# Title Guaranty
# Application for Tract Index (title plant) Waiver

(Please submit Application to Attn: Loyd Ogle - Director, Title Guaranty Division of the Iowa Finance Authority, 2015 Grand Ave, Des Moines, IA 50312)

NAME OF APPLICANT: Cerro Gordo Title + Escrow, LLC

BUSINESS ADDRESS: PO Box 801, Mason City, IA 50402-0801
(Street) (City) (State) (Zip)

Telephone: (319) 296-2844
Facsimile: (319) 266-2720
Email: infoquest@mchsi.com

1. Select type of title plant waiver requested:
   a. X Provisional (temporary) waiver (see Paragraph #4, below)
   b. _____ Permanent waiver for attorney (see Paragraph #5, below)
   c. _____ Permanent waiver for non-attorney (see Paragraph #6, below)

2. Attach a written statement with the following information:
   a. General description of the applicant's business;
   b. Intention, if any, to develop a 40-year tract index;
   c. Relevant facts that the applicant believes would justify a waiver, as stated below:
      i. That the title plant requirement described in Iowa Code Supplement section 16.91(5)*"a"*(2) imposes a hardship to the abstractor or attorney; and
      ii. That the waiver is:
         (1) Clearly in the public interest; or
         (2) Absolutely necessary to ensure availability of title guaranties throughout the state.

3. All waiver requests must include a signed, sworn statement from the applicant attesting to the accuracy of the facts provided in the application.

4. <u>Provisional Waiver Request</u>
   Applicant, at a minimum, should also provide the following:

   a. Evidence that a title plant will be built for a specified county;
   b. Evidence of significant financial loss due to the inability to provide abstracts for the division;
   c. Evidence that the provisional waiver is necessary in order to produce a revenue stream to justify the expense associated with building a title plant; and
   d. Professional references from two licensed Iowa attorneys or one participating plant-abstractor attesting to the applicant's ability to abstract.

5. Permanent Waiver Request: for Attorney
Applicant, at a minimum, should also provide the following:

a. For attorney applicants with experience abstracting under the supervision and control of an exempt attorney-abstractor, Applicant, at a minimum, should also provide the following:
   i. Evidence of the applicant's abstract experience;
   ii. Professional references;
   iii. Samples of abstracts prepared by the applicant;
b. For attorney applicants without experience working under the supervision and control of an exempt attorney-abstractor, Applicant, at a minimum, should also provide the following:
   i. Evidence of the applicant's abstract experience;
   ii. Professional references;
   iii. Samples of abstracts prepared by the applicant;
   iv. The applicant's business plan;
   v. Evidence of clients and volume of additional transactions that will be brought into the title guaranty abstract/attorney system as a result of the waiver;
   vi. Evidence of the number, availability, service and quality of other abstractors available to perform abstracting and whether the grant of a permanent waiver will adversely impact the business of other participating abstractors;
   vii. Evidence of whether the applicant demonstrates the inability to abstract under the supervision and control of an exempt attorney.

6. Permanent Waiver Request: for Non-Attorney
Applicant, at a minimum, should also provide the following:

a. Evidence of the applicant's abstract experience, maintenance of a title plant by the applicant in any other county, and degree of participation by the applicant in the title guaranty division standards in excellence program;
b. Professional references;
c. Samples of abstracts prepared by the applicant;
d. The applicant's business plan;
e. Evidence of clients and volume of additional transactions that will be brought into the title guaranty abstract/attorney system as a result of the waiver;
f. Evidence of the number, availability, service and quality of other abstractors available to perform abstracting and whether the grant of a permanent waiver will adversely impact the business of other participating abstractors.

**IOWA FINANCE AUTHORITY**
**TITLE GUARANTY DIVISION**

# ABSTRACTOR APPLICATION FOR TRACT INDEX WAIVER—CERRO GORDO COUNTY

**Name of Applicant:** **CERRO GORDO TITLE & ESCROW, LLC**

**Telephone Number:** **(319) 296-2844**

**Business Address:** **To be Determined, Mason City, Iowa**

**E-mail:** **doug@infoquesttitle.com** (temporary)

I, Charles W. Hendricks, one of the Managers of Cerro Gordo Title & Escrow, LLC, do hereby submit for consideration the following information concerning Cerro Gordo Title & Escrow, LLC's request for waiver of abstractor participation and requirements of the use and ownership of a current forty-year tract index for the Title Guaranty program:

1. Cerro Gordo Title & Escrow, LLC seeks a provisional waiver pursuant to Sub-Rule 9.7(8)(a).

2. Cerro Gordo Title & Escrow, LLC is an independently owned title and closing company that formed during January, 2010. Cerro Gordo Title & Escrow, LLC will provide complete abstracting and title services in Cerro Gordo County, Iowa. Cerro Gordo Title & Escrow, LLC will have three employees, two of whom have extensive abstracting experience including a participating Title Guaranty Attorney-Abstractor.

3. Cerro Gordo Title & Escrow, LLC intends to develop a forty year tract index for Cerro Gordo County. We are in the process of purchasing software which will aid in the development of the title plant. We will hire one employee specifically dedicated to building the title plant, who has years of experience working in title plants within the county. Other employees will work on the title plant when not working on other abstracting work. Cerro Gordo Title & Escrow, LLC has requested from the Cerro Gordo County Recorder the Index Records from 1992 through the present which are maintained digitally on computer. We have

also requested digital copies of the microfilm records of the indices necessary for the completion of the title plant. This information will be added to the software to create the title plant. Daily records received from the County Recorder's Office are added to the title plant as received. The forty-year title plant will be maintained electronically. When completed, the title plant may be searched by legal description: lot, block, subdivision or section, township, range. Searches can also be made by individuals' name.

4. Cerro Gordo Title & Escrow, LLC believes a waiver is justified pursuant to Sub-Rules 9.7(7) and 9.7(8) and sets forth the following in support thereof.

A. **Hardship**. The title plant requirement described in Iowa Code Supplement Section 16.91(5)(A)(2) imposes a hardship to the abstractor applicant as follows: A significant majority of abstracts in Cerro Gordo County, Iowa are for properties that have mortgages that will be sold on the secondary market or for lenders that require title guaranty abstracts. In order to generate the cash flow necessary to complete the construction of the title plant, a waiver is necessary. A stream of income is needed in order to complete the construction of the title plant.

B. **Public interest will be served by granting Cerro Gordo Title & Escrow, LLC a Tract Index Waiver.** If Cerro Gordo Title & Escrow, LLC is granted a waiver, Cerro Gordo Title & Escrow, LLC will be able to offer competitive abstracting services. Additionally, Lenders would have two abstractors in Cerro Gordo County to choose from for abstracts connected with mortgages sold on the secondary market which require Title Guaranty. Many Lenders will not do business with a second abstractor unless the abstractor has a Title Guaranty Certificate allowing them to prepare abstracts for mortgages that will be available for the secondary market. The public interest will be served by increasing competition between abstract companies which will keep costs of abstracting services down and quality up, encourage participation in Title Guaranty and add integrity to the land title transfer system in the State. We will have a turn-around time of no more than seven days. Most work will be done in two to four days. We also provide pick-up and delivery service in Mason City.

5. Cerro Gordo Title & Escrow, LLC seeks a provisional waiver pursuant to Sub-Rule 9.7(8)(a).

A. **Evidence that a title plant will be built for Cerro Gordo County.** Cerro Gordo Title & Escrow, LLC is in the process of obtaining copies of the Indices of recorded documents from the CERRO GORDO County Recorder in order to prepare its title plant. Cerro Gordo Title & Escrow, LLC will purchase and be trained on the software necessary to create and maintain the title plant from the Indices and records of Cerro Gordo County. We will hire one full-time employee designated to build the title plant who has years of experience working in title plants within the county. They will be trained on the Title software. Cerro Gordo Title & Escrow, LLC believes that the title plant can be built within one year from the date the Waiver is granted.

B. **Financial loss due to inability to provide abstracts for the Division:** Without the waiver, Cerro Gordo Title & Escrow, LLC will not be allowed to compete for a majority of abstracts in Cerro Gordo County, Iowa. As stated earlier, a significant amount of the abstracts in Cerro Gordo County are for lenders that require abstracts prepared by abstractors certified by Title Guaranty. Cerro Gordo Title & Escrow, LLC intends to build a forty-year title plant. The cost of start-up of the business and the loss of income due to Cerro Gordo Title & Escrow, LLC's inability to do abstract work which require Title Guaranty, by law or by practice or policy, would create a financial hardship for Cerro Gordo Title & Escrow, LLC . There has been significant financial resources expended in the start-up cost. There are significant expenses regarding payroll, rent, utilities, cost of obtaining records and information and insurance. Additional personnel will be added to prepare and create the forty-year title plant which will increase further the costs of doing business. The stream of income from abstracts for Title Guaranty is necessary to justify the expense of building, owning and maintaining a title plant.

C. **Waiver needed to produce revenue stream:** The provisional waiver is necessary in order to produce a revenue stream to justify the expense associated with building and maintaining a title plant.

**D. Professional references and letters in support of our Application for Waiver are attached.**

I, the undersigned, Charles W. Hendricks, as one of the Managers of Cerro Gordo Title & Escrow, LLC, do hereby and herewith attest to the accuracy of the facts provided in the Application for Trust Index Waiver and this supporting statement. They are true and correct, as I verily believe.

Charles W. Hendricks, Manager of Cerro Gordo
Title & Escrow, LLC

Supplemental Information for Application for Tract Index (title plant) Waiver for Cerro Gordo Title & Escrow, LLC.

Cerro Gordo Title & Escrow, LLC, will be a new entity offering full abstracting, title and closing services for Cerro Gordo County. Cerro Gordo Title & Escrow, LLC will office in Mason City, Iowa – the current location for which has not been established.

Cerro Gordo Title & Escrow, LLC will be owned by Charles W. Hendricks, a participating Title Guaranty attorney-abstractor, and Douglas Hintzman, owner of InfoQuest. Both Douglas Hintzman and Charles Hendricks have several years of experience searching legal documents, recorder records, and on-line databases like ICIS. Charles W. Hendricks has been a participating Title Guaranty abstractor (through an attorney waiver) since 2007.

Cerro Gordo Title & Escrow, LLC intends to complete an electronic Tract Index (title plant) for Cerro Gordo within a year of this waiver request. If this waiver is not granted, Cerro Gordo Title & Escrow, LLC will incur substantial cost in creating the plant while not being able to abstract and recoup these start-up costs until the title plant is created. Cerro Gordo currently has only one title plant that, therefore, maintains almost 100% market share.

The creation of a second title plant in Cerro Gordo County is also instrumental to the public interest in creating competition where none currently exists. By establishing a second, electronic title plant within the county, this also ensures the continued availability of title guaranties within Cerro Gordo County. The Title Guaranty program will be less susceptible to flood interruption, such as Linn County and other counties faced from last year's floods, or even fire damage or other interruption.

I swear and affirm the forgoing to be truthful and accurate, as are all entries on the forgoing Waiver request.

Douglas Hintzman

LAW OFFICES

**WASKER, DORR, WIMMER & MARCOUILLER, P.C.**

HIGHLAND BUILDING – THREE FOUNTAINS OFFICE PARK

4201 WESTOWN PARKWAY – SUITE 250

WEST DES MOINES, IOWA 50266-6720

(515) 283-1801

FAX (515) 283-1802

Email: lawfirm@wdwm.net

FRED L. DORR
WILLIAM J. WIMMER
D. MARK MARCOUILLER
MATTHEW D. KERN
MARK R. ADAMS
DAVID C. PULLIAM
MATTHEW M. HURN
CRAIG R. SCHOENFELD
ZORICA ILIC BURCH

JOSEPH W. COPPOLA III

OF COUNSEL
CHARLES F. WASKER

RETIRED
RUSSELL H. LAIRD

January 29, 2010

To Whom It May Concern:

Our firm utilizes Charles W. Hendricks as an abstractor for all 900 searches in the State, with the exception of Polk, Dallas and Warren County. I have reviewed numerous 900 searches, as well as abstracts (including root of abstracts) for various counties including Cerro Gordo County, and have always found these searches and abstracts to be of the highest quality.

I strongly recommend you accept his request for a temporary Title Plant waiver for Cerro Gordo County, so he may build a title plant and better serve Cerro Gordo County.

Please contact me directly with any questions.

Yours very truly,

WASKER, DORR, WIMMER & MARCOUILLER, P.C.

Joseph W. Coppola III

THE JONES LAW FIRM
721 W. 1ST STREET
CEDAR FALLS, IOWA 50613

GARY N. JONES
CHARITY L. SULLIVAN

(319) 266-3556
FAX (319) 266-2835

November 10, 2009

Title Guaranty Board
2015 Grand Ave.
Des Moines, IA 50309

Re: Douglas Hintzman

Dear Board Members:

As an attorney who deals with real estate on a regular basis, I am writing to express my recommendation for Douglas Hintzman. I have worked with Doug for many years in his current business, Info QUEST, and have found the quality of Doug's work to be very high. He has proven to be a conscientious provider of title services and I endorse his efforts to establish an abstract company in Mason City, Iowa.

Sincerely,

Gary N. Jones
GNJ/aw

WELLS FARGO HOME MORTGAGE

**Wells Fargo Home Mortgage**
MAC N8222-011
191 W. 5th Street
Waterloo, IA 50701
319 235-4900 Office
800 977-2333 Toll Free

December 14, 2009

To Whom It May Concern:

I have known Doug Hintzman since in 1984. Doug has had a very successful career in business because of his integrity and honesty over the years.

Since Doug had purchased InfoQuest, he has provided superior service and quality work for Wells Fargo Home Mortgage. His services are very much needed as he is integral to our local success. Doug has provided much needed competition in this line of work and it has been a refreshing change. I am looking forward to working with InfoQuest in the future with his expanded services.

If you would like to discuss further please call me at 319-493-0852.

Sincerely,

Jack Emkes
Market Manager
Wells Fargo Home Mortgage
Waterloo, Cedar Falls, Mason City, Marshalltown and Dubuque

Wells Fargo Home Mortgage
Is a division of Wells Fargo Bank, N.A.