



Attorneys Est. 1875

TEL: 801-521-3200
FAX: 801-328-0537

170 SOUTH MAIN ST, SUITE 1500
SALT LAKE CITY, UTAH 84101

WWW.JONESWALDO.COM

AFFILIATED FIRM
LEAR & LEAR LLP

This document includes the transcribed minutes from Utah's Title and Escrow Commission's May 9, 2011 meeting, the Agenda with line references to the definitions for Escrow and Settlement, the Notary issue, and the proposed move of title insurance regulation to the Division of Real Estate are included.

Every effort has been made to capture the entire meeting. However, the recording devices are not perfect, voices trail off, there is cross talk, and other activity where the conversation is inaudible. You will see _____ to denote something is missing. And sometimes there is not a recording at all.

Please feel free to email me at pstevens@joneswaldo.com with questions or suggestions.



Insurance Department

State of Utah

GARY R. HERBERT
Governor
GREG BELL
Lieutenant Governor
NEAL T. GOOCH
Insurance Commissioner

State of Utah Title and Escrow Commission Meeting Meeting Information

Date: May 9, 2011 Time: 9:00 AM Place: East Bldg, Copper Room

MEMBERS

Commission Members

Chair Cortlund G. Ashton, Salt Lake Cnty Canyon W. Anderson, Davis Cnty
Co-Chair Garry M. Goodsell, Iron Cnty Jerry M. Houghton, Tooele Cnty
Dirk Keyes

Department Staff

Perri Babalis, AG Counsel Suzette Green-Wright, MC Dir. Mark Kleinfeld, ALJ
Tammy Greening, Examiner Jilene Whitby, PIO Recorder Brad Tibbitts, P&C Dir.
Adam Martin, Examiner

AGENDA

General Session: (Open to the Public)

- Welcome and Introductions / Cortlund Ashton, Chair
- Adopt Minutes of March Meeting
- Executive Session - If needed (Closed to the Public)
- General Session - (Open to the Public)
- Reports
 - o Concur with Licensee Report
 - o Concur with Complaint & Enforcement Reports
 - o Request for Attorney Exemption: None

LIVE #.

102

Administrative Proceedings Action

- o Pre-Hearing: None
- o Stipulation & Order:
 - James Tyler Holden, Ecase 2786
 - Mountain View Title & Escrow Inc., Ecase 2787

168

Old Business

- o Discuss Changes to R590-99 (R592-14)
- o Discuss Changes to R592-6-4.
- o Setting Search Standards / Jerry
- o Dual Licensing Discussion - Continued / Cort
- o Update on Mobile Notary Performing Escrow Services
- o Appointment Process for Two New Members / Brad

1222

New Business

- o Approval for New Laptop for Tammy / Suzette

1249

Other Business from Committee Members

- Adjourn:
- Next Meeting: June 13, 2011, Copper Room

2011 Meetings

Jan-10	Feb-14	Mar-14	Apr-11	May 9	Jun. 13
Jul. 11	Aug. 8	Sep. 12	Oct. 11	Nov. 14	Dec. 12

1 **Title and Escrow Commission Meeting**

2
3 **May 9, 2011**

4 **9:00 a.m.**

- 5 Chair: Let's call to order the title and escrow commission meeting for Monday, May the 9th, 9:00
6 a.m. Welcome all of our guests. We remind you to sign in at the board at the back of the
7 room there so that we can have a record of who was here. First up on our agenda will be
8 minutes from our March meeting.
- 9 Male: Mr. Chairman, just a small correction.
- 10 Chair: Okay.
- 11 Male: At the bottom of the second page, second to the last line. It says Canyon asked that if you
12 don't have a change, I think that should be "chain."
- 13 Chair: Second page?
- 14 Male: Second to the last line?
- 15 Chair: Okay.
- 16 Male: It should read as Garry just noted that if you don't have a chain.
- 17 Chair: As in a chain of title? Okay. Any other questions or modifications to the Minutes?
- 18 Male: We'll make a motion that we approve the Minutes.
- 19 Chair: As amended?
- 20 (cross-talking) As amended.
- 21 Chair: Motion Garry, second, Jerry, any other discussion? All in favor say aye.
- 22 All: Aye.
- 23 Chair: Opposed? Motion passes.
- 24 I don't see a need for an executive session, so we'll go on to our regular agenda items – our
25 licensee report.
- 26 Female: I apologize to open investigations didn't print; you should have a lot of emails, and the second
27 emails (inaudible).
- 28 Male: Can I just raise a question with the department?
- 29 Female: Go ahead.
- 30 Male: On that new license it says security escrow and title. Isn't their Security Title?

31 Male: ____ security title insurance agency, isn't that what?

32 Male: ____ title insurance ____, but I just don't – confusion of names, you know, security escrow,
33 security title.

34 Dave: That's a good –

35 Male: Dave, I've brought that up before as well when there's confusion or commonality, it's another
36 name. I don't know why first the corporation's department isn't being more distinctive, but
37 then the department I think it thinks is it ought to be careful cause there can be come
38 confusion between which entity you're even dealing with – it's the same name.

39 Chair: Cause the other one is titled Security Title.

40 Male: There are several security title companies throughout the state all with different entities.

41 Male: Right.

42 Male: Security Title Garfield, Security Title –

43 Male: (cross talking) Security Title Company of Beaver, Davis, Garfield, Sevier. We got Security
44 Title and Abstract Company. It's a different name but, you know, when you have security,
45 you know, security escrow title, it's kind of confusing, you know, who you're working with.

46 Chair: Would that burden, I mean would that be Department of Commerce that would regulate that,
47 or, in allowing the name, would that – are they the gatekeeper for that Perri?

48 Perri: I think it could go both ways.

49 Male: Okay.

50 Perri: So, commerce initially picks the name and then the department can also decide.

51 Chair: Okay.

52 Perri: I'll mention it _____.

53 Chair: Okay. Any other questions or comments on the licensee?

54 Canyon: I think motion we concur with the report.

55 Dirk: Second.

56 Chair: Motion by Canyon, second by Dirk. Any discussion of the motion? All in favor say Aye.

57 All: Aye.

58 Chair: And opposed? Motion passes. We noted in our last meeting we did not concur with the
59 complaint and the enforcement report. I think, right, we deferred that to answer some
60 questions.

61 (cross-talking)

62 Yeah, I'll just read the Minutes from last meeting. Canyon noted that 59162 was open and
63 closed the same day. Brad will see where it went. It could have been resolved the same day.
64 Tammy said it was linked to 58852 and 59067 deferred concurring until May meeting. That
65 was my recollection as well but we had some questions that were still unresolved as of that
66 last meeting and so we did not concur with the May report. So do we have, should we wait
67 until we can ask some more questions or wait until Tammy gets here or what do we think?

68 Perri: What was the number?

69 Chair: Well, it's on the Minutes.

70 Male: 58852 if the main one was 59162. They were linked to that same number.

71 (cross-talking)

72 Perri: Sometimes she has duplicates that come in the same thing. We may have a duplicate. Cause
73 the 5882 is a much older number than the other two.

74 Male: Yeah, there's a little confusion on it, Suzanne. We can't figure out what the connection is and
75 what the status is.

76 (cross-talking)

77 Chair: We were wanting some clarification.

78 Perri: On the complaint side, I was looking at something different, so it's on the complaint side. If
79 nobody opens and closes it, then she think it's a justify, then it's forwarded to us for
80 investigation.

81 Chair: But then we don't see it as a "E" case.

82 Perri: Well it'd be an "I" case.

83 Chair: We don't see either, I don't think.

84 Perri: He was supposed to check into it. (laughing) We're talking about this issue. And he's been
85 gone, so if he hasn't – it's cause he just got back.

86 Chair: Brad, we in our last meeting, we deferred from concurring with the complaint and
87 enforcement reports. We had some questions on a couple of items and so that's where we are
88 in our agenda today. We're back to the concurrence on those reports.

89 (cross-talking)

90 Male: Because it shows justified, I think we ought to kind of track the status of it.

91 Chair: I'm inclined to just hold back to see if Tammy can maybe help us fill in the blanks and come
92 back to it unless there's, unless we want to move forward without a number of questions being
93 answered, gentlemen. Let's –

94 Male: I'm comfortable with the balance of the complaint report except for just one ____, one matter,
95 that --

96 (cross-talking)

97 Chair: Okay. Should we handle it like we did it last month or should we?

98 Male: Sure.

99 Chair: Or, should we just -- we will -- let's hold on the concurrence then and of the complaint
100 enforcement reports until we can get those questions answered. We'll move on to our
101 stipulation and order section. We've got -- Mark, do you want to run us through those?

102 ADMINISTRATIVE PROCEEDINGS ACTION/STIPULATION & ORDER

103 Mark: Yes. And we did have copies of these. These are as you can see they're companion cases and
104 _____ of the fact are the same in both. One deals with the individual licensee and one deals
105 with agency licensee. In the first matter, respondent James Tyler Holden, license number
106 216762 and this is a stipulation that was entered into between Mr. Holden and Mr. Lennon on
107 behalf of the department April 22, 2011 and I've signed it and recommended it on to you
108 under date of May 3, 2011. What the facts are and the facts are again the same in essence for
109 both matters. The second matter is Mountain View Title and Escrow, Inc. as the respondent,
110 license number 2164, is the department on December 6th does it on a regular basis looks to see
111 what licensees were reinstated after lapsing and it referenced that Mr. Holden's license had
112 lapsed on August 31, 2010 and had been reinstated November 15, 2010. As a matter of
113 course a letter goes out to the parties saying, you know, in essence, what was going on, did
114 you deal with any closings, etc.? Mr. Holden sent a letter back on December 28, 2010, which
115 you replied that can't be involved in the 26th closings with Mountain View. But he stated to
116 others that actually prepared paperwork, etc. On further review of the HUD documents it
117 clearly indicated that Mr. Holden was the closing agent in that regards. Also through search is
118 as typically done, the department on November -- discovered that on November 22, 2010, the
119 tax commission had found a tax warrant to a judgment against Mr. Holden in a civil matter for
120 the amount of \$641.43 for the tax year of 2005. In reviewing that both together would show
121 that in accordance with 31A23A103, unless the person's exempted from licensing, they may
122 not perform any closings, etc. unless they're licensed. Also there is reference 31A23A111,
123 the commissioner may revoke or suspend, take appropriate action if a party or licensee fails to
124 pay a final judgment as a tax warrant for the final judgment. In discussions, apparently Mr.
125 Lennon and Mr. Holden entered into the proposed or -- signed the settlement and I recommend
126 on to that it appears reasonable and appropriate in my understanding of the facts and that Mr.
127 Holden be assessed the administrative forfeiture of \$3,000 and paid within 30 days of the
128 adoption of this order ____, and be placed on probation for a Period of 12 months, a basic
129 training probation, and pay the \$3,000 in a timely manner within the 30 days, that he paid the
130 \$641.43 judgment to the tax commission. And they have no further violations of the code,
131 rules or order of the commission. In companion with that, the same basic facts for Mountain
132 West that they employed an unlicensed person, etc. The only fact that's different -- they aren't
133 tied to the tax warrants, so _____. A little ____ is that they did have a policy about
134 noticing people into employ about their licenses coming up, etc. It also notes that American
135 Title was cooperative, helpful, provided information, etc. It did note that respondent did have
136 a policy in place. The notarial producers are _____; however, in 2006, Mountain View,
137 the respondent, had been previously _____ \$6,000 for allowing businesses to be

138 conducted by an unlicensed or unassociated producer. There was also been quick to
139 violations with 31A23A103 in allowing an unlicensed person to be employed. Through
140 discussions, the stipulation was entered into and I would recommend on that the respondent,
141 Mountain View, be assessed an administrative forfeiture of \$2,500 and paid within 30 days of
142 the adoption of the order and so see fit and make the respondent – its ordered to prepare and
143 submit within 30 days a comprehensive business _____ the department that outlined specific
144 policies and procedures with regards to the timely renewal of the agency and individual
145 licenses or licensees associated with the agency.

146 Chair: Okay. Thank you, Mark. I just have – just the thing that kind of stuck out at me was in 2006,
147 we were fined \$6,000 for doing the same thing that we're proposing \$2,500 today. Is that my
148 – am I missing something there?

149 Mark: I don't know the particulars of it, my guesstimate of it would be that there was arguably
150 substantially more closings in that 2006 circumstance that were closed by an unlicensed
151 individual. I wouldn't hazard a guess of how many, but that'd be my general guess.
152 Apparently, they've had arguably a clean record from that 2006 up until this 2010
153 circumstance, not being privy to the discussion with the parties.

154 Chair: Okay. Other questions?

155 Male: I appreciate the additional work that we've been talking about with the licensee and the
156 agency, getting a handle on this. I appreciate the extra work _____.

157 Chair: Do we have any other questions, or ready for a motion?

158 Male: Do we want to do one at a time or both?

159 Chair: Unless there's a reason to separate 'em.

160 (cross-talking)

161 Unless there's a reason to.

162 Male: Okay, make a motion then that we approve both sportsman case 2786 and 2787 as to those
163 recommended penalties in the order.

164 Male: I'll second that motion.

165 Chair: Motion and second. Any other discussion of the motion? All in favor say Aye.

166 All: Aye.

167 Chair: Any opposed? Motion passes.

168 OLD BUSINESS

169 R590-99

170 All right, let's move on our agenda to some of our old business items and first up – 590-99.
171 This is the one just for a reminder, we had a rule ready to go in place but we decided to let it

172 not go into place in our last meeting so we worked on fixing some things. So, who's, is
173 anybody prepared to help us through this one? We've got –

174 Female: I did not receive any suggested changes _____.

175 Canyon: Well, the – I think Mr. Chair referenced to the Minutes, left us some guidance as to what we
176 hoped would happen so I may just refer back to the section there under comments or actions
177 on 590-99 are, 59214 and see the bullet point under old business. Just let me read both bullet
178 points. Cort asked the commission or asked if the commission wanted to keep the rule as is or
179 with the changes. The commission discussed the issue. Canyon made the motion to not adopt
180 the changes and to discuss new changes to the rule at the May meeting. Jerry suggested
181 adopting changes. Cort's preference was to let the Minutes die and discuss further
182 improvements. Garry seconded the motion of what was unanimous. Canyon suggested what
183 I thought might be applicable today some action items – try to incorporate statements from
184 Peter Stevens as well as others and request underwriters to continue to provide comments on
185 4B. There were underwriters, several including comments by Pete that discuss some possible
186 ways to clarify 4B – or change it rather than just deleting it. I have not seen those comments
187 from underwriters – those changes yet, hoping we were going to have them, have not seen
188 them.

189 Male: I haven't yet either, so.

190 Canyon: So I think if we want to get at least one more crack at that _____ contact, those two
191 underwriters have wanted to make some comments or changes and see if they really want to
192 help add some clarification. I don't know if we included Mr. Stevens' comments in the
193 Minutes. I don't know if he remembers what he wanted to add or say. But I compliment you,
194 Pete, on something.

195 Female: He must have liked what you wanted to say.

196 Peter: Who you talking – the 4B?

197 Chair: This was on, well, the whole rule we had drafted some, a new number in 592-14 and made
198 some changes to it on the failure to record a document on marketability issue.

199 Peter: Right. And then we had – isn't this the one where the conversation went on about the old
200 document from Tracy Collins Bank.

201 (cross-talking)

202 Tracy made the ____ for something.

203 Male: What did you say?

204 Peter: That it, you know, I likened this to reconveyance. So, if you've got information that they
205 have, you make a demand and if they don't produce the demand, you may have a private right
206 of action, the parties' right of action possibly or with some heightened sense of enforcement
207 because a transaction is going to fall through the cracks without all of the delays to go through
208 in a civil proceeding so there are several other examples that were brought up. And I just

209 think that to have one more situation where someone's holding the document and holding the
210 transaction captive, I think we just need to look beyond those ____.

211 Male: Was it you that brought up the possibility of giving a notice?

212 Peter: Yeah.

213 Male: And then -- I made a comment that maybe for 4B to be have more ____ to it, there'd at least
214 been some written notice.

215 Peter: So, when it's the right standard you've gotta really know that what they've got . . .

216 Male: That's right.

217 Peter: . . . maybe you have to define what they have as opposed to be -- suspicion of a ____.

218 Male: And it would have to be a writing as opposed to calling and somebody saying "I've got this."

219 Canyon: Right, right. Likely, that's a good suggestion and I also felt that Glen Roberts wanted to
220 weigh in and maybe other underwriters -- First American or others have, I think they've had a
221 thought that I did not hear back so it'd be nice to get a full ____ comment on this. I know
222 Suzette it's taken a bit but why don't we try to get those comments in and then really try to
223 rework it in next week. Is that okay Mr. Chairman?

224 Chair: Yeah, no, that's great.

225 Peter: Is there a way?

226 Canyon: Oh, that's right. I think, Pete, you did make another comment. I thought I'd written it down
227 but Dirk may have, no, you talked about intentional, you talked about some possible
228 _____, like intent.

229 Peter: Right.

230 Canyon: And I'm not sure what you were saying.

231 Peter: Well, if someone has something and you've had a conversation and there's been some written
232 communication back and forth, they know that they've got a transaction that's going to fall
233 apart unless it comes to them. You've got specific intent there and then I believe a good cause
234 of action against them. But, again, how many transactions are gonna last through the private
235 process? The other party's going to be the successful one to close that transaction.

236 Canyon: Sure.

237 Peter: And that's where, you know, you've got actual, then you've got damages.

238 Canyon: Right. And I think you've brought up some points to just try to clarify and communicate.
239 Entities communicate one with another and give 'em an opportunity to resolve the matter, so I
240 think that's a good suggestion.

241 Chair: Okay. We'll keep that on our agenda for next month and Canyon were you going to reach out
242 to –

243 Canyon: Yes, I'll reach out to them.

244 Chair: And I know we have a couple other underwriters in the room here today with us. If they
245 would like to help weigh in on that. If you'll filter that through to Canyon, that would be
246 appreciated.

247 R592-6-4

248 Okay. All right, we'll move on to 592-6-4. We've had a couple of notes in the Minutes.
249 There were a couple of follow-up items with Perri and Scott Sabey who are both here today.
250 And so maybe we can just go back and see if any of those – you guys had any dialogue since
251 our last meeting and are prepared to answer. It looks like we had a question – can a wife own
252 money in her own name or entity and then the other question was definition of the affiliated
253 insurance code and so that's why we're – it's part of what's on our agenda today. So.

254 Perri: So, I did do some research in regards to what does affiliate mean and in looking at that I've
255 looked – so the definition of affiliate is in 31A-1-301(5) mentions that an affiliate is a person
256 who controls or earns control by or under common control with another person. So then I
257 looked at the definition of control which is in that same code section – subsection 28. And in
258 looking at that, it talks about control maybe by contract, by common management, through
259 ownership of loading securities or by other means. And in looking at that definition it seemed
260 to me that the intent was really a business kind of control situation as opposed to a familiar
261 familial or marital relationship. So then I looked – there's only one case in Utah but dealt
262 with that definition of control – *Wasatch Crest Insurance Company v. LWP Claims*
263 *Administrators Corporation*. And, anyway, in reading that it just seemed to suggest that
264 really a conservative definition of the term "affiliate" in looking at the meaning "control"
265 really was limited to a business relationship.

266 Chair: Okay.

267 Perri: So, for what that's worth.

268 Chair: Both statute and case law? Sounds like we're . . .

269 Perri: And I mean certainly. Yeah, we have one case in Utah but.

270 Chair: Yeah.

271 Perri: Even begin to address it, so.

272 Chair: Okay. Scott, was that? You also had a comment. We had some comments and minutes from
273 there, is that?

274 Scott: Well, of course, I don't agree. No, Perri was very good to talk with me. We spent some time
275 on the phone and I still have the same struggle. And, for example, in 28 when she's talking
276 about the definition of control, as she said it, this control maybe by contract. Marriage is a
277 contract by common management. Management of a household is a common event. So what

278 are the – my concern is, is that it needs to be defined as a non-familial circumstance. We need
279 to say that. I still think that’s the case. We talked about the other issue. Well, let’s save this
280 one. I still have the same struggle I had before. I still think that – and I have looked at the
281 case that Perri cited. I have a copy of it here and it just. Well, first of all, I don’t think the
282 case is exactly on point because they’re talking about two businesses, an individual who
283 served as an officer in the two businesses and the question of the case was can one business be
284 held essentially liable for the actions of the other given that this one individual was an officer
285 in both. And the focus of the case was on an affiliate that controlled another and the case, in
286 fact, specifically says it doesn’t address the other two. It says the code defines it as the three
287 categories: a person who’s controlled, who controls/is controlled by or is under common
288 control with. Only the first of these three falls into the ____ of the section at issue which is an
289 affiliate means a person who controls. And so that case only dealt with one that doesn’t really
290 apply to the issue before us meaning one that controls another. So, I don’t think the case
291 addressed our issue and I still have the same concerns under the definition of affiliate, I
292 expressed before. I won’t go through it all again because you’re familiar with it.

293 Chair: Imagine two attorneys don’t agree.

294 [Laughter] It’s an odd thing here. No, I was kidding. Thank you. Do we, so . . .

295 Male: Can I, Mr. Chairman make a recommendation?

296 Chair: Yeah, yeah.

297 Male: At this point, so that the basic elements of the Rule which are that it’s unfair inducement for a
298 title agency or producer in this case to loan money with the car balance and (b) why don’t we
299 just eliminate the aura affiliates?

300 Male: I think that would work.

301 Chair: Um, which part?

302 All: 21; 21(a).

303 Male: The holdup – here’s one of the two holdups – there’s a second one Scott, we’ll talk about that,
304 but one of the new two holdups appears to be – who does this apply to – the real intent is for it
305 to apply to a title if it had been an insurer, a title agency or a licensee producer. That’s the
306 intent and I think if we just start there and have common ground there, Mr. Chair will
307 probably make it more clear and make head way.

308 Chair: Okay.

309 Male: I think that does it.

310 Chair: Okay. David?

311 David: The question is though, you take out affiliated – and I think that’s a great comment. But it
312 says: “including its owners/employees.” You know, what do you have a non-owner
313 employee – just you know – she’s got some family money, inherited some money and he

314 wants to make some loans – you know as an investment. Now we’ve got no control over the
315 business. He might be may or may not be licensed. Do you want to restrict that?

316 Male: He can still loan the money that the . . .

317 Chair: He would have to have a different insurer.

318 Male: Sure. Maybe a different producer. Okay – yeah.

319 Male: So that’s you know -- _____ employee. I just answered your question.

320 Chair: I will, yeah. Well, let me before we go there. One of the questions that I have for the
321 commission is, you know, we carved out an exemption to seller financing and in doing that,
322 we brought up primary or secondary residences, commercial office property owned and
323 maintained by the persons or entities. Or, obtain through trustee sale. The question that came
324 up is – that I had is – about other kinds of property that, you know, we kind of limit the nature
325 of the properties that can be _____. What if you had a farm or you had some land and you
326 wanted to do a seller financing. We say it’s okay for a primary or secondary residence but it’s
327 not okay for a farm or a lot or some small land. If we – I just wanted to get the Commission’s
328 recollection as to how we came up with this list and.

329 Cort: I recall Mr. Chair that the list was an effort to just carve out some reasonable exceptions that
330 occur in sometimes day-to-day life. There are some other exceptions as you say that are more
331 abnormal and they may apply. And I recall the other concern that I thought we would talk
332 about was the duration. You brought this up and I think Mr. Sabey brought it up as once,
333 once there’s a payoff on that property, or a partial release for instance, if it’s a bigger
334 development then the Rule would not apply and it doesn’t say that.

335 Chair: It doesn’t say that yet.

336 Cort: It doesn’t say that yet. So, what we needed to have to have some notion about currency,
337 something like that. Is there a stable enough balance due, etc.? That might still need to be
338 incorporated the best way as well.

339 Chair: So, we all – we’re still limiting all of our corrections pretty much as to 21, (a) (b) – is where
340 we’re trying to tweak. Um, Tom did you have a comment?

341 Tom: Well, Cort thank you. You uh – first of all, let me correct my original comment. I am here
342 representing myself today not ULTA, so take that – and I think you hit on the very issue that I
343 was wanting to make a point as you seem to have carved out some exceptions for what
344 Canyon says is normal. Normal is a relative term, depending on where you live you know.
345 You know, if you live in Panguitch – it’s normal to sell a farm. And, the other thing is, you
346 know, I realize I am kind of “Johnny come lately” on this, but you know rules are made for a
347 purpose generally and they’re not worth much unless you can enforce them. I’m wondering
348 if, you know, if we’ve got a solution looking for a problem here. You know, you got very
349 limited staff to go out and try to enforce. I am just looking for – I violate this Rule right now
350 in my office probably on a weekly basis if it was in place. And uh, you know, it’s something
351 that would cause a dramatic impact on our operation as well as it would a lot of small
352 operations. And boy, a few of the town’s people, uh, the owners have other interests in the

353 community. You know, I'm involved in two or three subdivisions. Uh, and it's just going to,
354 you know, change the way we do business.

355 Chair: Tom Hatch is not one of our regulars, so we are glad to have Tom here. He is the President of
356 the ULTA this year and works down in the southern part of the state. If we were – and Tom, I
357 don't know the nature of what you're talking about that you violate every week, if we said just
358 seller financing and then just say that you can do seller financing.

359 Tom: Yeah. That's appropriate.

360 Chair: And then just say, you know if it's property that you own as a title company, if you can do
361 that. Is that a fixed . . .

362 Tom: That fixes is a lot of it.

363 Chair: Okay.

364 Tom: It's according to the question, – instead of saying commercial _____ property – why don't
365 you just put investment property?

366 Chair: Well, _____ doesn't have [multiple people talking]

367 Chair: Um, I don't know how much different it is for something that you obtain through a trustee
368 sale as an investor at a trustee sale, right? As versus a farm or a residential building lot that
369 you've been sitting on or whatever. I don't know how different those kinds of things are. Do
370 I see Al Newman in the back that would have a comment?

371 Newman: Of every piece of property I sold, I did on a seller's carry-back. I'm simply not going to send
372 those who might edit it wrong. This whole Rule is just _____. I mean, what's the
373 problem again? There's a few companies that loan money and they might get some business
374 out of it. They might not. But, your carving out everything – why bother? And if – I agree
375 with Tom. I think most of us have violated like I said with the legislature and that, we could
376 all be in jail by 5:00 o'clock tonight. Uh, I don't see any reason for the Rule period.

377 Chair: It's a good thing our investigator Tammy is not here.

378 (laughing and cross-talking)

379 Suzette: I'm the chief investigator.

380 Chair: What's that?

381 Suzette: I'm the chief investigator.

382 Chair: Oh, but you are the chief investigator. Thank you.

383 [All] Laughter.

384 Suzette: Can we talk after?

385 Male: What's his name?

386 Weiner: Jeff Weiner with the Old Republic. I was just looking at the statute vs. the rule just quickly
387 and just a couple of notes today. Final 31A- 23a-503 _____ controlled business uses the term
388 associate versus affiliate, and there is a provision that provides for making loans secured by
389 interest in real property. So, again, I may have made comments on this in the past, but there's
390 a flaw in 503 by statute that I think we're making a lot of carve outs to and, in the end, they be
391 trumped if this was passed by Statute 503.

392 Chair: Okay. What about the issue of currency here, or?

393 Male: I think it's as you said last time Cort – it's paid off. It's irrelevant tonight. I thought you
394 might have brought a term or word because you had noted that before.

395 Cort: Yeah. Um.

396 Male: So, Cort, is your question to be or your point to me is just saying that subsection 21 did not
397 apply to such transaction involving Southern Finance?

398 Cort: Yes. That's what I am suggesting – is it possible for resolution because when we contemplate
399 various situations and circumstances exist around the state, um, and then that we – if we just
400 insert it where a current investment loan has been provided by said insured agency or
401 producer –

402 Male: Or how about outstanding?

403 Cort: Outstanding – what's a good legal term – Outstanding . . . Just to say that it's an active or . . .

404 Male: Existing.

405 Chair: Existing. Well, but contemplated or existing perhaps, right. As you might contemplate or
406 have it existing. Um, if it's not already in place, how would we? We got a room full of
407 attorneys in here. Come on guys, help me out. Um, the idea is that we don't want to say that
408 if you, if the loan that was paid off and done five years ago that you still are barred from
409 writing a title policy on that transaction if it was done, if there was a loan that was in place a
410 long time ago.

411 Male: Uh, Mr. Chair, if we're saying, um, in the first sentence – the title insurance agency or
412 producer cannot provide title or escrow services on real property where an outstanding,
413 existing – an existing if that's what we're calling it -- something there is what I thought . . .

414 Chairman: Well, that's where – that's what I'm saying, but what if it's contemplated in that
415 transaction? It's neither outstanding or existing at that point until it's in place, is it? Or is it?
416 If it is the purpose of the loan to put it in place . . .

417 Man: Existing or anticipated?

418 Cort: And Jeff – Jeff brought up a good point – it's just, Al, while we're here in the first place. Jeff,
419 I think you ought to go back to that citation. What was it again?

420 Jeff: [inaudible]

421 Cort: Which – 31(a), what?

422 Jeff: 31A- 23a-503. It controlled businesses by _____.

423 Cort: Right. That's why we're here in the first place. There's been some complaints over the years
424 that this is already a statutory violation.

425 Jeff: Well, then you can proceed under the statute. Why do you need a regulation that we would
426 have to go through?

427 Male: Because many producers haven't understood it. And that . . .

428 Male: Send them a memo.

429 Peter: I think that everybody would agree that 503 is a difficult, if not impossible, statute to enforce.
430 It basically says "all you have to do, if you have business that exceeds a certain amount, just
431 keep track of it. But there is a prohibition for somebody new to get a license if that have some
432 kind of an affiliation like that and we have been much harder on those new people than those
433 existing people.

434 Male: Right.

435 Peter: So my suggestion would be to change 503 so that it addresses this issue. We all know, you
436 know, that this goes on and if there is something wrong with it, address it there. But to spend
437 the time here to craft a rule that supports a weak statute, we're not gonna get any place if there
438 is any enforcement required. So, nobody has ever been prosecuted under the control business
439 section.

440 Jeff: And my suggestion was not to destroy that with the commission being here. I simply wanted
441 to make sure the term even affiliated is not referenced in 503. So, I think there may – if we
442 are going to re-craft something, we may want to use. I believe by agreeing to 21 or
443 _____ in their attempt.

444 Canyon: Well, I think the code is clear as well that, we like it or not, the time commission and the
445 members of the commission are to help create rules that define unfair inducements and so
446 there's a laundry list right now that, frankly, I don't agree with a lot of them either. And we
447 shouldn't have a laundry list that can't be enforced. So, all we're trying to do is help clarify
448 and we appreciate the input.

449 Chair: So, if – I think that does existing or anticipated inserting that in 21(a) – that I think resolves
450 my question on, you know, if it's paid and done, we don't care anymore. Are we – to strike
451 affiliates – so we've got three things, one of them is to strike four affiliates from 21(a); then
452 the two that I talked about, the possibility where just involving seller financing Perriod; and
453 then deleting romanette (ii) (iii); and then I'd be _____; and then adding existing or
454 anticipated in 21(a) between on real property where an investment – we would insert there an
455 existing or anticipated investment loan or financing as for will be provided – assert or will be
456 provided on the next line.

457 Man: I think a motion Mr. Chair, Perri tried to redraft again based on the changes proposed today,
458 this rule so that we can use it as a working draft and see how it leads and what other issues
459 come up?

460 Chair: Should we, uh, maybe just – now we have a motion, do we have a second to that motion?

461 Jerry: I'll second it.

462 Chair: Second by Jerry. Any discussion? So that would basically, we're kind of all on the same
463 page in voting for this motion if that's where we go. Any other discussion? All in favor say
464 Aye.

465 Group: Aye.

466 Chair: Any opposed? Motion passes. Okay, thank you. All right. Next up we had another
467 homework assignment from our last meeting. The legislature has tasked us with setting
468 search standards and Jerry do you want to bring us up to speed on your, what _____ up
469 there?

470 SEARCH STANDARDS

471 Jerry: We haven't had any meetings and I apologize for that because I'm just too busy but what I
472 would like to do is take this time to set meetings in here for our subcommittee to meet and
473 what I'm proposing is to meet on the 16th and the 30th I think is a place of mutual ground that
474 everybody--is there a way that we can get a room here at the Capitol and just meet for those?
475 Okay, what I would like to do is meet from 10 to 12 on the 16th and the 30th if possible. I
476 know that underwriters were interested in attending that. I've also, what I would like, too, is
477 that at the meeting if you could bring your proposed changes or new rule in a format that we
478 could easily use, scan in, use, whatever and discuss, because we're not going to have the
479 benefit I don't think of somebody taking notes and so what I would like to do is do that. Is
480 everybody okay with that?

481 Male: Can I just get a clarification right here. You're suggesting a meeting here on the 16th and the
482 30th of May?

483 Jerry: Yeah.

484 Male: From 10:00 till noon?

485 Jerry: Yes.

486 Peter: Has anybody notified the out-of-state underwriters or is there any notice sent to the
487 underwriters?

488 Jerry: As what?

489 Peter: Is there any notice been sent to the underwriters?

490 Jerry: No there hasn't. We would end up sending it and I think we could probably do that through
491 the ULTA. They've probably got the best link to all the _____.

492 Chair: Not to the underwriters themselves. They don't link very well to the underwriters. We've got
493 a few of our agents, about half of them, but we don't have all of the underwriter's members
494 either, so-

495 Jerry: I think I can get email addresses for most of the underwriters.

496 Chair: Okay.

497 Jerry: I think they're on, most of them are on their website, or the state website.

498 Chair: Suzette, do we have contact information for all of the underwriters available, do you know?

499 Suzette: I really haven't a clue.

500 Jerry: Mostly going to concentrate, probably on the in-state ones, I don't think anybody's going to
501 want to fly in for two hours.

502 Peter: Well, I don't either, but my question is you should make that available by phone. So if
503 somebody had a comment and are you, did you say that the department doesn't have contact
504 information?

505 Suzette: Well, I'm sure we do, but I personally don't know all the underwriters names.

506 Peter: Well there's 17 licensed title underwriters.

507 Suzette: So I'm sure Tammy does the list.

508 Jerry: She'll be here this week or –

509 Suzette: Gentlemen, she's not in.

510 Chair: Well, we just basically, why don't we, maybe Jerry, if we just make it conditional upon the
511 ability to get an invitation to everybody.

512 Jerry: Okay.

513 Chair: Okay. And it's not an official meeting that we're going to be, you know, we're going to have
514 you take some notes and pass it on, so we're not going to need staffing I don't think.

515 Woman: Right, so can I, any discussion, I mean you're doing this kind of as an arm of the title
516 commission?

517 Chair: Right, right.

518 Perri: So you can have a subcommittee meeting any vote, any decision making has to happen in the
519 commission.

520 Chair: No formal decision making, right. This is just a gathering of suggestions and see if we can
521 come up with some kind of consensus, you know, work towards some consensus on what we
522 might recommend for that, so–

523 Perri: And then the 30th is Memorial Day. I wanted _____.

524 Suzette: I wondered about that.

525 Chair: Oh yes. Shall we shift it a week to the other direction, go the 23rd and then the first week in
526 June?

527 Jerry: All right. Let's do that. The 23rd and the 1st - that gives me a little bit more time to get a hold
528 of them.

529 Chair: 23rd and then June --

530 Jerry: 7th.

531 Male: 5th., 6th ?

532 Chair: 6th? And that's still, okay. All right. That's great, thank you Jerry. Okay, next up, I've kept
533 this on the agenda just because I don't think we have a final determination yet and I don't
534 think Suzette we still aren't quite there yet so--

535 DUAL LICENSING

536 Suzette: Right.

537 Chair: We will just forward this until we can get some, some more information. Do you have any
538 other comments Suzette or Allen in the back?

539 Allen: Can I just make two comments on that?

540 Chair: Sure.

541 Allen: I think it comes down to two issues. The first that dual licensing has in fact been established.
542 I don't think there's an argument there. The second is that if you're trying to double dip, we
543 have rules to control double dipping, getting commissions or monetary numerations or/and
544 title premiums or escrow service premiums. So we have rules to control double dipping if
545 there are title services, if you're, in fact, doing both, kay? I don't think there's a question
546 whether dual licensing is in place. In fact, in the dual, like in the definition of dual licensing,
547 it actually refers to a title licensee who holds another producing license, a real estate license.

548 Cort: _____.

549 Allen? It specifies that's your main license.

550 Chair: No, it doesn't say that's your main license, it just says that it's "a" license that you hold. I
551 don't see anywhere it says that it's your main license.

552 Allen: By virtue of saying that's the definition is that a title producing licensee who in addition holds
553 another license.

554 Chair: Right.

555 Allen: And I think in reading your responses, Cort, I think you conveniently leave off on almost
556 everything. Very important end of the sentence, that talks about paying an officer or
557 employee any way, you leave off as an inducement to obtaining any title business, and so I
558 think not only is the law specified here, but I think that's the intent of the rule, is if you're

559 trying to get an inducement, if you're trying to get title insurance then you cannot pay that
560 producer. So I think you're mixing and your forgetting that and going directly to the rules of
561 if you are double dipping. Well if there's no title insurance obtained or induced, then you
562 don't jump to the rules of when you can double dip and you'd jump right through those rules
563 and just blanket say you can't do it, you can't pay a title licensee Period. So I think the two
564 issues are basically there is dual licensing, (2) if you double dip, there are rules to regulate
565 that. Otherwise, there's not an issue.

566 Chair: We agree at least on both of those things, Allen. We do. I agree with you. With those two
567 stipulations that you made and we're going to wait for the state to figure out how to help us
568 resolve this question because there is a disagreement even between the commission and the
569 department on how to interpret this. And so, we were, I appreciate your comments, I know
570 where you're coming from, I know it's a confusing rule and I was there when it was created
571 and I know it's genesis, I know why it was created—it was created to allow an active realtor
572 who also had a title license to once every 18 months to get paid by a title company for doing a
573 title service – Period. That was the end of, and that's exactly the context in which it was
574 written, so I would like to just defer this to our department to get final resolution for us on
575 how they would like to enforce and interpret this rule because there's obviously still a
576 misunderstanding on what it really means, so . . . okay?

577 Jerry: Mr. Chair and Allen, can I just interject a couple of what I think the common denominators
578 are that we agree on (1) that a title licensee can also have a real estate license or a even a
579 mortgage license. We all agree to the fact, is that right?

580 Chair: Uh huh.

581 Jerry: Second thing we agree with is that there can be consideration on a transaction for a title
582 insurance product or service. All the while receiving consideration for on the other license
583 activities. However, the one thing that appears to be a disagreement on is how often can that
584 and on what transactions does that title can that title product or service be paid a commission
585 on or compensation on? Is that the only issue? Or is there something—

586 Allen: No, I think that's apples and oranges. The how often relates to when you are double dipping,
587 when you are getting both the commission and insurance—

588 Chair: No, it's when you're dual licensed.

589 Jerry: It's when you're dual licensed.

590 Chair: If you choose to be dual licensed, how often can you be paid by a title insurance ____?

591 Jerry: So the question I have for you Allen is you disagree with that?

592 Allen: I see, absolutely. The way it reads, absolutely.

593 Peter: Doesn't that interpretation penalize the title person.

594 Chair: It does.

595 Allen: It does. But it permissive—for the real—problem

596 Chair: It is. The way the rule, and that was the history of the rule—

597 Allen: That's how it started. The way if there's no one standing in line to take advantage of this,
598 why don't we just repeal it?

599 Chair: There are some people standing in line to take advantage of it and the department approves
600 them on a regular basis. I don't see them. They don't come across my desk on an expedited
601 basis, so—

602 Allen: Just the purpose of that scope of the rule is to allow the dual license ____ to pay on both,
603 that's the scope of the whole rule. If you're not getting paid on both—

604 Chair: But the process and mechanism of getting approval every 18 months, you don't have to get
605 approval every 18 months to get paid a realtor's commission, you don't have to get approval,
606 its if you want to be paid by a title producer holding dual licenses, you can be paid once per
607 agency every 18 months. That's the way it was drafted, that's the way I understand it. Or it
608 doesn't matter if it's the same transaction or not, in my opinion, it doesn't matter.

609 Allen: Or you're in violation of Rule 13 under the Unfair Inducement.

610 Jerry: Right.

611 Allen: Which states paying or offering to pay either directly or indirectly salary, commissions or any
612 other consideration to any employee who at the same time licensed as a real estate agent or
613 real estate broker, as a mortgage lender or a mortgage company.

614 Male: Keep reading. Subject to—

615 Allen: —to the dual licensing which allows you once every 18 months.

616 Male: I was talking about double dipping.

617 Chair: James Seaman was here about, what, 6 months ago, James, with one of your employees that
618 you had hired a realtor and she had active transactions and we allowed her one transaction,
619 she could get paid on one transaction, she had to inactivate her real estate license to move
620 forward.

621 James: That's exactly what happened.

622 Chair: That's exactly what happened. That's the interpretation we had 7 or 8 months ago, and that's
623 what we've enforced so far.

624 Allen: But what if you're talking about one transaction. I'm talking about no transactions that come
625 back as the premiums and the title insurance—none. So, why, I agree with you. The
626 transaction should fit under that, where you're getting both, absolutely.

627 James: She actually wasn't going to receive any title commitment.

628 Chair: She wasn't. It was that she was being paid by the title agency while she held an active
629 license. She was being paid a salary by the agency while she held an active license in real
630 estate, and that was the issue. Jack?

631 Jack: I don't know if this fits into the picture or not. There are a lot of short sales going on in our
632 business and there are escrow officers who are not licensed in real estate who are offering to
633 negotiate short sales on behalf of their good clients and they are prohibited in negotiating
634 short sales because they do not have a real estate license. And so they say I'm going to go out
635 and get a real estate license and, therefore, I'll be in compliance with the Division of Real
636 Estate, but then they don't fit into the scenario here.

637 Male: They don't.

638 Jack: You can only do it once every 18 months with the prior consent of the department, is that
639 correct?

640 Chair: That's correct.

641 Jack: So that was part of it was to shut down the unfair inducement that you bring me your short
642 sale transactions and I'll relieve you of all responsibility of negotiating with the lenders.
643 That's an unfair inducement.

644 Chair: That's the other side of what, yes, Tammy's been out trying to enforce that saying title
645 companies if you're doing this, you're acting as a realtor and that's beyond the scope of your
646 authority so that same rule applies in that scenario as well if they were to get dual licensed,
647 that same rule would apply to them.

648 James: That scenario would be in violation even without the dual license.

649 Chair: Right.

650 James: So—

651 Jack: Allen, do you have 405 in front of you?

652 Allen: I do.

653 Jack: I think we ought to just read it. At Subsection 1 says a dual license, title licensee, as you
654 described, you can do that. May provide a title insurance product or service under this title
655 only if before providing that title insurance product or service, the dual licensee obtains
656 approval as provided in this section, so not only is the intent there that you can have the dual
657 license, but it specifically says that there's going to be an approval process and then it gives
658 the steps.

659 Allen: I agree with you, but I think it's talking about when you're receiving, when you're providing
660 title insurance products. That's what it says.

661 Jack:: Well as you read further, in two, and then go into the —

662 Allen: You don't read further if it doesn't apply. I'm just saying if you're not providing title
663 products, title insurance products, then the rest of it doesn't apply.

664 Chair: ~~What is—~~

665 Allen: If you don't adhere to the rule if you're not providing the title.

666 Chair: What title of product or service do you provide?

667 Male: Are you talking about a blanket that you just can't do anybody's transactions?

668 Chair: Well, if a product or service would be a policy or some search related or marketing related or
669 whatever service that a title company might choose to compensate you for. Managerial
670 service. I mean, that's, it is that broad, I believe. It is that broad. It's not a policy on the
671 transaction.

672 Woman: Does the court, let me make sure I understand. If somebody has a real estate license . . .

673 Chair: Uh huh.

674 Woman: . . . and they are in the title industry, they don't use that real estate license, they just have it on
675 hand. You're applying to that as well?

676 [People talking over one another]

677 Chair: From a practical standpoint, you'd have to inactive it from a practical standpoint, and that's
678 what we did in the past. In the old days, if you wanted to work in the title insurance industry,
679 you had to inactivate your real estate license. And then the legislature came along and said
680 well we're going to allow dual licensing so they can be paid once every 18 months. We'll just
681 carve out a little nitch to fit this one guy in Utah County who wants to do some title work and
682 it turns out there's a few other guys who have taken advantage of that little nitch. But the idea
683 is still you would have to inactive your real estate license from a practical consideration. If
684 you want to try to get paid by a title company, you can only get paid once every 18 months, so
685 unless they're going to give you 18 month's salary all at once, I guess, maybe you could do
686 that, but otherwise you'd only get paid once every 18 months for a service or a product.
687 That's, but you know what, this is a lot more time than I wanted to spend on it today. I think
688 we'll sit back and wait for Suzette to get some final determination for us on how they
689 understand and interpret that and what they're, and really what, you know, do we need to get
690 the AG, do we need to get, you have the commission pretty much in unanimity on the
691 interpretation that I've kind of put forward, Perri has agreed on behalf of our commission I
692 think, but the department isn't quite, we're not all in agreement, so we understand there's
693 some questions that still need to be resolved, so, any other comments? Okay, let's move on.

694 NOTARY

695 Update on mobile notary performing escrow services. You probably have in your letter, in
696 your packets, a letter that I received that from a gentlemen at Jones Waldo and this—we just
697 want to make it a discussion item—in our last meeting, Tammy had mentioned that the
698 department and the Lieutenant Governor's Office were trying to help notaries understand that
699 they shouldn't be performing escrow without licenses, I guess is the best way to summarize
700 that. And then the UTLA—Utah Land Title Association sent out a note to their members
701 suggesting that they cease to employ mobile notaries to help them perform their closings
702 because that they were going to be told not to do that—the mobile notaries were going to be
703 told not to do that and the title companies ought to make sure they're not using them either.
704 And so do we have any updates? I know Suzette, yes?

705 Suzette: The Commissioner and I met with Representative Morley and one of his constituents who is a
706 mobile notary and we are meeting later this week with Lieutenant Governor and whoever the
707 chief notary person is – I don't know his name – anyway on the issue. I'm not saying what
708 you just paraphrased, Tammy is saying what's correct until all these meetings are done.

709 Chair: Okay. Well I think our minutes did say though that Tammy could say that in the Minutes,
710 right, that she did say: Tammy will getting with an employee, Spencer Hadley, of the
711 Lieutenant Governor's office. The word is getting out to notaries about mobile closings. He's
712 receiving a couple of calls a week about it and Perri said the department can issue a cease and
713 desist against a notary, but that's all. The Department cannot enforce the notary statute.
714 Canyon said the letter from the Department or Commission should be sent to industry,
715 including company stating that it is against the law to use notaries as escrow agents. Perri
716 said that notary statute allows a notary's license to revoked or suspended if they violate their
717 code. Tammy and Spencer offer to review cases where a notary is found to be doing escrow
718 services without an escrow license. And Cort will start to get the word out to the ULTA.
719 Yes, comment?

720 Troy: Suzette, I'm the notary that you were talking about.

721 Suzette: Okay.

722 Chair: Will you introduce yourself, please?

723 Troy: My name is Troy Lilly. I've been a – I've run a notary business now for over six years. I've
724 been involved, spent ten years doing bank conversions, acquisitions and startups. I've had a
725 real estate license so I'm familiar with the escrow part of this. I'm familiar with the notary
726 part of it and I think is what becoming with Suzette and with the commissioner, we are not
727 providing any escrow service at all. We are simply – we bring the documents making sure
728 that they're notarized appropriately and delivering documents back again to the title company,
729 whether it's in Utah, or, in the state of Utah or out of the state of Utah. We are not – we have
730 no fiduciary responsibility for those checks at all. No more than you'd guess, Fed Ex, or any
731 other company. So under those rules, the way I see it, you'd have to have a Fed Ex courier or
732 somebody else also have an escrow license under those rules.

733 Chair: Okay, thank you for that comment. Do we have any other comments?

734 Canyon: Is it, is it Lilly?

735 Troy: Yes, sir.

736 Canyon: Mr. Lilly, could I ask you a question?

737 Troy: Sure.

738 Canyon: If you receive most often a trust deed or a vesting deed of some kind, that that's the purpose
739 for the receipt, the delivery and signing, if those are – if those then inherently refer to a real
740 estate transaction, cause they're trust deeds, vesting deeds and there might be title insurance
741 which 90% of the time probably is title insurance.

742 Troy: Which may or may not be title insurance, but typically there would be transactions, that is
743 correct.

744 Canyon: Typically there would be, yes. So, if that's the case, is the entity directing your service, should
745 they be licensed in Utah or not? You need to know that's part of when there's a principal
746 agent relationship, what the department, the commission are trying to deal with is out-of-state
747 title insurance on real property in Utah and consequently they're using mobile notaries. It's
748 not that we have any problem with a mobile notary, but there's – there's two other components
749 and this letter that we received doesn't address either of them. It, it quite nicely is crafted not
750 to even consider what type of document and why, why are these documents being notarized.
751 And so, we're not attacking you, Mr. Lilly, we're trying to understand the process and say
752 Utah has a set procedure for in title insurance and there are – there are ways that it's
753 conveniently being deviated and that's part of the whole concern we have.

754 Troy: I understand that, but the way it's being applied, it's literally my business has been cut in half
755 over the last four months and I mean it's just destroyed. I mean, because of the threat or the
756 possibility of suit, these folks are – have stopped doing business in Utah at all. I don't – I
757 can't address the issue. I don't know whether these businesses are licensed in the state of
758 Utah to produce title insurance.

759 Canyon: Well, then the code's clear that you have to have a license – a Utah license to issue title
760 insurance on Utah property. So, we're not attacking you.

761 Allen: But it seems Canyon, that you're shooting the messenger and not going after the source. The
762 source is being licensed to issue title insurance in Utah, absolutely.

763 Canyon: No, we're doing that.

764 Allen: But not to, not to tell the notary what they and can't do when it is within their realm as a
765 notary.

766 Canyon: Well, the notary, Allen, is a agent of the principal and who's the principal? Who's the one
767 directing that – that service?

768 Allen: So, if I have a bank in San Francisco notarize documents that we send for a closing, then that
769 bank employee is an employee or an agent of the title company. Is that what you're saying?

770 Canyon: Of course. You've employed someone to do something in this transaction and the person
771 employed or being paid and the code is clear. You could be a producer for the insurer or if
772 you're doing anything, you're a producer for the insurer. Any act or a service means that
773 you're doing something for one of those parties, if it's a real estate transaction that involves
774 title insurance.

775 Allen: Even if they're employed by the principal?

776 Canyon: If you receive compensation, or income.

777 Allen: By the principal?

778 Canyon: Yes.

779 Allen: Then who's?

780 Canyon: So that's – so, it applies to both. It applies to the messenger and the principal. And if the
781 principal is not licensed –

782 Allen: You're saying if a borrower hires a notary in San Francisco will notarize the documents, then
783 aren't they an agent of the buyer?

784 Canyon: Well, if there's no other parties, then yes.

785 Male: Well, when you say the buyer do you mean _____.

786 Canyon: That's pretty limited. That's a pretty limited statement, Allen. Who else is involved? Is there
787 a lender? Is there a loan? Is there title insurance?

788 Allen: Let's say – let's say a title company says, you know, I'm sending these documents to you, go
789 find a notary and they hire their own notary, their neighbor or their, you know, whatever their
790 banker.

791 Canyon: The lender does that and there's no title insurance.

792 Male: There's a deed.

793 Allen: It doesn't matter.

794 Canyon: It doesn't matter.

795 Male: Oh, there's title insurance.

796 Male: No, if all –

797 Troy: If a bank sends the documents to the borrower, they go to their bank, the lender sends it to the
798 borrower, they go to their bank or their credit union or where they work. They get those
799 documents notarized.

800 Canyon: Right.

801 Male: Is that notary an agent for the lender?

802 Peter:: Oh, in that instance, yes. If they had – there's no nexus between that lender and that notary,
803 no contact at all. How could it be an agent?

804 Canyon: Uh, there's no, yeah, there's no nexus in that instance Pete.

805 Peter: Yeah, but I'm just – what we're doing is, we're taking an overly broad definition of an agent-
806 agency relationship.

807 Canyon: Right.

808 Peter: And I don't know that you can do that in this case. They have a limited responsibility as a
809 notary to get a document signed.

810 Dave : Get a document signed or a document acknowledged? I mean, that, that's part of where the
811 problem is that was not addressed in here, too, is after, after you get the few or half dozen that
812 need to be acknowledged, that's where we've discussed; you've also crossed the line if you
813 start handing 'em the note and say sign here, you start handing them other agreements within
814 that package and say sign here, you've gone past being the notary and you've stepped into the
815 world of escrow.

816 Peter: Okay, let's go back a second. If a notary, an innocent third party, gets a package of documents
817 and it's all flagged "sign here." They open it up and they acknowledge that John Doe signed
818 this document. How did they get into the world of escrow?

819 Canyon: Well, no, but . . .

820 Male: That's the definition down under Title 70 of an escrow.

821 Peter: Which, Title 70 of escrow – which is not used the insurance code.

822 Male: That's the a –

823 Peter: That's the independent escrow code.

824 Canyon:: It is.

825 Peter: Okay. But insurance defines escrow in a different manner.

826 Canyon: And that's because there's going to be an insurance policy. When there's an insurance policy,
827 it triggers the application of the insurance code, doesn't it?

828 Peter: You can't do escrow unless you're issuing insurance. If you're an insurance agent, you cannot
829 do escrow unless you're issuing insurance.

830 Canyon: Right.

831 Male: And if you're, if you're issuing insurance and you're not a Utah licensed –

832 Peter: Well then you're in violation for issuing insurance and the escrow is just incidental to it.

833 Canyon: Well, and the mobile notary that's helping that cause is what?

834 Peter: Well, see, now you're acting as if they're aiding and abetting something.

835 Canyon: Well, they are not?

836 Peter: So, the trouble is we don't have enough – we're talking a huge landscape of potential facts
837 and hypotheticals here.

838 Canyon: No, we're talking about a huge landscape of actual practical ongoing activities.

839 Peter: Here's a gentleman that's in that business. It's been adversely affected by his business being
840 cut in half, who's got banking experience that says to you "I have not acted in any way, shape

841 or form as an escrow agent or a fiduciary.” I don’t let those _____ just overlook
842 that. Do we have a basis in law?

843 Canyon: Yes.

844 Peter: Well, what is that basis that says you can’t deliver those documents?

845 Canyon: If the documents have been received from anyone that’s participating in the issuance of a
846 policy – a title insurance policy, the insurance code, Utah’s insurance code applies.

847 Troy: Well, then what you’re saying – is you’re saying that if FedEx delivers them, FedEx has to
848 have – has to be a title or an escrow agent because they’re employed by these folks who are
849 delivering the documents just as much as I am. I mean they’ve paid FedEx to deliver the
850 documents.

851 Canyon: Again, who was the entity that delivered – that requested the documents and for what
852 purpose?

853 Troy: Well they – they’re performing. They’re going from a mortgage process, so the person who
854 wants the mortgages wants, you know, wants the documentation. It could be in the state of
855 Utah. It could be a property in Michigan or anywhere else; but regardless they’re requesting –
856 they want to do a mortgage.

857 Peter: What would you do in a case where you’ve got a transaction here; it’s a Park City piece of
858 property and the owner (the borrower) is refinancing or getting a second on it and they’re on
859 Wall Street? How do you facilitate that closing?

860 Canyon: We all do a mail out or something.

861 Peter: You’d do the exact same thing that we’re talking about here.

862 Canyon: A licensed Utah agency or licensee would do a mail out.

863 Peter: And what does it do? Now, your agent now becomes the notary in the state of New York.

864 Canyon: You give directions. You find somebody. You ask them to do something on behalf of the
865 parties.

866 Peter: But you’re saying that in reverse, they’ve got to be licensed here, but if you mail it out, they
867 don’t have to be licensed. You’re gonna have – if you followed your scenario (at least the way
868 I understand it), you’re going to have to send somebody to New York because anybody that
869 signed an escrow document that has title insurance in the state of Utah, has to be licensed by
870 the insurance department. And inasmuch as we only have resident licenses – somebody’s on
871 an airplane.

872 Canyon: No, I said that the licensed resident agent can instruct a notary elsewhere.

873 Peter: But why can’t that be a same this way. Why can’t – there’s only two people that can send that
874 documents to this gentlemen: the lender or a title company. And let’s assume that the title
875 company is properly licensed in the state of Utah.

876 Canyon: Then why can't they do that?

877 Peter: That's my question.

878 Canyon: We're saying 90% of the transactions for mobile notaries are non-licensed in Utah.

879 Peter: Who's non-licensed? The notary?

880 Canyon: The title entity sending the documents.

881 Peter: Okay, that's a separate issue, so go after them. You – that you should be looking at – if you've
882 got a company that's issuing title insurance that's not licensed in the state of Utah, then you've
883 got a much bigger violation than the notary.

884 Canyon: The notary, the notaries reside here Pete. The insurance entities or the out-of-state entities
885 don't. It's difficult for the insurance department to have jurisdiction. What Utah does have is
886 jurisdiction over the notary.

887 Troy: But what you're saying to me is I have to be responsible for an entity that I don't have any
888 control over to make sure that they have title insurance.

889 Male: Licensed.

890 Male: Or licensed.

891 Male: Licensed.

892 Troy: You know, I think we can maybe redirect this a little bit from my standpoint in, in Utah we
893 require an escrow license to conduct a closing – to conduct an escrow. We require it, right?
894 We require an escrow license. We have tests. We have continuing education. We have this
895 license in place to conduct a closing and, and a – or conduct an escrow I think is how the
896 statute reads it. And so part of our problem may be defining escrow. Is it – is escrow defined?
897 You look it up in Webster's dictionary and it says, you know, a third party holds documents
898 pending the completion of _____ions of one or more parties, you know. And, you
899 know, receiving funds on behalf of the lender, I can see escrow includes the act of conducting
900 a real estate settlement is what it says right in the insurance code or a real estate closing.

901 Male: But those documents once they're signed and notarized are going back to be closed at the title
902 company.

903 Male: No.

904 Male: We are not, we are not performing the closing.

905 Male: You're not?

906 Male: No. Absolutely not.

907 Chair: You don't present documents and get signatures?

908 [Several people talking at once.]

909 Troy: There's still documents that the closing agent has to sign in order to – in order to continue, the
910 check has to be deposited in escrow with that title company. The documents that say closing
911 agencies or closing agent specifically on it have to be signed and they have to go through that
912 whole process. We are not performing the closing of that transaction.

913 Chair: You're not performing – what does it mean to perform a closing? Does that mean?

914 Peter: I think, I'm sorry for the interruption.

915 Chair: Well, closing, by definition, means end – complete. We are not, we are not the end of that
916 process.

917 Male: Well, what do you do if someone has a question on a document? Do you say . . .

918 Troy: We refer them to the loan officer or the title agency – every single time. I cannot act as an
919 escrow agent or as an attorney. I am not and cannot act in that – in those roles.

920 Chair: What does it mean to conduct a closing?

921 Peter: I think that's something that the law needs to clearly define. So let's just say for purposes.
922 Can you define the closing – is everybody in here is going to agree with it?

923 Chair: I think we have a pretty good idea of what a closing is.

924 Peter: Well, I think we may have a pretty good idea, but it's not defined, so those that don't have a
925 pretty good idea could be in compliance.

926 Troy: I think part of the problem is, is that because of the way business is now transacted over the
927 internet, we're dealing – we're dealing with laws that were passed before those type of
928 transactions happened where title companies and mortgage companies, where you don't, you
929 know, where you can have – where you shop on the internet for the best mortgage deal. Um,
930 and in order to complete those transactions, those mortgage companies or title companies
931 have to have people in order to complete the transaction. I mean they have to have somebody
932 deliver the documents in order to facilitate that whole process. And if you're stopping all of
933 that and all of a sudden – now if you're a Utah resident, you can only do business with
934 mortgage companies in the state of Utah.

935 Troy: Can I say it to me it's different. If somebody gets a set of documents from a lender and they
936 have time to go read them and they have time to sign em and they have time to go find a
937 notary at their own leisure, they have time to read em, they have time to get an attorney
938 involved, they have time to do all those things, that's a different scenario and a different
939 transaction.

940 Peter: But they have a three-day notice of rescission.

941 Chair: What's that?

942 Male: They have a three-day notice of rescission.

943 [Several people talking at once.]

944 Chair: On a refi. Right.

945 Troy: That's 99% of what we do, is refi business.

946 Chair: So, I'm just gonna make a distinction. To me, somebody receiving a set of documents from a
947 lender and they are conducting their own closing, they're basically, you know, they're signing
948 their documents, they get to ask whatever questions of whoever they want with their own
949 resources, is different from somebody receiving documents, like a title company or an escrow
950 officer, who then presents those documents to the client for signature, receives the signed
951 documents back in escrow, if I can use that definition. They're holding signed, negotiable
952 instruments. They're holding money, you know, cashier's checks, whatever, receiving those
953 in escrow, to me seems to be an escrow function and the purpose and intent for an escrow
954 license in the state of Utah. But, that's just my, that's just my little two cents there.

955 Troy: But we're not performing escrow. We don't have any fiduciary responsibility . . .

956 Chair: You're performing a settlement.

957 Troy: . . . any more than FedEx or anybody else does.

958 Chair: You are conducting a real estate settlement in --

959 Troy: No, we are not asking any questions of them. We're not answering questions of them.

960 Chair: We don't ask questions usually in our settlements. Um --

961 Troy: But if they have questions, they, they have a number for the title agency or for the loan officer
962 that they're dealing with. We are not answering their questions.

963 Chair: What does it mean to conduct a real estate settlement? We really need to define what that is.
964 We really need to get that specific and say a real estate settlement is, is, what is that? What
965 does it mean to conduct that?

966 Peter: I would suggest yes, we need to define the elements that need to happen for that settlement to
967 be completed and if there's licensure required on each of those issues.

968 Chair: Al?

969 Al: My instructions to the notary are 1) please deliver these documents to so-and-so and such-
970 and-such. In that is instructions to the party: please sign these documents. If you have any
971 questions, please call Al at this number. You may get a notary of your choice or the person
972 that delivered the documents is a notary that you may use. He will then deliver the documents
973 back after you've completed. Now, is that a settlement?

974 Troy: No, it's part of the process . . .

975 Al: It's a delivery.

976 Troy: . . . and you, and you . . .

977 Hal: A ministerial act.

978 Male: Yup. You, Al, as a licensed Utah agency were under – controlled the process.

979 Al: So?

980 Male: So? That's huge. That's the whole point.

981 Al: Well, but I'm, I'm willing to take the gas if it's bad. I mean, but still – that notary is – they
982 say, oh, well, I've got George here. He's a notary. I'll let him do it. And they hand em back
983 to him, all he's done is acted as a delivery boy.

984 Peter: Canyon, you keep coming back to someone not being licensed, which I think is a bigger and
985 more serious issue. So, if a mortgage company, like he said, you're on the internet, you've
986 applied for a mortgage, they send you documents, there is no title insurance . . .

987 Male: Right.

988 Peter: Then there is no issue here.

989 Male: That's right.

990 Peter: But you may have somebody unauthorized to do business here, to make mortgages here. But
991 let's assume that they're all properly licensed for mortgages. They don't need title insurance.

992 Male: Right.

993 Peter: Okay. So he's got some of his businesses like that.

994 Male: That's right. I, I, I gave that exception __

995 Peter: So he can do that.

996 Male: Yeah.

997 Peter: They can record their own documents?

998 Male: Absolutely.

999 Male: You take another scenario where the documents get to him from a bank in wherever. He goes
1000 out, gets them signed and back to him, but they're sending the recorded documents to us and
1001 we're licensed and issue the title policy. Now is he in violation?

1002 Male: No.

1003 Male: So how do you know?

1004 Male: _____ do the closing.

1005 Male: How do you know or how does he know? Does he have to check with every set of documents
1006 that come in to see – make em sign something saying their licensed, the policy issued under
1007 this loan will be issued by a company licensed in the state of Utah, with a disclaimer on it.

1008 Dave: Dave Moore. One of the questions you're up here raising is, you know, you're really two
1009 capacities. Number one, you're a notary. As a notary you can do four things: You
1010 acknowledge, do a jurat, copy/certify and administer oath. So if you get a package, some of
1011 those documents are notarized. That's totally permissible under the statute.

1012 Dave: Yeah, they need to be notarized.

1013 Male: Some of those documents are not notarized.

1014 Dave: Correct.

1015 Male: Therefore, in what capacity are you being operating then?

1016 Dave: Okay, most of the time those documents have their name printed right on the lines. They
1017 simply sign the documentation.

1018 Male: Okay. That's I think, you know, the question is, is in Utah, you know, title companies – some
1019 are licensed doing that, you're not licensed, you know, you use RPMS, I mean, UPS. Well,
1020 you're doing one more step than UPS is doing. You're sitting down with those people and
1021 saying here's some documents, getting them signed. Where one is just delivering a package
1022 and then the people have to look inside that.

1023 Dave: Well, that's, that's easy to modify. I mean I can simply separate out the notarized documents
1024 from the non-notarized documents and say here are the non-notarized. We need to notarize
1025 these, and you can sign these.

1026 Male: But, you know, then you're now saying you can sign those, you know, you've got two hats on.

1027 Dave: True.

1028 Male: There's one hat requiring an escrow and one not. I mean I think that's the bang that's going
1029 on. You know, I don't know if anybody's come to a resolution because the problem is the
1030 statute doesn't really do justice in the definitions.

1031 Male: And really you're driving, you completely driving the mobile notary out of business because
1032 if you require them to have an escrow license because they have to then be attached to a title
1033 company.

1034 [Several people talking at once.]

1035 Male: The argument to that though is the mobile notary by extending past what their authority is,
1036 they're helping to put us out of business as far as escrow. So it works both ways. We've got
1037 to come to a common ground.

1038 Male: Well, why –

1039 Dave: Okay. So instead of having competition decide who stays in business, you want to legislate
1040 who stays in business.

1041 Jerry: No, we want a level playing field.

1042 Male: We're regulated – here's –

1043 Male: Level playing field?

1044 Chair?: Here's a guy right here today, who got fined \$2,500 for the unlicensed practice of escrow.
1045 Okay. Which is almost funny to me that we have other companies that are out there
1046 fragrantly, you know, acting, conducting escrow, signing settlement statements, dispersing
1047 funds, acting just like escrow companies in doing all of those functions we would all agree
1048 with, whatever definition you want to give it, conduct a closing, do whatever they need to do,
1049 without license and they're not getting – they're not even, you know, we don't have our minds
1050 – we haven't figured out how to get them yet. So, here we've got a guy who's –

1051 Male: That should be the process – I mean those – I agree with you those people should be fined,
1052 prosecuted, put out of business. I agree with that totally.

1053 Chair: So what is the business of escrow? What does it mean to conduct a closing? What does it
1054 mean, you know, this poor guy – he sat down, James Tyler Holden sat down with 26 clients
1055 and showed them documents and, you know, receipted funds and did most of –

1056 Male: He said most of the work was done by other people.

1057 Chair: By other people, yup.

1058 Male: But here's a guy that was licensed. He actually got fined for doing work while his license had
1059 lapsed.

1060 Male: Right.

1061 Male: Okay.

1062 Male: Yeah.

1063 Male: So he agrees there should be a license. He knew, you know –

1064 Male: Right.

1065 Peter?: So a license becomes tantamount at some point?

1066 Male: Well, when and why.

1067 Peter: It may, it may or may not. But the other part of it is we're looking for who's driving this. It
1068 most certainly isn't the notaries. I mean, it's the financial institutions that are saying this is
1069 the mechanism we've chosen. So do you think that we can honestly fight the big 4 financial
1070 institutions? Or do you think driving mobile notaries out of business is gonna stop them?

1071 Chair: What is the purpose of an escrow license? What is the purpose and, you know, we're
1072 regulating all of our folks by tests and exams and familiarity with the process, and we, and
1073 we, and the statute, whatever you're definition of conducting a closing, we say you're
1074 supposed to have a license to do that. You're supposed to have a license to conduct a closing
1075 or a settlement. It says either one, so take your pick. I don't know which one you want to
1076 pick. But, um, in facilitating that process, you know, what is a mobile notaries' authority and

1077 role and it sounds like we've got some meetings that are going to happen later this week and
1078 might give us a little more clarity on whether that's appropriate or not. So, um, – yes.

1079 Troy: I think it may be appropriate if you wanted to have some kind of licensure for a mobile notary
1080 that's fine, but under the preview of an escrow, having, have an escrow license you're literally
1081 driving out of business. And if you want them to have a license in addition to being a notary,
1082 as a signing agent, I don't think that's inappropriate. That may help professionalize the
1083 business a little bit. I come at it, quite frankly, most of my clients, I have most of my clients
1084 because I show up. I'm appropriately dressed, I understand what I'm doing and I represent
1085 their clientele appropriately. And that's not always the case in all _____. So
1086 maybe some additional licensure would be appropriate, but certainly not under the whole
1087 escrow umbrella.

1088 Chair: Okay. James. Or Jeff. Sorry. Jeff?

1089 Jeff: Just a comment, I'm not gonna come in and try – I think there's arguments to both sides, but
1090 maybe just a suggestion or something to look at. With a notarized document there's a log or
1091 track every time somebody notarizes a legal document and it seems to me that some of the
1092 intent here is to track out, not there hasn't been any new law introduced to that's creating a
1093 conflict between notary and escrow officer. I believe it's more of an intent to perhaps stop
1094 other agencies from acting in the state of Utah that shouldn't otherwise be doing so. If we
1095 can, I'm sure a notary can provide data, we can collect logs if necessary, on who these out-of-
1096 state actors are on all the people that have made the request. And that would give the
1097 Department of Insurance a finite list to go after and see if these people are, are in violation. I
1098 believe trying to define transaction and escrow, like you said, with defining, I think, if I recall
1099 from what Mr. Klienfield said, they looked at HUD-1 settlement statement that was signed.
1100 That's not going to be a trans-, a document that you're going to find that a notary most likely
1101 has signed a HUD-1. So, I'm not sure where all this go but perhaps just as a suggestion that
1102 we can find out who's requesting notaries in the state of Utah looking at what their business
1103 practices are and start there.

1104 Male: And that's one of the purposes, Jeff, that we've started with notaries is you can back track.
1105 You can trace. It appears as though that's where our focus is but that simply provides a place
1106 to start the documentation. That's all.

1107 Troy: One last comment, I _____ I've done over 2,000, well over 2,000 _____ in the state
1108 of Utah. I've never had a single complaint. I've never had been investigated. I've never had
1109 any difficulty. I've always made sure that those signings were done appropriately. And I do
1110 not – I do not act as an escrow agent.

1111 Chair: Well, we understand and appreciate your expertise and exPerrience. My, in talking with some
1112 of my mortgage broker clients who, they have mobile notaries provide, you know providing
1113 closing services on reverse mortgages and, and the mobile notaries really are not all to your
1114 level of professionalism in his exPerrience and . . . and he was going to come testify here
1115 today but he ended up getting called out of town that, you know, he goes to every one of his
1116 closings, mobile notaries get the documents on behalf of Wells Fargo, I mean, they're one of
1117 the ones doing it . . .

1118 Male: They are.

1119 Chair: And he goes to the closing, he sits in the closing and he just says it is, it's not doing service to
1120 this, you know, 70-, 80-year old people who are trying to get reverse mortgages to send them a
1121 mobile notary. And he ends up having to explain all the documents, that's not, you know, he's
1122 the loan officer so that's within his job to be able to do that, his job description. But, but when
1123 --

1124 Troy: I guess my comment there is what's the difference between a guy sitting on a phone, an
1125 escrow agent sitting on the phone explaining those documents to the 70- or 80-year old and
1126 the difference between him sitting at a desk. I mean, they still have the same access whether
1127 they're sitting at a desk or sitting on the phone asking those same questions. And typically,
1128 they are sitting on a phone asking those questions even when they're working on the
1129 transaction because a loan officer is not in their home doing the documentation. Typically. I
1130 mean, they do all that part of it over the phone.

1131 Male: Right.

1132 Cort: What does it mean to conduct a closing? I don't know.

1133 Male: Cort, I think you, what, you know, I sent you a package a few days ago on an Ohio title
1134 company. I think that's our big problem. Is you've got title companies around the country
1135 conducting escrows, conducting closings, writing tit - - you know, collecting fees on title
1136 insurance, you know, that is totally inappropriate. Do not meet rate schedules on anything.
1137 You know, poor consumers out there, I mean, had they used, you know, mobile notaries, this
1138 was a transaction with an Ohio title company, you know, closing on a Utah property, you
1139 know, that basically, you know, ship things out -- it's the title companies that we're going after,
1140 or the companies that are acting as escrow agents, you know, in Utah when they're not
1141 licensed and they're not charging, you know, having wild rates, I mean, I gave a copy to Pete
1142 here, I mean, this transaction, you know, I calculated over \$4,000 in excess fees were being
1143 charged because they do not meet any type of rate filing and they're doing things in Ohio,
1144 collecting all this company for the title company and that's hurting our industry here. And
1145 that's --

1146 Male: Well, that's not a level playing field.

1147 Male: Right.

1148 Male: And that's the purpose of our discussions.

1149 Chair: And unfortunately the mobile notaries enable and help facilitate that business model. And is
1150 that an appropriate? Is that an appropriate function of the notary public?

1151 Peter: Let me, let me ask this question.

1152 Chair: To be continued.

1153 Peter: It's an appropriate target to investigate on those situations. But you're a local agent when
1154 somebody calls you and just orders title insurance and they say they're going to do the
1155 closing. Do you act as the gatekeeper here? Are you licensed to close here? The answer is
1156 sometimes you do and you say that you'll do a sub-escrow. Do you not?

1157 Male: I'm not sure I'm following the summary.
1158 [inaudible – several men speaking at once]
1159 Peter: I'm in Pennsylvania and I call you and I say, I've gotta –
1160 Chair: Are you a lender or are you a title company?
1161 Male: Doesn't matter – I'm a lender.
1162 Chair: Okay.
1163 Male: I'm going to do the closing. I need you to . . .
1164 Chair: Okay.
1165 Male: . . . issue the title insurance.
1166 Chair: Okay.
1167 Male: What questions are you going to ask me?
1168 Chair: You're the lender, you can conduct your own escrow, you can conduct your own settlement so
1169 I'm not worried about that. I'll [inaudible – several men speaking at once.]
1170 Peter: I'm a title, I'm a credit union in Illinois.
1171 Chair: I'm going to ask who's going to be performing the disbursement settlement.
1172 Peter: Okay. And then you're going to exercise the control because you're issuing title insurance.
1173 You're going to do the sub-escrow. You're going to pay off all matters of record. Okay.
1174 Male: It happens all over.
1175 Chair: Yeah.
1176 Male: I mean, we've got people, we're accusing other people of doing it and we're doing it here too
1177 sometimes. So,
1178 Chair: But I'm licensed, so . . .
1179 Male: There's a difference between licensure . . .
1180 Male: Well, I mean, a lot of times people wouldn't ask that question, they'd just let the escrow go
1181 through.
1182 Chair: Okay.
1183 Peter: Look at the number, look at the people, you know, that you may do it but you may not be at
1184 the recording. You'll do the deed, you'll send the deed back and somebody else records. You
1185 know, look at, unfortunately we've only got Salt Lake to look at recordings but look at all the

1186 companies that are recording here. I mean, there's no shortage of places we can go to look at
1187 people who are violating the law.

1188 Chair: To be continued.

1189 Male: I will be happy to help.

1190 Chair: Did you sign in over so that we've got your --

1191 Male: No, sir.

1192 Chair: Okay. If you'll sign in, then we'll have your contact information and we'd love to, you know,
1193 is this, to the extent we need to re-craft and re-visit legislation or other issues, it would be
1194 great to have the involvement of some notaries and make that happen, so.

1195 Chair: Another comment? Sorry? Do you have another?

1196 Male: Did the issue that came up with Garry _____ on Friday?

1197 APPOINTMENT PROCESS FOR TWO NEW MEMBERS

1198 Chair: Yes. We're, let's move on in our agenda to a point in the process for two new board members.

1199 Suzette: [inaudible]

1200 Chair: What's that?

1201 Suzette: [inaudible]

1202 Chair: Okay. Suzette?

1203 Suzette: We got eight applications in to fill the two openings.

1204 Chair: Okay.

1205 Suzette: Um.

1206 Chair: This really is a great job, isn't it?

1207 Suzette: (laughing) We --

1208 Chair: With high pay.

1209 Suzette: We sent, we sent the names over to the, back over to the Governor's office after we reviewed
1210 them and it's in his court but I do know that he will want to be on the fast tract since it has to
1211 meet by the senate.

1212 Chair: Okay.

1213 Suzette: But, um --

1214 Chair: The timing on that again is June?

1215 Suzette: The end of June. I'm assuming they could if you make the decision this week, he could get it
1216 in to the session next week.

1217 Chair: Okay.

1218 Suzette: So.

1219 Chair: Okay. All right. So we'll have Garry and Canyon through June and possibly until they're
1220 replaced as soon as July, maybe. Okay? Under new business, approval for new laptop for
1221 Tammy.

1222 NEW BUSINESS

1223 Suzette: Yeah, I sent an email to all of you a couple weeks ago, maybe. We're in the process of
1224 ordering new laptops for other department and replacing them for age and capabilities and I
1225 was asked to get permission from the Board to pay for that out of the "whatever" fund, the end
1226 of the year fund.

1227 Male: _____ education.

1228 Suzette: Thank you. [inaudible] and so I gave you heads up on it and it's basically replacement time
1229 for us.

1230 Chair: Okay. Is that, that fits within the scope. I haven't read that recently that, does that fit within
1231 the scope or?

1232 Suzette: I think you've helped pretty much -- strong capabilities _____ whatever, cause you've
1233 allowed us to come to meetings and we haven't asked for that for a while.

1234 Male: I would recommend that you have to be careful with the precedence in buying, buying
1235 equipment but it fits probably well into the process of education and we can provide
1236 expenditures for continuing education and for travel and for those things and also I think the
1237 request in terms of staying current, involved with industry and helping with education, it falls
1238 into that.

1239 Chair: Okay.

1240 Suzette: And the amount that I sent, I'm thinking in my head, it was like \$1,185.00 – some weird
1241 number. But that includes replacement insurance if it crashes. We are required as a
1242 department, all agencies are, to have that insurance so I thought that price was very good.

1243 Chair: Really _____. Wow, that's a great account to have at the state.

1244 Male: So, I make a motion to approve, to approve this specific laptop expenditure.

1245 Chair: Okay, we have a motion. Do we have a second?

1246 Canyon: I second it.

1247 Chair: Second motion by Canyon, second by Jerry. Another other discussion? All in favor say aye.

1248 All say aye.

1249 OTHER BUSINESS

1250 Chair: Any opposed? Motion passes. Other business from committee members? This is where we
1251 might bring up our Gary Ott item. I got wind of a letter just a, not that the commission can
1252 really do much about this but that Gary Ott is going to refuse to record _____
1253 documents electronically. With the new fee that goes into effect I think Wednesday or
1254 tomorrow? Maybe it's tomorrow? It's tomorrow. That he's told some folks that he's not
1255 going to accept those electronically. If they're standard, but the rest will stand. So, just
1256 information. Al?

1257 Al: Word I got when I checked on that was it's just a matter if he hasn't got his computer folks set
1258 up yet, so with that, it could be temporary.

1259 Chair: Could be temporary? Okay. So, just, we were worried, the recorders, we have one of them in
1260 our midst here on the commission, Jerry, that they were kind of upset with the piece of
1261 legislation that the ULTA had worked on in the last legislative session to standardize fees for
1262 warranty deeds and deeds of trust in, for respite related transactions that they were a little
1263 upset. There was some concern that this might have been a retaliatory effort by Mr. Ott.
1264 Hopefully it's just an administrative thing that he's trying to get worked through. But I just
1265 thought you all might be interested to know that. So, yes?

1266 Suzette: Is he the Salt Lake County Recorder?

1267 Chair: He is the Salt Lake County Recorder, yep. Thank you. Thank you. Any other items from
1268 committee members?

1269 Male: I've got one with a, Truman.

1270 Chair: Yeah, Truman?

1271 Male:? If we get put on a, what's the next agenda is a, early withdrawal of title companies and I think
1272 we received, I tried to get it on but um, but, . . .

1273 Chair: Okay.

1274 Male: . . . but I didn't see it appear on the agenda so I would like to get that on there. We have one
1275 specific concern. That's with Salt Lake Title right now.

1276 Chair: Okay. Has to do with record retention and some of that _____ right?

1277 Suzette: That's part of our discussion (inaudible) regarding putting title into a new statute of their own.

1278 Chair: Okay.

1279 Suzette: It is that issue, it's not been addressed. And the statute, it's one item that needs to be
1280 addressed. So that is on our mind as well.

1281 Chair: Good. Okay. Well, maybe we'll have something to follow up on in our meeting next month
1282 then from your conversations and so forth. Any other items? Well, I apologize. I'm dealing

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with a lot of pain, as you can see in my foot here and I apologize if I were a little short with some of my responses today. Ladies and gentlemen, I promise to try to do better in coming meetings when I'm not quite so dependent on medication to keep me in check. But we'll adjourn until our next meeting June 13th in the Copper Room.

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