

# **Title Guaranty Application for Provisional Tract Index (Title Plant) Waiver**

Please submit Application to: Title Guaranty Division

Attn: Geri Huser, Director  
2015 Grand Ave  
Des Moines, IA 50312

NAME OF APPLICANT: Davis County Abstract & Title L.L.C.

BUSINESS ADDRESS: 102 E. Franklin, Suite 2, Bloomfield, Iowa 52537

CONTACT PERSON: David L. Truitt, Managing Member

Telephone: 641-664-1909

Facsimile: 641-682-3425

E-mail: [Dcabstract@pcsia.net](mailto:Dcabstract@pcsia.net)

1. If the Applicant is an entity:
2. Attach a copy of the Articles of Incorporation, Certificate of Organization, or other documentation showing that the entity is established under Iowa law.
  - a. Provide authorization resolution on who is authorized to act on behalf of the entity.
  - b. Provide authorization resolution that the signatory of this Application is an authorized signer who can act on behalf of said entity.
3. What type of type of title plant waiver are you requesting?
  - A. An Extension of a Provisional Waiver
4. If you are requesting an extension of a Provisional Waiver, please attach a copy of the original Application for waiver and its attachments, as well as a copy of the Board Ruling granting that waiver.
5. If you are requesting an extension of a Provisional Waiver please attach detailed information on the progress made in the completion of

the Tract Index since the date the Board originally granted the Provisional Waiver.

- a. Include information reflecting how many records have been placed into the tract index, and how many records remain to be indexed.

We have started at the current date backwards AND at the beginning of 40 years from our date of opening working both ways toward the middle. At the current time we have entered data from 2004 forward to current and from January 1, 1972 forward to 1978. I would anticipate that with the additional person, we will be to 1980 and back to 2000 by the time our original waiver grant expires in December. The indices are being kept current.

Our original estimate of time needed to build our plant was based upon information furnished to Kurt by the Davis County Recorder which indicated approximately 1000 documents per year average. That estimate has turned out to be about half of the actual filings. An example is 2005 where a document number in the middle of June is 987. I will attempt to get more valid information. After beginning our work, we have discovered two things that I was not aware of and did not take into account when estimating the number of entries. Davis County is a substantially rural county with very few town lots. Over many years, legal descriptions in Davis County have been made up as they went so are extremely difficult to follow. Additionally, Davis County contains some very large farms and/or factory hog facilities. We have found many instances where we have had to make 20 or 30 entries in the database for each document when one of these entities transfers property or refinances. Most of the others need to have up to five entries as very few have only one. I am also making cross-reference entries for descriptions that we know have errors so that we will be able to see both the erroneous legals and the correct ones when we do a search.

We are also referencing even small descriptions more than one way to assure that we can find everything by multiple search methods. Access easements also are a significant item in this county and must be entered at least twice in order to pick it up on both the grantors' and grantees' property.

Include information updating the Board on how many records remain to be indexed.

As of the first part of October, we have completed indexing approximately 22,600 documents spanning 13 years. Based upon the number of instruments per year that have actually been recorded vs the Recorder's estimate, I believe we will have an additional 30,000 instruments to index.

- b. Describe the process and expected time-frame necessary to complete the Tract Index.

We take off each document by hand or laptop in the office of the County Recorder as space permits. Our Recorder's office is small, and if there are other abstracters or genealogists in the office, we have to wait for space. This is true even for current work research. We then take the information back to our office and key it into the database in a searchable format.

- c. Provide the Board with an estimate of when the tract index will be complete.

As of the 5<sup>th</sup> of November, we will be starting another person strictly for data entry. Given the fact that we have about 1/3 of the data entered in 10 months, I would estimate that we will have the balance of the documents indexed within 12 months from the expiration of our original waiver. Had I been aware that the estimate of documents which we were given was approximately half of the actual count, I would have made changes much earlier. I have no doubt that we can finish before December 2013.

Our former arrangement of being in an office in the law firm of Mr. Swaim created some accessibility problems since we could not be in his building if he or an employee of the law firm was not there (due to attorney ethics). Since we have purchased his interest in the LLC, we have rented space in another building so that we no longer will have issues of access. This should allow even

more time to enter our data. We moved into that new space on October 25, 2012.

Why does the title plant requirement described in Iowa Code Supplement section 16.91(5)a”(2) impose a hardship to you?

Does the title plant requirement cause you deprivation, suffering, adversity, or long-term adverse financial impact in complying with the title plant requirement that is more than minimal when considering all the circumstances?

Is your hardship a financial hardship alone? Yes

The requirement of having tract indices is a hardship at this time due to needing the revenue from operation to provide the financing to build our plant. Without the abstracting and 900/901 business that we have, it would be financially impossible for us to continue building our Plant.

Why is the waiver clearly in the public interest? Would the granting of a waiver be beneficial to the public as a whole?

This waiver is clearly in the public interest which is evidenced by the amount of business we have been able to acquire. We have been able to provide timely service at a reasonable price which has, in turn, attracted other clients.

Increase competition among abstractors?

Our presence in Davis County does provide competition between abstractors as there was previously only one waived attorney-abstracter. I believe that our presence has relieved some pressure from the other abstracter of having to try to handle all the needs in the county. There is more than adequate work to maintain both offices.

Encourage the use of title guaranties throughout the state?

I believe that eventually the banks in Davis County will begin to use more title guaranty on their loans. Title Guaranty is a much more cost effective product than Title Insurance, and I have been suggesting it to our clients.

Make title guaranties more competitive than out-of-state title insurance?

Title Guaranty is more competitive than title insurance simply by its very nature. Having the benefit of a title plant providing the underlying title reduces the likelihood of a claim and would be a benefit to marketing Title Guaranty. I believe Title Guaranty is under-utilized in Davis County.

Increase the divisions market share?

It is my intention, upon completion of my plant, to begin to field issue for title guaranty. I will not take any business away from the current issuers that I now do work for, but I want to be in a position to offer that as a product to the local banks in Davis County. That service would increase the market share in that county as opposed to the title insurance they are now using written out of Missouri and Illinois.

Improve the quality of land titles?

Having a title plant in Davis County would protect consumers in that we would hopefully disclose potential problems that cannot be found when searching strictly through the Grantor/Grantee index. After 38 years of plant abstracting in Wapello County, I firmly believe that abstracting without an index is very risky for both the client and the abstractor. We are using our plant as it is being built. I am much more comfortable with searches done in the indexes vs those we still have to do in the courthouse.

Having our plant in Davis County will assure the availability of Title Guaranty in Davis County. At some point in the future the waived attorney/abstractor will wish to retire, and there may or may not be another attorney who would wish to apply for a waiver. Once our plant is completed, there will always be someone who would want to continue to use it. Thus, Davis County will always be assured of the availability of Title Guaranty.

With 1/3 of our 40 year plant completed and the government indexes to 1950, we have already been able to identify several problems that had gone undetected for several years so that they could be addressed.

Protect consumers?

Once completed our Plant will allow us to provide even more timely service to the consumers, provide a much more accurate and higher quality product. This gives the examiner a more accurate view of the title and will ultimately protect the consumer.

Encourage maximum participation by participating abstractors and participating attorneys physically located in all 99 counties?

ii Would the granting of a waiver be absolutely necessary to ensure availability of title guaranties throughout the state?

As stated above, it is likely at some time in the future that the other abstractor in Davis County, who is a waived attorney, will wish to retire from practice. Such an unexpected change is evidenced by the fact that our former partner in this company and his wife closed his law practice and took a job with the State of Iowa in Des Moines. This was certainly not contemplated when we started this company, but it happened. A title plant has a far greater chance of survival in perpetuity than a waived attorney. There is no guaranty that there will be another attorney when the time comes that will want to apply for a waiver, but there always will be someone who wants to own an Abstract Company with a Plant. A title plant is something that will endure and be used for many years to come. An extension of our waiver so that we can continue to complete our plant and then to back-plant to the government books I already own is absolutely necessary.

Have you given the Division Board enough information so they can weigh the benefits of the traditional title plant with other alternatives to ensure buyers and lenders high quality of title guaranties throughout the state, rapid service, and a competitive price?

Yes. I believe, and the Title Guaranty Board knows, that there is absolutely no substitute for a properly built and maintained Title Plant in preparing abstracts. Each year of data we get into our database makes our work that much more reliable. The extension of our waiver so that we can continue to serve our Title Guaranty customers is essential to the cash flow which is needed to not only continue building our indexes but to hiring another employee to work full-time on that project.

I am attaching two letters of recommendation from attorneys that I work with on a regular basis. However, my wife, Debbie, and I are now the sole owners of the company, and I do believe that my 38 years of experience and Debbie's 20 years of experience and knowledge in plant abstracting in Truitt Abstract Company Inc., our company here in Wapello County, should provide credibility as well to our ability to abstract.

I affirm that the facts provided to the Board are true and correct.

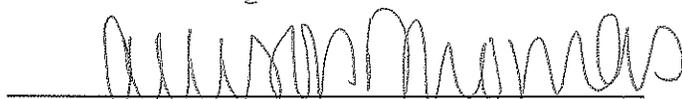
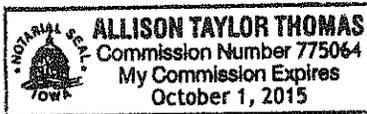
State of: Iowa

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County of: Wapellio

Signed and sworn to (or affirmed) before me on October 20, 2012 by David L. Truitt, Managing Member of David County Abstract & Title, L.L.C.

  
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Notary Public

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October 26, 2012

Board of Directors  
Title Guaranty Division  
Iowa Finance Authority  
2015 Grand Ave.  
Des Moines, IA 50312

Re: Davis County Abstract & Title, LLC

Ladies and Gentlemen:

On October 5, 2011 we wrote a letter in support of the Application for Davis County Abstract & Title, LLC and a request for a provisional waiver of the 40 year title plant requirement for participation in the Iowa Title Guaranty Program. You granted that provisional waiver in order to allow Davis County Abstract & Title one year to continue to update and create a title plant for Davis County.

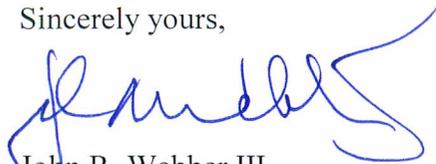
Since the granting of the waiver, Davis County Abstract has provided significant benefits to those persons needing abstracting services in Davis County. We have seen faster turn around times in connection with both Form 900 Title Reports and abstract continuations (both preliminary and final) that were previously available through the existing abstracting company in Davis County. Davis County Abstract & Title has produced high quality work comparable to the work provided by the existing abstract company.

David Truitt, the President of Davis County Abstract & Title has advised me that while they have made significant progress towards completing the title plant that they need additional time to continue updating the records. I believe that the delay is caused in large part by the demand for their services, which has exceeded the initial projections of work which would be available to them upon opening. I believe that granting an additional period of time for Davis County Abstract & Title to complete the update of the title plant is not only reasonable but is in the best interest of the public and those professionals who need abstracting services in Davis County. In addition, I believe that granting the time for the completion of the title plant will be a long term benefit to the title industry in that it will result in the creation of a title plant for Davis County which can be used in the future by others, which is a clear benefit when no title plant currently exists and none is likely to be created by any other person or party.

Board of Directors  
Title Guaranty Division  
October 26, 2012  
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I would be happy to answer any specific questions that you or your staff may have regarding my support for this application.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "John R. Webber III". The signature is fluid and cursive, with a large, sweeping flourish at the end.

John R. Webber III  
JRW/sm

LAW OFFICES  
**DENEFE, GARDNER & ZINGG, P.C.**

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J. TERRENCE DENEFE  
STEVEN GARDNER  
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ROBERT M. BOX

**RETIRED:**  
JAMES L. KIPLE  
CHARLES M. KIPLE  
JEROME M. BEAVER

October 26, 2012

Board of Directors  
Title Guaranty Division  
Iowa Finance Authority  
2015 Grand Avenue  
Des Moines, Iowa 50312

*Re: EXTENSION REQUEST - Davis County Abstract and Title, L.L.C.*

Members of the Board:

Last year, I wrote a letter to you on behalf of Davis County Abstract and Title, L.L.C. Mr. David Truitt has requested a waiver of the 40-year title plant requirement for participation in the Iowa Title Guaranty Program.

It is my understanding that he is requesting an extension and I would support his extension request.

Our office has a sizeable real estate business, and I have worked personally with Mr. Truitt and his staff since 1998. I have now had the opportunity to work with Davis County Abstract and Title, L.L.C. as well as with Truitt Abstract Company, Inc. Mr. Truitt and his experienced staff continue to provide quality abstracting services in Davis County and in Wapello County. I would recommend your approval of his request for an extension of the provisional waiver of the 40-year title plant requirement.

Thank you and do not hesitate to call if you have any questions.

Sincerely,  
  
Paul Zingg