



AGENDA

- I. Call to Order
- II. Quorum Determination
- III. Approval of Minutes (Previous Board Meeting – December 19, 2025)
- IV. Ratification of Executive Committee's Actions (if any)
- V. Resolution Calling for Annual Meeting of Members: June 5, 2026
- VI. Financial Report – Alex Quinones
- VII. Cyber Security Update – Isaac Frain
- VIII. Underwriting Report – Zindy Tembo
- IX. President's Report – Phil Frain
- X. Claims Summary and Report – Carolyn Smith and Jennifer Snider
- XI. Executive Session (if desired)
- XII. Old Business
- XIII. New Business
- XIV. Next Meeting Dates:
 - June 6, 2026 – 10:00 A.M. Annual Meeting & Board Meeting
 - September 25, 2026
 - December 18, 2026
- XV. Adjournment

Oklahoma Attorneys Mutual Insurance Company

Minutes of the Board of Directors Meeting

1 p.m., December 19, 2025 | OAMIC Building

Call to Order Chairman Scott Savage called the meeting to order after determining a quorum was present. In addition to the Chairman, members in attendance were Directors Angela Ables, Eller, Schovanec, Burrage, Butts, Fulmer Gaus, Hodgden, Jennings, McLain, Mayhall, Nix, Amber Peckio, Richards, and Tisdale.

Staff members present were Phil Fraim, Isaac Fraim, Carolyn Smith, Zindaba Tembo, Laura Stone, Alex Quinones, Jennifer Snider, and Alison Cave.

Approval of Minutes Director Mayhall moved to approve the minutes from the September 26, 2025, meeting, seconded by Director McLain. The motion carried unanimously. Investment Committee minutes from November 20, 2025, were reviewed and noted, with no formal approval required. Updates included adjustments to equity holdings to comply with the 20% limit and approval of a \$500,000 commitment to Kennedy Lewis alternative investments, following the Star Mountain fund drawdown.

Financial Report Alex Quinones presented the Q3 financials as of September 30, 2025, showing total admitted assets of \$66,859,938, liabilities of \$20,177,412, and surplus of \$46,682,526 (70/30 surplus-to-liability ratio). Net underwriting loss was \$1,256,128, driven by actuarial reserves, with net investment gain of \$1,790,236 and net income of \$552,911. A 95% year-over-year investment increase was noted due to strategic adjustments.

The 2025 year-end forecast projects a \$1.2 million underwriting loss, \$2.1 million investment gain, and \$1,035,000 net income before dividends and taxes. The 2026 budget anticipates 5% premium growth, a \$436,000 underwriting gain (5% of premiums), and \$3 million net income before dividends and taxes.

Actuary Selection -- OAMIC recommends Rudd & Wisdom as Actuary. On motion by Director Ables and second by Director Eller. The Board approved the selection.

Director Eller moved to approve the financial report and 2026 budget, seconded by Director Jennings. The motion carried unanimously.

President's Report Phil Fraim reviewed historical dividends (10-year average: \$775,000) and guidelines for 2025 declaration, considering underwriting loss, surplus growth (target 1-2%), and investment income. After Executive Committee discussion, a 6% dividend (~\$620,000) was recommended to balance policyholder returns and surplus addition (~\$400,000). The board unanimously approved.

Reinsurance renewal was finalized with a rate reduction to 20.5% on primary coverage (saving \$50,000), maintaining the same participants at 117-119% oversubscription. For Employment Practices Liability (EPL) coverage, due to low claims (6 since 2014, total \$117,000) and \$315,000 in premiums collected, the board approved retaining 100% net (no reinsurance), with potential premium increases discussed (e.g., \$115-\$150 per attorney).

Underwriting Report Isaac Fraim reported positive trends: increased insured firms/attorneys, premiums, and retention. However, competition from CNA was noted, including marketed expansions

like wire fraud coverage (with conditions) and free EPL for retirees. Loss of the second- and fourth-largest insured firms to CNA was highlighted, though one was retained after negotiations.

A new, lower-cost policy option was proposed to address affordability for smaller/uninsured firms, potentially carved out from reinsurance (20% savings). The board supported revisiting policy expansions and forming an ad hoc committee for input from lawyers/firms.

Claims Summary and Report Carolyn Smith reported 127 open claims, with 19 opened and 15-16 closed this quarter (year-to-date: 72 opened, 70 closed). Updates included:

- Claim 3397 (tax case): Settled for \$250,000 (vs. \$1.4 million demand).
- Claim 3158 (guardianship): Discovery ongoing; mediation anticipated in spring.
- Claim 3355 (California): Trial set for March; documentation issues noted. Authority up to \$500,000 requested for settlement. Director Ables moved to approve, seconded by Director Richards; motion carried.

Alison Cave updated:

- Claim involving HW Allen (trust/notary issues): Statute of limitations motion denied; mediation January 21, 2026. Authority up to \$592,250 requested. Director Hodgden moved to approve, seconded by Director Fulmer Gaus; motion carried.
- Claim #2877 (regarding settlement distribution): On third appeal; high expenses noted.

Old Business None.

New Business Chairman Savage recognized Director Peckio for her contributions as OBA President-Elect; this was her final meeting. 2026 meeting dates were noted: March 27, June 5, September 25, and December 18 (all at 1:00 p.m. except for June 5th at 10:00a.m.). The board was informed of former Director Robert Margo's health condition and upcoming treatment; thoughts and prayers were extended.

Adjournment On a motion by Director Mayhall, seconded by Director Eller, the meeting adjourned unanimously at 2:15 p.m. All were wished a Merry Christmas.

Laura Stone, Acting Secretary

APPROVED: Scott Savage, Chairman



Resolution Calling Annual Meeting of Members

"RESOLVED, that the Annual Meeting of Members of the Company, pursuant to Company Bylaws, be called June 5, 2026 at 10:00 A. M., said meeting to be held at Oklahoma Attorneys Mutual Insurance Company, the corporate offices of, for the purpose of electing five directors and for such other business as may legally come before the meeting; and

FURTHER RESOLVED, that the record date for determination of the members entitled to notice of, and to vote at, said meeting shall be fixed at the close of business on May 1, 2026.

FURTHER RESOLVED, that the Board of Directors will propose for election as directors at said meeting the following persons:

Angela Ables

David Burrage

Michael Mayhall

Philip Richards

Scott Savage

FURTHER RESOLVED, that the Board of Directors shall solicit from the members, proxies designating Jim Jennings, Phillip D. Fraim and Carolyn Smith, or any of them, to vote on the election of directors and such other business as may legally come before the meeting.

FURTHER RESOLVED, that the officers are, and each of them is, authorized and directed to prepare and to distribute a notice of said meeting, a proxy, a proxy statement and such other solicitation materials as they may deem appropriate or advisable.

FURTHER RESOLVED, that the officers are, and each of them is, authorized and directed to take such other actions as may be, in their, his or her judgment, appropriate or advisable.

OAMIC 2025 Financial Highlights

-1.36M

Underwriting (Loss)

Reserve strengthening (+16%) elevated loss ratio (80%), resulting in an underwriting loss (118% combined ratio); however, the 3-year average combined ratio of 95% remains within target.

3.6M

Investment Gain

Strong investment performance offset underwriting losses and supported overall profitability.

1.4M

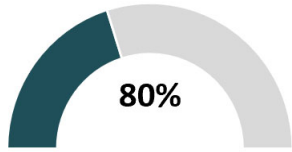
Net Income

Net income remained strong despite underwriting pressure, supported by investment performance.

46.6M

Surplus

Surplus increased (+4.4%), reinforcing a strong capital position and financial stability.

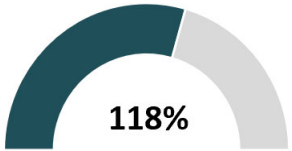


3-Yr Avg: 61%
Target: 60%-70%

Loss Ratio

Shows how much of each premium dollar goes to paying claims.

$$\frac{\text{Loss} + \text{LAE}}{\text{Net Earned Premium}}$$

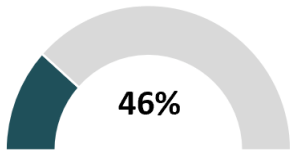


3-Yr Avg: 95%
Target: 95%-105%

Combined Ratio

Shows underwriting profitability; claims combined with underwriting expenses.
<100% = UW Profit
>100% = UW Loss

$$\frac{\text{Loss} + \text{LAE} + \text{UW Exp}}{\text{Net Earned Premium}}$$

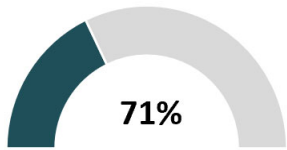


3-Yr Avg: 26%
Target: 15%-20%

Investment Ratio

Shows how much investments help cover underwriting operations.

$$\frac{\text{Net Investment Gain}}{\text{Net Earned Premium}}$$



3-Yr Avg: 69%
Target: 65%-75%

Operating Ratio

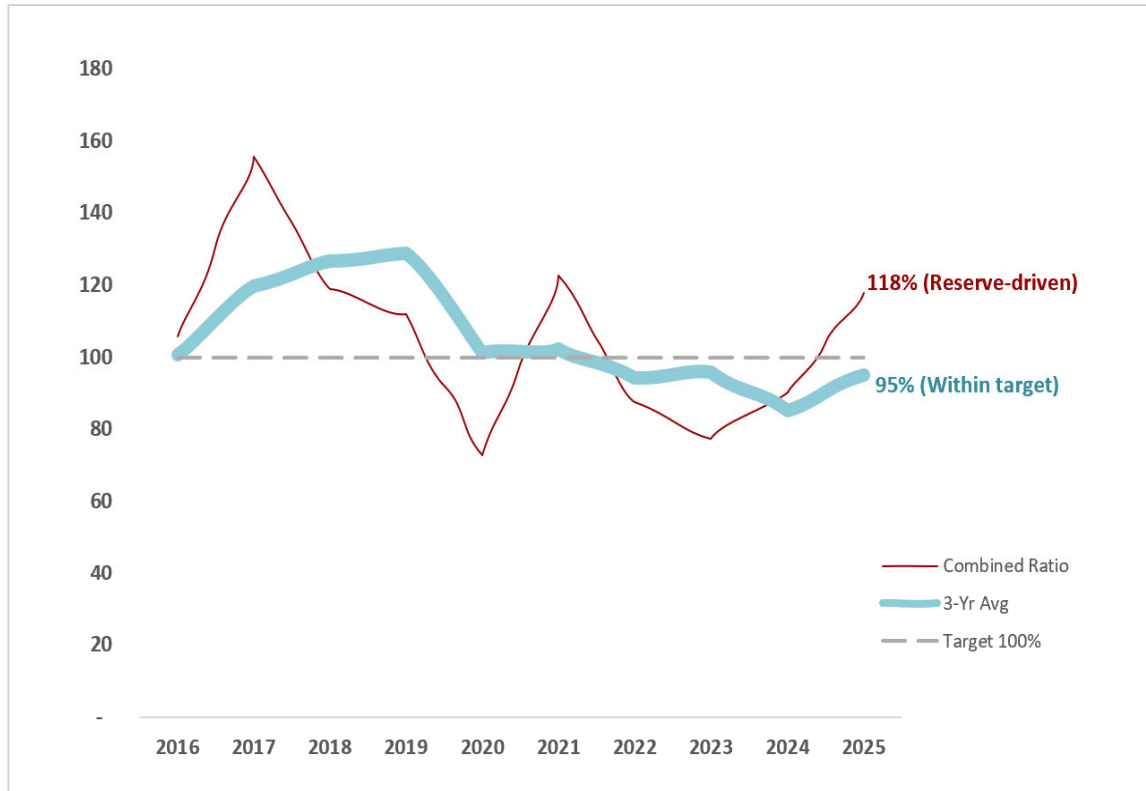
Shows overall profitability after claims, expenses, and investments.

$$\text{Combined}\% - \text{Investment}\%$$

2025 Performance Summary

- **Underwriting operated at a loss** in 2025, with loss and combined ratios exceeding target ranges
 - **3-year averages remain within target**, indicating stable underlying performance
 - **Investment income continues to offset underwriting volatility**, supporting overall profitability
 - **Operating ratio remains strong** at 71%, reflecting overall profitability despite underwriting pressure
-

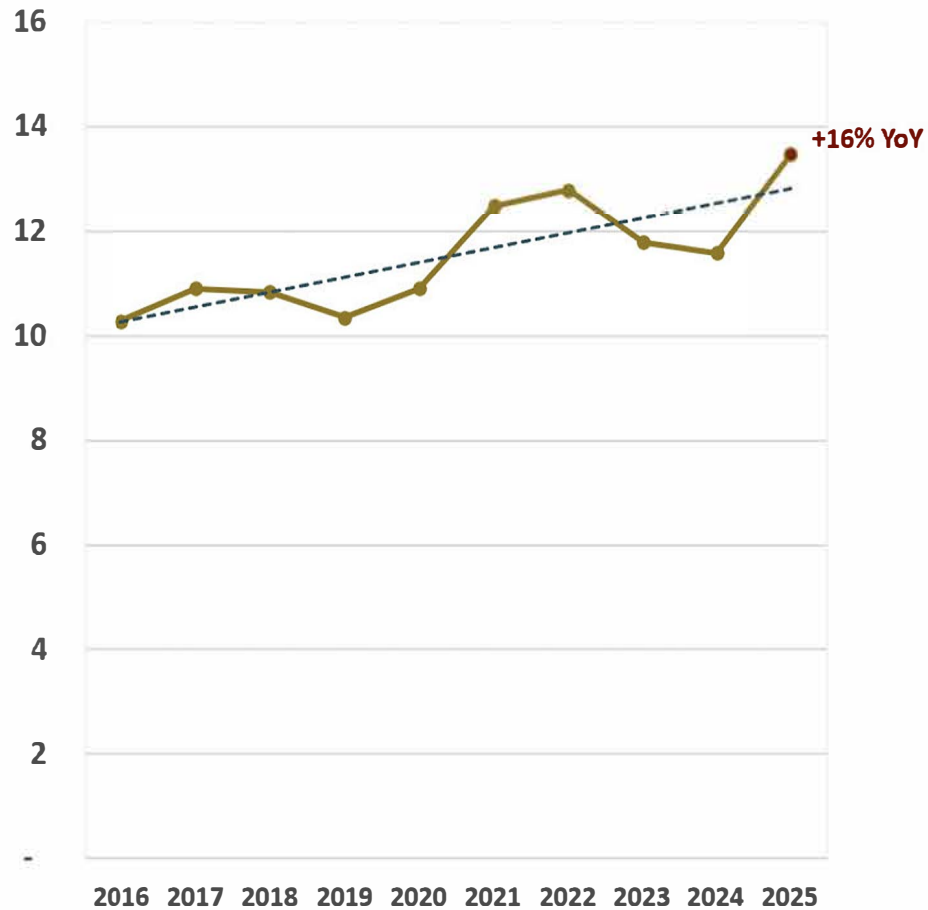
Underwriting Performance | Volatility vs Stability



Metric	2025	3-Yr Avg	Target
Combined	118	95	95-105
Loss	80	61	60-70

Short-term volatility driven by **reserve adjustments**; underlying underwriting performance **remains within target** over time.

Claim Reserves (\$M)



Key Takeaways

Long-Term Trend

Reserves have grown $\approx 3\%$ annually, with sporadic increases rather than steady linear growth.

Current Year Impact

The 16% increase aligns with this pattern and contributes to elevated **loss and combined ratios**; while this creates fluctuations in underwriting results, the underlying trend remains **stable over time**.

Investment Portfolio Performance

9.5%

Portfolio Return

Shows total performance from both income and market gains; strong results driven by favorable market conditions and disciplined portfolio management.

4.6%

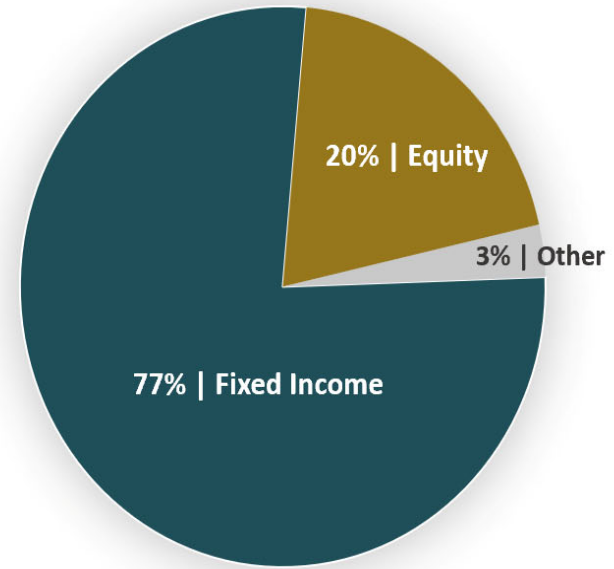
Portfolio Yield

Shows the income the portfolio generates; provides a stable and predictable source of earnings to support operations.

5 Year

Duration

Measures cash flow timing and interest rate sensitivity; current duration reflects a strategic level of risk, avoiding both overly conservative and overly volatile positioning.



Portfolio Allocation

Oklahoma Attorneys Mutual Insurance Company

Condensed Financial Statements — December 31, 2025

(Amounts in Thousands)

Income Statement			
	2025	2024	2023
Underwriting:			
Premiums	7,675	8,082	7,940
Losses & LAE	6,178	4,627	3,497
Underwriting Expenses	2,855	2,663	2,634
Underwriting Gain (Loss)	(1,358)	791	1,808
Investment Gain	3,560	1,309	1,331
Other Items:			
Other Income	178	148	164
Dividends	571	721	995
Taxes	396	183	117
Net Income	1,413	1,344	2,192

Balance Sheet			
	2025	2024	2023
Assets			
Cash & Equivalents	3,078	7,471	4,453
Invested Assets	59,667	51,710	54,140
Other Assets	3,363	3,330	3,273
Total Assets	66,108	62,510	61,866
Liabilities & Surplus			
Claim Reserves	13,466	11,578	11,784
Other Liabilities	6,051	6,303	6,411
Total Liabilities	19,517	17,881	18,195
Total Surplus	46,591	44,629	43,671

OAMIC Cybersecurity Update

IT Structure

- OAMIC utilizes **Ascend Technologies** (formerly NvYA Technologies) as our managed IT provider.
- Ascend manages our infrastructure, VoIP phones, software licensing, cybersecurity tools, and cloud environment while providing ongoing monitoring and specialized cybersecurity expertise.

Security Monitoring & Threat Detection – *New Project (end of April Go Live)*

To strengthen our cybersecurity posture, OAMIC has implemented several enhanced security services through Ascend:

- **Ascend Defend** – A managed security platform for Microsoft 365 that converts our existing structure into a fully managed, actively defended environment.
- **Advanced Email Encryption and Threat Protection** – New protective measure to detect and block malicious emails including phishing attempts, malware, and ransomware.
- **Managed Detection & Response (MDR)** – Provides **24/7 monitoring** of all systems and endpoints by cybersecurity professionals who analyze alerts and respond quickly to potential threats.
- **Security Information & Event Management (SIEM)** – Aggregates and analyzes security activity across our systems and network to identify suspicious behavior and improve threat detection.

Independent Security Testing

- OAMIC has scheduled a pentest (**network penetration test**) for April.
- This test simulates a real-world cyberattack to identify vulnerabilities before they can be exploited and allows management to remediate any weaknesses.

Digital Operations & Data Security

- OAMIC now operates fully as a “**digital organization**”, with electronic records serving as the primary data source.
- Operational data is securely stored in **Microsoft SharePoint within the Microsoft 365 cloud environment**.

Data Protection

- Microsoft provides **enterprise-grade security and redundancy across multiple data centers**.
- Additional managed backups ensure **multiple recoverable copies of company data** in the event of system failure, cyber incident, or disaster.

Summary

OAMIC’s cybersecurity program reflects a **layered defense strategy** that combines professional IT management, continuous monitoring, advanced threat detection, independent security testing, and secure cloud-based data storage. Management will continue to evaluate and enhance these protections to safeguard company operations and policyholder information.



Cybersecurity Update

Managed IT – Ascend Technologies

Manages infrastructure, VoIP, software licensing, cybersecurity tools, and cloud environment with ongoing monitoring and specialized cybersecurity expertise.

Security Monitoring & Threat Detection (Go-Live: End of April)

Ascend Defend (M365), Advanced Email Encryption & Threat Protection, Managed Detection & Response (MDR) 24/7, and SIEM for aggregated threat analysis.

Independent Security Testing

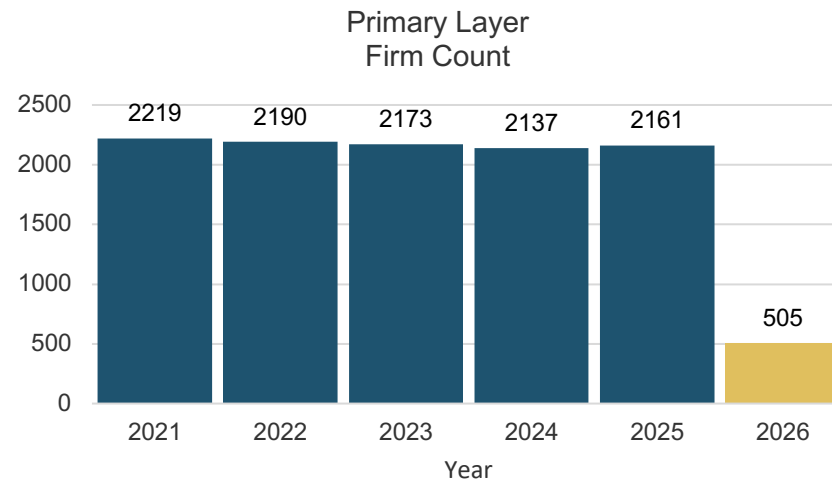
Network stress test & penetration tests (pentest) scheduled for April 2026 to simulate real-world cyberattacks and identify vulnerabilities before exploitation.

Digital Operations & Data Security

OAMIC is fully digital. Operational data stored in Microsoft SharePoint (M365). Enterprise-grade security with multiple data center redundancy and managed backups.

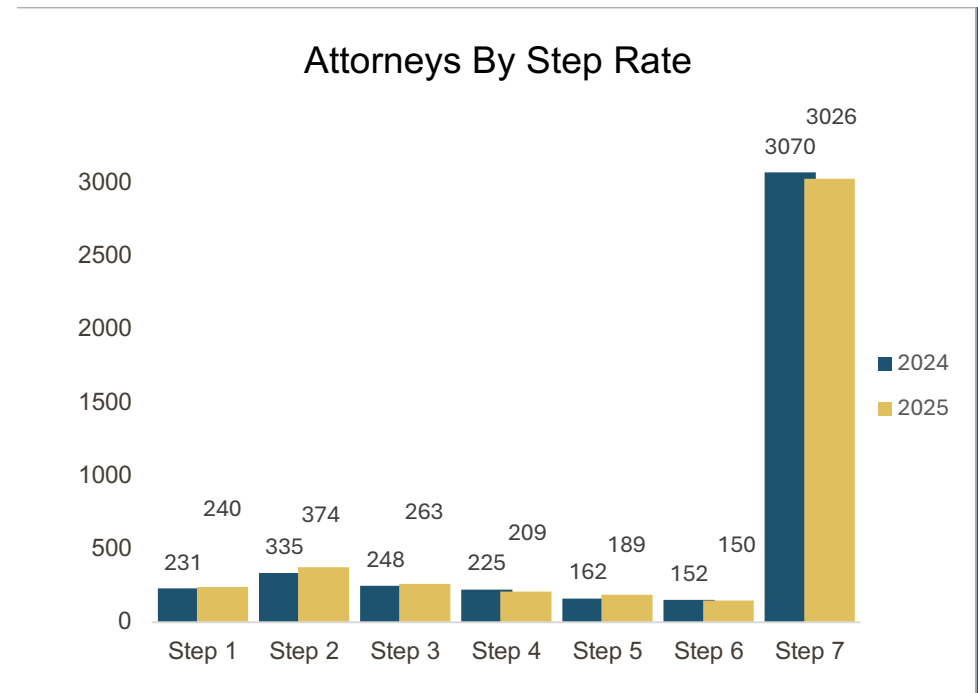
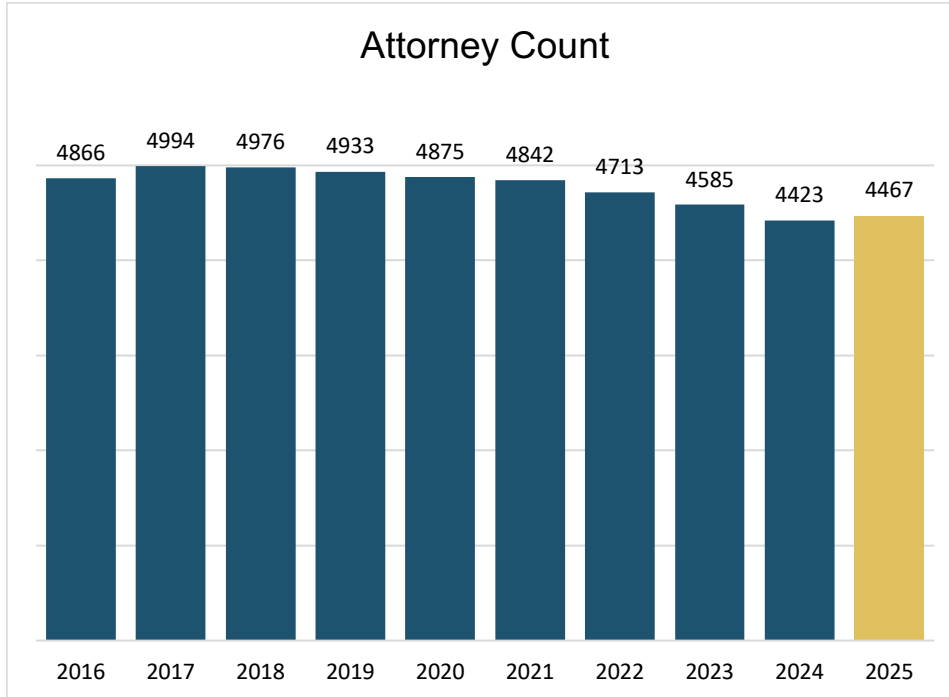
Premiums by Layer / Policy Count *Trends*

Eff. Year	Primary	4 x 1	5 x 5	Fac.	EPLI	Cyber
2021	9,493,856	2,431,148	820,049	11,631	269,553	54,333
2022	10,103,727	2,681,282	595,747	160,430	263,200	68,967
2023	10,157,276	2,966,293	656,341	200,185	289,300	87,812
2024	9,833,773	2,891,729	449,504	241,205	314,400	46,953
2025	9,757,786	2,929,665	433,782	202,402	321,500	56,956



- Primary layer premium remains stable.
- Firm count rising in 2025 after prior year-over-year declines.
- Retention remains strong at 96%, with minimal competitive loss, largely driven by pricing.
- Proactive renewal strategy—earlier and more frequent engagement—is driving improved renewal timing

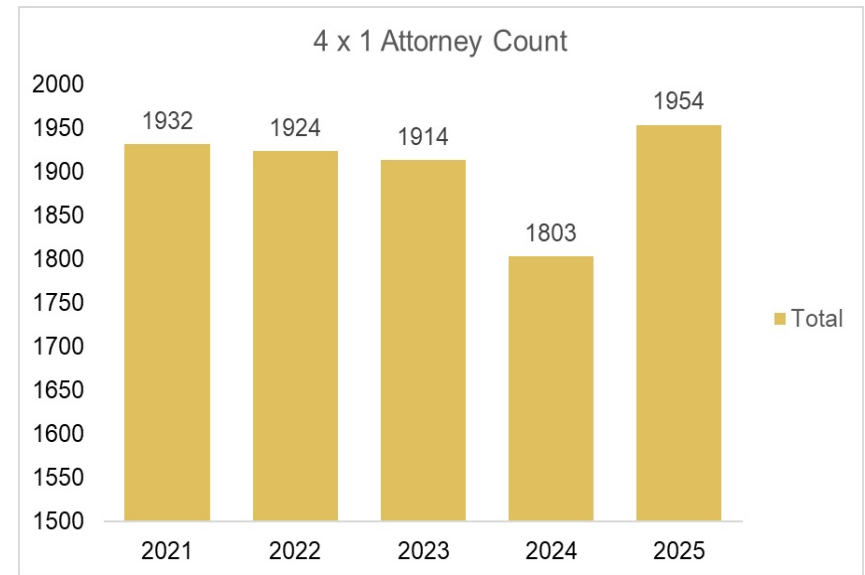
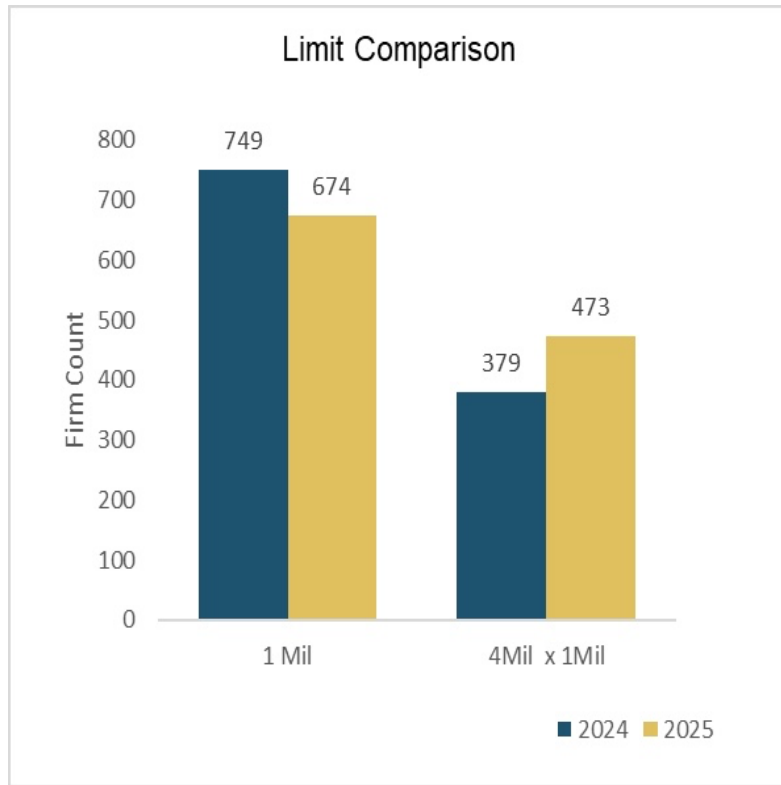
Retention & Growth



- Overall Trend: Attorney count is increasing in 2025, reversing prior declines.
- Net Growth: +44 insured attorneys year-to-date, despite the loss of a 47-attorney firm.
- Drivers of Growth: Return of former insureds to the program is contributing to positive momentum.
- Offsetting Factors: Some attrition continues among more tenured, higher-rated attorneys, partially offsetting gains from newer attorneys.

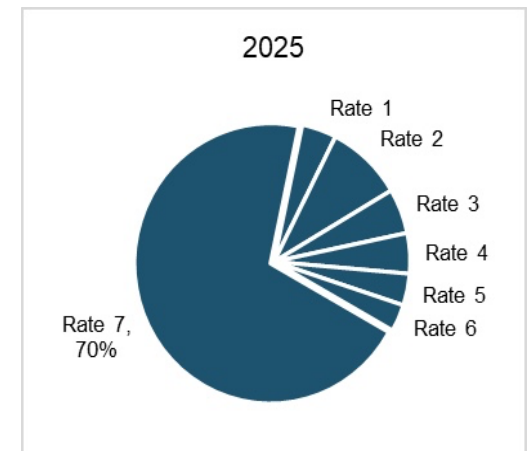
4 x 1 Policy Limits *Trends & Forecast*

Comparing firms carrying **\$1M policies** to those with **\$2M – \$5M coverage limits**.



Sign. Increase in attorneys with policies at \$2M+ coverage limits

- **2025:** Growth in attorneys purchasing higher coverage limits (\$2M+).
- **2026 Strategy:** Continue encouraging upward migration in policy limits.
- **Premium Outlook:** Expect natural growth in the 4 Excess 1 layer, driven by step-rating increases, assuming other factors remain constant.



OAMIC 2026 ERM Dashboard

ERM “DASHBOARD”

Strategic Risks	Risk Exposure	+ Impact of Event	= Risk Level	Previous Level
1) Competition Risks				
a) Targeted aggressive marketing & pricing by other carriers	High	High	9	9
b) Market cycle risk (pressure to compete during soft markets) *	Mod-High	Mod-High	7	6
c) State Association Competition / Disenfranchisement	Low	Mod	2	2
d) Competition from brokers/agents for Multi-line P&C *	Mod-High	Mod-High	8	7
2) Market Segment Risks				
a) Number of lawyers not growing	Mod-Low	Mod	7	7
b) OAMIC reaching market saturation *	High	High	8	7
c) Competition forming AOP programs	Low	Mod	4	4
d) Economic collapse in Oklahoma *	Low	High	5	4
3) Distribution Channel Risks				
a) Agency doing business w/ Bar moves into LPL *	Mod	Mod-High	8	7
b) Inability to obtain new business submissions	Low	Mod	4	4
c) OAMIC’s non-compliance with state regulations	Low	High	2	2

Priority Level Ratings:

2 = Very Low

10 = Extremely High

* = Change from previous year



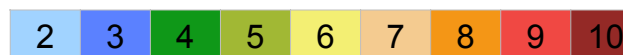
ERM “DASHBOARD”

Financial Risks	Risk Exposure	+ Impact of Event	= Risk Level	Previous Level
1) Business Partnership Risks				
a) Reliance upon current actuaries & reinsurance brokers	Low	Mod	3	3
b) Inability to attract a similar business partner	Low	High	3	3
c) Loss of Bar Plan Surety as a court bond partner	Low	Low	2	2
d) Loss of RLI Ins: Worker’s Comp & Office Package Partner *	Mod	Mod	7	6
2) Reinsurance Risks				
a) Poor program design	Low	Mod	2	2
b) Reinsurance credit risk	Low	Mod-High	3	3
c) Inability to attract reinsurance partners	Low	Low	3	3
d) Loss of NABRICO Reinsurance Facility for upper limits	Mod	Mod	7	7
3) Treasury Risks				
a) Decline of equity markets	Mod	Mod-High	5	5
b) Lower interest rate returns	Low	Mod	3	3
c) Illiquid assets	Low	Low	2	2
4) Internal Control Risks				
a) Accounting errors / employee dishonesty	Low	Mod-High	3	3
5) Professional Advice Risks				
a) Reliance on outside investment advisers	Low	Low	2	2

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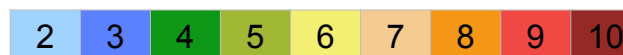
ERM “DASHBOARD”

Operational Risks (part 1)	Risk Exposure	+ Impact of Event	= Risk Level	Previous Level
1) Underwriting Risks				
a) Limited product diversification *	Mod	Mod-High	7	6
b) Inadequate policy language *	Mod	Mod	7	5
c) Inadequate underwriting / risk selection	Low	High	5	5
d) Breaches of underwriting authority	Low	Mod	3	3
e) Inadequate rate structures	Mod	Mod	6	6
f) Inadequate / inappropriate increased limit factors	Mod	Mod	5	5
g) Increased issuance of unlimited ERE (Tail Coverage)	Mod	Mod	4	4
2) Claims Risks				
a) Inadequate case or IBNR reserves *	Low	Mod	4	5
b) Loss settlements in excess of claim value	Low	Mod	5	5
c) Breach of settlement authority	Low	Low	2	2
d) Litigation expense and XPL exposure in claim handling	Mod	High	6	6
3) Legal and Regulatory Risks				
a) Failure to comply with laws of Oklahoma	Low	Mod	3	3
b) Failure to comply with OID / regulations	Low	Mod	3	3
c) Conflicts of interest	Low	Low	3	3
d) Unfavorable DOI financial and market examinations	Low	Mod	3	3
e) Exposure to litigation from policyholders, employees, or other	Low	Low	2	2
f) Potential for more onerous bad faith laws to develop	Mod	Mod-High	5	5

Priority Level Ratings:

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10 = Extremely High



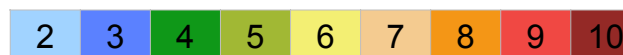
ERM “DASHBOARD”

Operational Risks (part 2)	Risk Exposur	+ Impact of Event	= Risk Level	Previous Level
4) Information Technology Risks				
a) Latent material programming bugs in propriety software	Mod	Mod	5	5
b) Failure of proprietary software to accomplish intended tasks	Low	Mod	4	4
c) System intrusion by viruses or hackers *	Low	High	8	7
d) Loss or corruption of data *	Low	High	5	6
e) Inadequate documentation of proprietary software	Low	Low	4	4
f) Programming delay risk	Mod	Mod-High	5	5
5) Human Resources Risks				
a) Inability to attract/motivate/retain qualified staff in key position	Low	Mod-High	5	5
b) Inappropriate amount of staffing	Low	Low	2	2
c) Inappropriate / inadequate succession planning	Low	Mod	4	4
d) Liability arising from employment practices	Low	Low-Mod	3	3
e) Loss of Key Employees	Mod	High	7	7

Priority Level Ratings:

2 = Very Low

10 = Extremely High



ERM “DASHBOARD”

Hazard Risks	Risk Exposure	+ Impact of Event	= Risk Level	Previous Level
1) Manmade Risks				
a) Employee negligence / dishonesty / fraud	Low	Mod-High	4	4
b) Malicious intent of outsiders, crime, terrorism	Low	Low	3	3
2) Natural Disaster Risks				
a) Fire, lightning, wind, tornadoes, earthquake, pandemic	Mod-High	Mod	7	7

* Overall Risk Tolerance: PH Surplus loss of \$3.5 Million (8% of Surplus) (Low likelihood)

Priority Level Ratings:

2 = Very Low

10 = Extremely High



OAMIC
Claims Snapshot
12/31/2025

Still Open

127

Opened in 2025

78

Closed in 2025

77

Closed at \$0

29

Open & Closed Claims



1. CLAIM NO. 3158

<u>RESERVED</u>		<u>PAID</u>	
<u>LOSS</u>	<u>LAE</u>	<u>LOSS</u>	<u>LAE</u>
\$250,000	\$150,000	\$0	\$118,609.71

STYLE: ALLEMAN V. RUBENSTEIN & PITTS
OAMIC INSURED: RUBENSTEIN & PITTS, PLLC
LDC: TOM PARUOLO
JUDGE:

9-22-25: This matter arises out of Rubenstein & Pitts attorneys Leif Sweidlow, Jon Reiff and Craig Pitts's representation of Jane Licata in her attempt to remove her daughters as her guardians.

Jane Licata came to R&P in early December of 2021 when she wanted to amend her estate plan. Earlier that year in March, Jane was examined by a doctor of her daughters' (Gia Rose and Abby Simmons) choosing as they were concerned about early onset dementia in their mother, as well as influence of her "boyfriend" Larry Montgomery. The doctor stated Jane had Major Neurocognitive Disorder. As a result, Jane's daughters took her to see an attorney at Evans & Davis to amend her estate plan. Changes to the plan included the inability of Jane to remove Gia Rose as a trustee, and empowered Gia and Abby to unilaterally declare Jane incompetent upon a certificate from Jane's physician.

Jane and Larry believed Gia and Abby would attempt to obtain a guardianship over Jane. Therefore, they went back to Evans & Davis to once again amend Jane's estate plan. Jane claimed if she had realized the extent of her daughter's power in the plan when it was amended in June, she never would have agreed to it. The Evans & Davis attorney would not see Jane, but he did advise Gia and Abby that their mother was attempting to amend her plan. Jane and Larry then went to R&P. Larry previously worked with Jon Reiff on his estate plan and therefore he knew of the firm and its attorneys. R&P found Jane to be competent and agreed to amend Jane's plan, which disinherited her daughters and named Larry as a beneficiary. Shortly thereafter, Gia and Abby filed a Petition for Guardianship of Jane, which was granted. Jane was sent to an assisted living facility against her wishes. R&P, representing Jane, sued Gia and Abby in a declaratory judgment action. This case was dismissed voluntarily. The Guardianship Court eventually appointed a Special Guardian (Stephanie Alleman) for Jane. Gia and Abby then moved to have R&P disqualified as Jane's attorneys because of a conflict of interest in that the firm previously represented Larry Montgomery. The Guardianship Court ultimately granted this motion. R&P then moved to have their fees approved, which was denied. The Court stated there was an incurable conflict at the time R&P began representing Jane.

Leif Swedlow claims Jane should have been allowed to contest the guardianship put in place by her daughters. It is a typical scenario wherein daughters are concerned for their mother, mother has a "boyfriend" and daughters fear this person is taking advantage of their mom. Mom believes she is competent and wants to live in her own home. Leif believes he probably fought too hard for too long to remain in the case, but he wanted to carry out the wishes of Jane. He also realized, much later, that Larry Montgomery likely was trying to take advantage of Jane. Notably, after Licata contested the guardianship, the Court did approve a plan where she could live at home and not at the assisted living facility.

R&P was sued in OK County. Judge Dishman is our Judge. The crux of the claim is R&P caused damage to the estate by contesting the guardianship and forcing it to incur almost \$300K in attorney fees to defend

against the claims brought by R&P. Since the filing of this suit, Jane Licata has passed away. We will likely mediate at some point in the near future.

12-11-25: Discovery is ongoing.

3-23-26: Discovery is ongoing. Plaintiff prevailed on her Motion for Protective Order allowing her deposition to go forward via Zoom (not in person as we requested) and to allow her husband to be in the room with her as her emotional support person.

2. CLAIM NO. 3355-LP-2024

<u>RESERVED</u>		<u>PAID</u>	
<u>LOSS</u>	<u>LAE</u>	<u>LOSS</u>	<u>LAE</u>
\$500,000	\$200,000	\$315,000	\$115,807.83

STYLE: FAIN V. DAVIS
OAMIC INSURED: LITCO AZ, PLLC (DUSTIN DAVIS)
LDC: CHARLES GREBING
JUDGE:

9-22-25: This litigation is filed in San Diego, California. Our insureds, Dustin Davis and Evans & Davis, represented Fain Drilling & Pump, Inc. with respect to two general legal agreements: a buy-sell agreement which was executed in 2019, and a business succession gifting plan which was executed in 2021. The background is this: Joe Fain of Fain Drilling & Pump wanted to leave his business to his grandson (David Matthews) and long time assistant (Shelby Boyer) at his death. This was the subject of the buy-sell agreement that was executed by Joe Fain in 2019. Later, since Matthews and Boyer were already running the day to day operations of the company, Fain wanted to go ahead and give the company to Matthews and Boyer while he was still alive, if Matthews and Boyer would continue to pay him a monthly salary and his rent. This was the subject of the gifting plan that was executed, *by Shelby Boyer on behalf of Joe Fain for Fain Drilling & Pump*. Joe Fain continued to receive his salary and rent, but turned in his company truck and credit card.

Purportedly, Joe Fain purposely did not want his second wife (Nelleke) or step daughter (Monique) to have any interest in the company—they were not interested in the business, did not pay for any of the assets, had no sweat equity, etc. in the business. The above arrangement continued until Nelleke and Monique began to question whether they would continue to receive those payments after Joe Fain's death. They began to ask questions about the transfer of the business and the gift agreement to Matthews and Boyer. They ultimately claim Joe Fain was duped and did not know what he was doing when he transferred the business. Monique demanded all files from Dustin Davis, which he eventually provided, but he could not locate a signed gift agreement. He believes it would have been delivered to Fain Drilling for safe keeping. Monique also believed Joe Fain had not been paid his salary and rent—this issue was investigated and while there may have been some missed payments by Matthews and Boyer to Fain, this likely amounted to at most \$18,000.00. Meanwhile, Dustin Davis responded to Monique's inquiries as well as met with Matthews and Boyer. He attempted to smooth things over between Fain/Nelleke and Matthews and Boyer, but this did not work.

Fain first sued Matthews and Boyer in a separate "unlawful detainer" action because they were not paying rent. He then sued then for claims sounding in fraud and elder abuse. He added Dustin Davis to this suit, and most recently, sued the firm and Davis in a new case sounding in legal malpractice. The crux of the claims are that Fain was not aware and did not intend to transfer the business to Matthews and Boyer while he was still alive—if he did sign any documents purporting to do so, he did not understand the consequences. The firm and Davis maintain they performed totally in accordance with the wishes and desires of Mr. Fain. They created documents exactly in accordance with his wishes, and Mr. Fain signed those documents.

Dustin Davis is not licensed to practice law in California, and this issue has been raised by opposing counsel. Davis had an agreement with a licensed California attorney to review all documents, but we are still trying to figure out exactly what documents, if any, this attorney would have reviewed. We believe Mr. Fain hired new counsel to help him amend his estate plan and it purportedly precludes the transfer of any real property interests to Matthews and Boyer, other than allowing them to continue to rent the premises and potentially have the right to purchase the property if arrangements can be reached in the future.

We attended a somewhat early mediation in July, which was unsuccessful. The attorney for Fain indicated that if the issues between Fain and Matthews and Boyer were worked out, the case against Davis would go away. Now, he indicates he might be willing to separately settle with Davis and firm. Our defense counsel is Charles Grebing in San Diego and he advises this could be worth exploring. He worries that Matthew and Boyer may file a claim against Davis, which would be more concerning to him than the claim by Fain. Davis's action in this case arguably give the appearance of a conflict, especially since Matthews and Boyer asked Davis's opinion about the gift agreement and whether there was anything else they needed to do to make it legal. To date, Matthews and Boyer have not filed a claim, but they threaten to do so. We have discussed mediating the entire matter again and the parties are in agreement to do so. Upcoming discovery includes retaining experts, completing the deposition of Joe Fain, and presenting Dustin Davis for deposition.

12-11-25: Trial set for March 20th on an expedited setting due to Plaintiff's health. We are retaining experts and concluding depositions. We are hoping to attend judicial settlement conference prior to trial, but the other parties are currently not interested.

3-23-26: We settled the Plaintiff's claim. In January, the original co-defendants, Matthews and Boyer, filed a new and separate lawsuit against Davis and the firm for legal malpractice. We will file an anti-SLAPP motion.

3. CLAIM NO. 3064

<u>RESERVED</u>		<u>PAID</u>	
<u>LOSS</u>	<u>LAE</u>	<u>LOSS</u>	<u>LAE</u>
\$0	\$0	\$457,750	\$45,588.90

STYLE: NIETO TRUST V. HORIZON ATTORNEYS ET AL
OAMIC INSURED: HORIZON ATTORNEYS
LDC: DAVID ROSS, TULSA
JUDGE: DAMON CANTRELL

12-15-15: This lawsuit arises out of alleged tortious acts that occurred almost *ten years ago*. In 2015, Plaintiffs, Andrew and Sheri Allen, approached our Insured to prepare a trust for their adult daughter, Brandi Nieto (“Brandi”). The Trust was designed to hold Brandi’s primary asset – her ownership interest in the family company, HW Allen Co. -- for the benefit of Brandi’s two minor children. The Allens represented to Hudgins that they had discussed the creation of the Trust with Brandi, and that Brandi was fully in agreement with the creation of the Trust and the assignment of her Company ownership interest to the Trust. Relying on the Allens’ representations, Hudgins drafted documents to create the Brandi Larae Nieto Irrevocable Trust (the “Trust”) and assign Brandi’s company interests to the Trust. The Allens never met with Brandi to review or execute the Trust. Instead, the Allens took the unexecuted Trust documents from Hudgins and represented that they would have Brandi sign the documents. The Allens then traveled to Dallas and then returned to Tulsa with the Trust documents allegedly executed by Brandi. The Allens represented to Hudgins that they witnessed Brandi sign the Trust. The trust forms utilized by Hudgins at the time had spaces for the settlor’s signature to be notarized. When the Allens brought the Trust documents back from Dallas, they were not notarized. Hudgins’ associate attorney, Defendant Robles, notarized Brandi’s signatures to the Trust even though she did not personally observe Brandi signing the Trust. The completed Trust documents that included Robles’ notarizations were then provided to the Allens shortly thereafter in May of 2015.

Unbeknownst to Hudgins or Robles, Brandi was not, in fact, in agreement with her parents in the creation of the Trust or its acquisition of her ownership in HW Allen Co. In fact, she claimed not to know anything about it and that she never signed the Trust.

On August 23, 2021, Brandi filed a lawsuit in the Northern District of Oklahoma against The Trust, the Allens, HW Allen Co. and Hudgins and his law firm, Horizon. In her initial Complaint, Brandi alleged that she never signed the Trust and cited as evidence the fact that it was shown to be notarized by Robles in Tulsa when Brandi was, in fact, in Dallas. Brandi amended her Complaint in November of 2021 to assert claims for damage and joint and several liability against the Allens and Hudgins arising out of the alleged fraudulent creation of the Trust.

Despite clearly being on notice that the “notary violation” was being used by Brandi to invalidate the Trust and seek damages against the Allens, the Allens did not assert any type of crossclaim against Hudgins or Horizon in the Trust Case. Nor did they bring a separate lawsuit against Hudgins, Horizon or Robles for this “notary violation.” Instead, the Allens (and their counsel) led Hudgins and his counsel to believe that they were fully aligned. The Allens even apologized to Hudgins for the fact that he had been dragged into the lawsuit. As a result, even though he settled with Brandi relatively early in the Trust Case, Hudgins and his counsel continued to cooperate with the Allens in their defense of the case.

In the fall of 2024, the Allens apparently entered into a settlement with Brandi to resolve the claims asserted against them in the Trust Case. This settlement apparently provided for the payment by the Trust of a money to Brandi. Before the ink was dry on the settlement, the Allens turned around and accused Hudgins of being the reason that they were sue by Brandi. Specifically, the Allens claimed that Robles’

notarization of the Trust allowed Brandi to “cast doubt” on the Trust and forced them to defend a lawsuit and ultimately settle with Brandi.¹ The Allens demanded that Hudgins pay the full amount of the settlement and all of their attorneys’ fees incurred in the Trust Case.

The Allens filed the present lawsuit on March 5, 2025. In their lawsuit, they assert two claims against the Defendants. *First*, the Allens assert a claim for legal malpractice (Count I), in which they allege that Hudgins’ creation of a Trust with a space for a notary, and Robles’ subsequent notarization (without Brandi present), “cast doubt on the Trust documents” that allowed Brandi to maintain the Trust Case and ultimately force a settlement. *Second*, the Allens assert a claim against the Defendants for “Notary Violation” based on Robles’ alleged violation of her duties as a notary. This erroneous notarization, the Allens allege, “cast doubt” on the trust documents” as well. The Allens claim that these actions harmed them by causing them to incur attorneys’ fees in the Trust Case and led to their payment of a settlement to Brandi. We believe the amount of settlement was approximately \$1,250,000.00

The Allens should have brought these claims as crossclaims in the Trust Case. Even if they should have been brought as a separate lawsuit, the claims should have been filed within the applicable statute of limitations following the filing of the Trust Case in August of 2021, which is when the Allens were unquestionably on notice that Brandi would use the notary issue as a basis to challenge the Trust. Instead, the Allens waited years to file this lawsuit, probably because they wanted Hudgins to continue cooperating with them in the defense of the Trust Case.

There are no disputed facts, and summary judgment is appropriate because the Allens did not file their claims within the applicable statutes of limitations. The statute of limitations for legal malpractice is two years from when the claim accrues, while the statute of limitations for “notary violation” is three years from when the claim accrues. Here, the Allens’ claim accrued, at the latest, in August of 2021 when Brandi filed the Trust Case. This is more than three and a half years (3 ½) prior to the filing of the present lawsuit. To try to avoid the statute of limitations argument, the Allens have now added the minor children to this lawsuit as parties. However, we have some trust law that states only the trustee has standing to bring a claim.

The problems in this case are: 1) we have an Insured that we have had three previous claims on and in each one he was arguably failed to pay attention to details resulting in issues in the trust documents; 2) our Insured will demand we settle at mediation from our past experience with him; 3). we do not believe this Judge will pull the trigger and grant our MSJ but instead will deny it – Cantrell has stated he is retiring, and we run the real risk that any new judge will refuse to revisit our MSJ. We are scheduled for mediation with Robert Sartin on January 30, 2026. I am requesting authority up to \$592,250 to resolve this matter but hope to resolve for less.

3-23-26: This matter settled for \$400,000.00 at mediation.

4. CLAIM NO. 2877

<u>RESERVED</u>		<u>PAID</u>	
<u>LOSS</u>	<u>LAE</u>	<u>LOSS</u>	<u>LAE</u>
\$25,000	\$350,000	\$0	\$299,638.92

STYLE: ELLIS BENEFICIARIES V. NORMAN & EDEM
OAMIC INSURED: NORMAN & EDEM
LDC: GEORGE CORBYN, OK
JUDGE: NATALIE MAI

12-15-25: The Ellis Beneficiaries, the stepchildren, assert claims against our Insured for legal malpractice and breach of contract, alleging our Insured failed to pay the Ellis Beneficiaries a 20% share of the recovery of a wrongful death case in which our Insured represented the children of Robert Ellis. In 2013, a truck crashed into the home of 84-year-old Robert Ellis killing him. Mr. Ellis had two biological children and three stepchildren. Mr. Ellis raised all five of these children as his own. All five children hired our Insured to represent them in the wrongful death suit, and all five children specifically agreed to share in the recovery. Given this agreement among the children to share in the recovery of the proceeds, our Insured had no conflict in representing both the biological and the stepchildren.

On December 8, 2016, our Insured obtained a \$2M jury verdict. The court approved our Insured's legal fees, finding our Insured's legal services for their clients had been reasonable and necessary. However, the biological children no longer would honor their agreement, which was verbal as the biological children did not sign the written agreement, to share the proceeds and under the wrongful death statute only the biological children were entitled to the proceeds. Accordingly, the trial court awarded the remaining proceeds to the biological children.

Initially, the Court granted our Motion for Summary Judgment on all claims. However, the Ellis Beneficiaries appealed arguing they were not allowed to make a full response to our Motion for Summary Judgment. The Court of Civil Appeals reversed and remanded.

After contentious discovery, we filed another Motion for Summary Judgment, to which Plaintiff responded. The Court has dismissed the legal negligence claim but did not dismiss the breach of contract claim. Rather, confusing because Oklahoma law is clear a breach of contract is a legal negligence claim unless there is a special provision in the engagement letter. There is no special provision in the engagement letter. We have filed another Motion for Summary Judgment on the breach of contract. In the meantime, the Ellis Beneficiaries appealed the Court's dismissal of the legal negligence claim. The Supreme Court dismissed the appeal for failure to have a final order.

We filed a third Motion for Summary Judgment which was successful. However, Plaintiff has appealed for the third time. The appeal is fully briefed as no additional briefing is required when the appeal is from a Motion for Summary Judgment. The appeal has been assigned to the Tulsa Court of Civil Appeals.

3-23-26: The appeal is pending in the Tulsa Court of Civil Appeals.

Oklahoma Attorneys Mutual Insurance Company



Next Meeting

Board Dinner Thursday June 4th (details to come)

June 5, 2026 @ 10:00 A.M.

September 25, 2026 @ 1:00 P.M.

December 18, 2026 @ 1:00 P.M.