreme Court reversed the Court of Appeals. The Supreme Court ruled that Velasquez did not need to provide a pre-lien notice to the general contractor. The general contractor hired a framer, who then hired another framer without telling the general contractor. The general contractor said it didn't have to pay the second framer because it didn't have a contractual relationship with it. The high court made a distinction between material and labor, and a pre-lien notice was not necessary for labor.
- f. **Education & Seminar Technology Committee** – Gerry Guerin and Michelle Taylor. Gerry reminded everyone that the seminars will be in Yakima (September 7) and Lynnwood (October 5). 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. No report.
- h. **WTP** – Paul Hofmann. Nothing new to report. Some presentations from the last seminar are still not posted to the website, including Dan MacMillan's sample WTP test questions, and he is working with Paul Merz on that. Otherwise, no report.
- i. **Native American Lands Workgroup** – Megan Powell. Megan reported that the BIA has amended its regulations on handling the process for fee-to-trust transactions, effective January 11 of this year. One major change is imposing a 120-day time frame for the BIA to issue a decision once it has received an application. There was no time frame in the past and the average time before issuing a decision was 985 days. As a result of the Carcieri (sp) case that required any tribe applying for a fee-to-trust transfer to have been subject to federal jurisdiction in 1934, there is now a formal process for making that determination as part of the approval process. Definitions were added, including for marketable title, preliminary title opinion, preliminary title report, and undivided interest. It also eliminated the restriction on acquisition of trust lands in Alaska.
- j. **TITAC** – Paul Hofmann. Paul said that there are still some issues with collecting documentation, but he is working with Kris Weidenbach on it. He noted that the Board has previously approved adding both Paul and George to the bank account, particularly for check signing. In general, it's still unclear how separate the entity that is TITAC from the entity that is WLTA. The federal rules are significantly different from state rules, and Sean offered to reach out to Carrie for her thoughts on this.
- k. **Agents Section** – Jim Blair. No report.
- l. **Underwriters Section** – Megan Powell. No report.

- m. **Newsletter** – George Peters. The next Newsletter will be made available at the next convention, and reports from the various committees will requested and included.
- n. **Grievance** – No report.
- o. **TAN** – Maureen Pfaff. She reminded everyone about the May Advocacy Conference, and encouraged all to attend. Paul noted that flyers were distributed at the last seminars encouraging attendees to join TAN. He can provide them to anyone who wants to use them. Otherwise, no report.
- p. **Technology** – Paul Hofmann. There are no additional matters not already discussed to report.
- q. **Nominating Committee** – Meri Hamre. No report.

4.0 Upcoming Meetings

(1) Monday, April 15,, 2024 (Zoom only); 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

OFFICERS	Position	Company	Yes	No	Actual	Proxy To
Craig Trummel	Vice President	WFG	1	0		
Jim Blair	Vice President	Fig	1	0		
Meri Hamre	Immediate Past President	Aegis Title Group	1	0		
DIRECTORS	TERM 2023-2025		0	0	0	
Lori Bullard	Director 2023-2025	Pacific Northwest	1	0		
Anthony Carollo	Director 2023-2025	Vista Title	0	1		
Bernt Nasset	Director 2023-2025	Horizon Group	1	0		
Chris Rollins	Director 2023-2025	Stewart	1	0		
Erin Stines	Director 2023-2025	Westcor	1	0		
Michelle Taylor	Director 2023-2025	First American	0	1		
DIRECTORS	TERM 2022-2024		0	0	0	
Ashley Callahan	Director 2022-2024	Old Republic	1	0		
Ben Case	Director 2022-2024	Title One	1	0		Proxy to JP
Gerry Guerin	Director 2022-2024	Old Republic	1	0		
Gale Hickok	Director 2022-2024	Guardian Northwest	1	0		
Paul Hofmann	Director 2022-2024	Aegis Title Group	1	0		
Peter Johndrow	Director 2022-2024	Stewart	1	0		
Dan MacMillan	Director 2022-2024	FNT Group	1	0		
Maureen Pfaff	Director 2022-2024	Olympic Peninsula	1	0		
Jensen Salisbury	Director 2022-2024	Whatcom Land	1	0		
CHAIRS	COMMITTEE		0	0	0	
Jim Blair*	Agent Section	Fig	0	0		
Megan Powell	Underwriter Section	First American	1	0		
Sean Holland	Legislative Co-Chair	Fidelity National	1	0		
JP Kissling	Legislative Co-Chair	Fidelity Title	1	0		
Sari-Kim Conrad	CCR & OIC Liaison	First American	1	0		1 hr Late
OTHERS		Total = 23; Quorum = 12	20	2	0	
George Peters	Executive Director	WLTA	X			
Carrie Tellefson	Lobbyist	Sound Gov't Solutions				
Sam Miller	Lobbyist	Sound Gov't Solutions				
Paul Hammann		Agents National	X			
Kris Weidenbach		Chicago				
Kent Pelt		Doma	No			
Paul Merz		Integritech Solutions	X			
Kevin Fiet		Fidelity National	X			
Lindsay Doucette		Fidelity National				
John Martin		First American				
Jen Modjeska		First American				
Shawn Toor		First American				
Marcella Carey		Frontier Title				
Robin Aberasturi		Futura (Alliance; AmeriTitle)	No			
Cynthia Simpson		Futura (Alliance; AmeriTitle)				
Jack Wheir		Futura (Alliance; AmeriTitle)				
Brian Bowers		NexTitle				
David Fennell		NexTitle	X			
Stephen Routh		NexTitle				
Theresa Kolesinski		NexTitle				
Allison Davis		Old Republic	X			
Paul Brown		Old Republic				
Cidney Bryan		Old Republic	X			
Cameron McFaddan		Old Republic	x			
Steve Metcalfe		Premier Title				
Josh Hernandez		Real Advantage (Orange Coast)	x			
Kiel Rado		Real Advantage				
Tiani Brandner		Stewart	X			
Matt London		Stewart				
Dwight Bickel		Title Advisor				
Ray Davis		Title Resources Guaranty				
Bob Rice		Title Resources Guaranty				
Steven Black		Westcor				
Erik Helgeson		Westcor				
Bill Ronhaar		Whatcom Land	No			