

MLTA 2024 Spring Education Seminar
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Entities/Foreign Entities

In today's information age, anyone with a computer can create entity documents and file them with the Secretary of State without the need to prove their authenticity. This creates a unique opportunity for fraudsters. The key is to understand how to validate the documents being presented. During this course, we will discuss the Covered Risk under the title insurance policy, the type of entities we typically see holding title to real property, how to verify proper formation, authorized representatives, and authorized acts, in order to insure a proper conveyance of the property. We will also discuss real life "failure of title" claims and the steps that could have been completed to prevent the claim from happening.

1. ALTA 2021 Owners Policy and Loan Policy Covered Risk 2

- Any defect in or lien or encumbrance on the Title. Covered Risk 2 includes, but is not limited to, insurance against loss from:
 - (a). a defect in the Title caused by:
 - i. **forgery, fraud**, undue influence, duress, incompetency, incapacity, or **impersonation**;
 - ii. **the failure of a person or Entity to have authorized a transfer or conveyance**;
 - iii. **a document affecting the Title not properly authorized**, created, executed, witnessed, sealed, acknowledged, notarized (including by remote online notarization), or delivered;

2. Entity Signing Authority Documents – What Documents Need Reviewed and Why

- a) Status
 - Formation Documents
- b) Powers
 - Authorized Representative(s)
- c) Acts
 - Document Granting Authority

3. Types of Entities – Title 35 Corporations, Partnerships, and Associations (Chs. 1-21)

- a. Corporations
 - i. General
 - ii. Non-Profit Religious Corporations

- b. Limited Liability Companies
 - i. General

 - ii. Series LLC's

- c. Trusts
 - i. Traditional

 - ii. Business

- d. Partnership
 - i. General

 - ii. Limited

- e. Foreign Entities – Operating Business Outside the State of Formation

4. Claims

- a. Entity Hijacking

- b. When a Typo Isn't Just a Typo

- c. The Quest for Higher Authority

5. Questions