

Monthly Bulletin

of the

American Association of Title Men

DO NOT REMOVE

Vol. 1

FEBRUARY, 1922

No. 3

ON ADVERTISING.

Digest of and Treatise on This Most Fascinating Subject by Committee on Advertising.

"Isn't it funny that the man who thinks he is a business man will get up in the morning from an advertised mattress, and shave with an advertised safety, take off advertised pajamas, put on advertised underwear, hose, shirt, collar, tie and garters; eat an advertised breakfast of advertised cereal, bacon, drink advertised coffee, put on an advertised hat, light an advertised cigar, go to his office in an advertised car, and then turn down advertising on the ground that advertising does not pay."

"The ~~gum~~ factories in Brooklyn and Chicago are turning out an average of 43,000,000 sticks of gum a day."

What built up this enormous business? ADVERTISING.

Admittedly, they had to have a gum that pleased the public taste. But many other gum makers, with a satisfactory product, remain small because they haven't advertised enough.

Sad, but true, the old saying be it no longer right. The world won't beat a path to your door for mouse-traps any more unless you tell the world your message thru advertising.

Title men have not been advertisers, nor believe in it generally. So much advertising and so many examples as mentioned above have made us think tho, and as a result this subject was given much consideration and interest at the convention in Des Moines last year. The result was the passing of a motion for a committee on publicity or advertising, for consideration of ways and means of bringing the title profession before the public and to report fully at the next meeting.

Accordingly, this committee was named as you will see from the directory, being composed of Richard B. Hall, Hutchinson, Kans.; J. M. Dall, Chicago; and M. P. Bouslog, New Orleans. Correspondence passed among them and a meeting was held on January 22, in Chicago. The result of that meeting and correspondence to date is set forth as follows:

The purpose of the motion was interpreted as meaning.

First: Methods should be found for giving the public a general understanding of the title business, its scope and workings. This would, of course, be of an educational as well as a technical nature.

Second: Ways and means should be studied for advertising methods, and campaigns for title companies.

The value of the first intention is readily recognized for as expressed by Glenn Scharfer of Riverside, Calif. Our profession should be placed in the "Business Limelight." Only one method of doing this in a quick, concise way could be found—national advertising. This would do it overnight, but is out of the question because of the expense. It will, therefore, have to be accomplished by the way of consistent propaganda, by each abstractor, every title man of every kind to constantly plug at publicity for his business. This by means of local advertising, getting your work and business calling before the public of your own community first. You run across interesting things every day, tell them to your newspaper reporter. See that every man, woman and child in your community knows what an abstract is. Let him know that the pedigree of a tract of land is much more interesting than that of a fine dog or bull.

This will be further accomplished by the general effect the advertising campaigns of the bigger title companies will have. This committee is also working on a plan to have articles on title subjects appear in the trade papers and publications devoted to the interests of real estate, loan insurance and trust matters.

The second proposition is a little easier to handle and can be given in a more practical manner. The average abstractor does not and it is not necessary for him to use the same methods as the title insurance company, with its various departments of business, hence we will consider the common ground of the two and then the methods for each.

First of all is the advertising we get naturally, by our reputation. This is gotten by our service rendered, and let it be said now that this word "service"

is a wonder. It covers so much, so many virtues, acts, deeds and qualities. Then there is the knowledge of the company's fine plant and equipment, which always inspires confidence and trust.

Space does not permit us to give many examples or go into details of the advertising for these companies. While, of course, all advertising should be governed by local conditions, yet their's is a big field and may be covered in a general way. It is of the most part printed publicity, largely of an educational nature and in a series of follow-up matter. It is easy for anyone to secure copies and examples of this data.

Two rules hold good for all advertisers and the more this committee studied, the more they realized they held. One is to study your own field and be governed by local conditions. The other to keep at it regularly. Spasmodic advertising is only money wasted. Outline a consistent and regular campaign and use only high grade methods and articles.

Title men are beginning to recognize advertising, and its place in business. For years those in our profession have almost ignored it and the idea of spending money in that way was thought not only unnecessary, but preposterous. There were several reasons for this, which changing conditions have neutralized.

Professional men have always considered it unethical to advertise, and a few of the title men took this stand. However, it is now recognized that there are two kinds of professional men, commercial and non-commercial. We are in the commercial class, which eliminates this excuse for not appealing to the public for business.

Still another reason is that we have only so much of our article to sell. Only so many loans are made, so many trades negotiated and a limited number of sales closed. Our volume of business, therefore, is largely dependent on the efforts of others, together with varying conditions of prosperity, growth of communities, etc. We cannot directly increase the volume of demand for our wares, therefore, our efforts must be concentrated on getting the lion's share

(Continued on page 4.)

MONTHLY BULLETIN

of the

American Association of Title Men

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EDITOR.

Richard B. Hall.....Hutchinson, Kan.
Hall Abstract Co.

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Title Insurance Company of Riverside.

Frederick P. Condit.....New York City

Title Guarantee and Trust Co.

Henry J. Fehrman.....Omaha, Nebr.

Peters Trust Company.

FEBRUARY, 1922.

MEETINGS OF STATE LEGISLA-
TURES FOR 1922.

| | Convenes | Limited To |
|--|----------|-----------------|
| Georgia | June 23 | August 16 |
| Kentucky | Jan. 3 | March 15 |
| Louisiana | May 8 | July 4 |
| Maryland | Jan. 4 | April 4 |
| Massachusetts | Jan. 4 | No limit |
| Mississippi | Jan. 3 | No limit |
| New Jersey | Jan. 10 | No limit |
| New York | Jan. 4 | No limit |
| Rhode Island | Jan. 3 | 60 working days |
| So. Carolina | Jan. 10 | 40 working days |
| Virginia | Jan. 11 | 60 working days |
| Rhode Island, South Carolina and Virginia may be extended to ninety days by a 3-5ths vote. | | |

OKLAHOMA CONVENTION.

J. W. Woodford of the Title Guar-
antee and Trust Company of Tulsa, and
President of the Oklahoma Association
of Title Men, announces the annual
meeting of the Oklahoma Association
for March 16 and 17, to be held in the
City Hall at Tulsa, Oklahoma.

Oklahoma has one of the most active
and successful State Associations in the
United States. Its meetings are always

OUR NEW EDITOR

RICHARD B. (DICK) HALL, President
of the Kansas Abstractors Associa-
tion, Hutchinson, Kansas, has consented
to take over the editing of the Monthly
Bulletin.

Every member of this Association should
heartily approve of the action of the Ex-
ecutive Committee in making this choice.
"Dick" Hall is ideally constituted for this
work. He is energetic and exceptionally
capable, possessing a broad vision and is
enthusiastic about the work.

He will instill into the membership that
spirit of optimism which he possesses to
such a large degree. It is another dis-
tinctively constructive step on the part
of the Executive Committee which should
meet with the hearty co-operation and
approval of every well-wisher of the Asso-
ciation.

Members are requested in the future to
send all communications having any
bearing on the bulletin direct to Mr. Hall.

well attended. Through the energy of
Mr. Woodford and Secretary, Roy,
Johnson, the Oklahoma Association has
just completed a most successful year.

It is hoped that on March 17 all of the
Sons of St. Patrick will make an espec-
ial effort to be present. It is under-
stood that there will be no need for
their black-thorn sticks on this occasion.

REAL ESTATE AS SECURITY.

The following paragraphs are taken
from the report of the Mortgage Guar-
antee Company of Los Angeles, Calif.:

"An investigation of 1500 life insur-
ance companies shows an average income
return of 5.26 per cent from real estate
mortgages and 4.19 per cent from stocks
and bonds during the pre-war period.
The report states: 'There were, at times,
extraordinary losses on stocks and
bonds.'

"Forty of the largest corporations of
the United States have passed their
dividends within the last year. The value
of these securities amount to more than
\$800,000,000.00. The investors in these
securities undoubtedly presumed extra-
ordinary profits would accrue, not only
from dividends, but from increase in
market value. Dividends have ceased and
values have faded away."

THE FOUNDING OF THE AMERICAN
ASSOCIATION OF TITLE MEN.

(The following notice appeared in the
"Public Service Review," July 15, 1907.
It was the first meeting of the American
Association of Title Men.)

W. W. Skinner, of Chippewa Falls,
Wisc., President of the Wisconsin Ab-
stractors' Association and the moving
spirit in the movement for National or-
ganization has notified the Review
that a meeting will be held for that pur-
pose at the Palmer House, Chicago, Ill.,
on August 8, 1907, at 9 a. m. Four
State Associations will send delegates,
but all abstractors are invited to attend.
The meeting will be a notable one in the
history of the abstracting profession and
the Review urges all, who can possibly
do so, to attend.

FEDERAL LIENS.

By Henry E. Monroe, Counsel for Cali-
fornia Pacific Title Insurance Com-
pany, San Francisco, Calif.

Federal Judgment Liens.

The first of these liens, in importance,
are judgment liens. Today the discus-
sion has no practical importance, still it
is interesting to learn the history of
these liens.

In the early history of our country,
we had no federal statute providing for
the lien of a judgment. At common law,
a judgment was not a lien for the reason
that land could not be sold on execu-
tion. The Statute of Westminster 2
(13 Edw. I) C. 18 gave the elegit, or
writ of execution, which subjected real
estate to the payment of debts. This
statute did not, in terms, declare that
a judgment should be a lien on the lands
of the debtor, but the effect of a statute
subjecting lands to sale on execution
was to make the judgment a lien on the
lands of the debtor; and the same
rule of construction has been adopted in
the various states of the union, where a
lien is not specifically given by statute,
and by the United States courts.

See: *Massingill vs. Downs*, 7 How.
760, and *Dartmouth Savings Bank vs.*
Bates, 44 Fed. Rep. 546.

These decisions all hold that the lien
is co-extensive with the territorial jurisdic-
tion of the courts, so that the lien of
a judgment of a federal court extends
to all the counties of the district.

There was no provision of the U. S.
statutes specifically creating a judgment
lien until the Act of August 1, 1888,
Ch. 729, 25 Stat. L. 357, was passed,
to which statute we will refer again
later. This act, however, owing to the
proviso therein contained, did not be-
come effective until supplemented by the
permissive state legislation, the effect
and consequences of which we will also
consider later.

The result of these decisions, of
course, is that a judgment rendered,
for instance, by the District or old Cir-
cuit Court sitting at San Francisco, be-
came at once a lien on all property of
the judgment debtor in Alameda County
or in any other county of the district.
An abstract of title prepared to any
property in any of these outlying coun-
ties, as it purports to give nothing ex-
cept what appears of record in that
county, would not show this judgment
lien, but of course any careful examiner
would have an independent run made
of the records of the United States
courts. The abstractor, or issuer, of a
certificate of title, based upon county
records, would not so far as financial
liability is considered, be concerned
with this; but the case is quite differ-
ent with title insurance companies,
which issue policies of title insurance
without limitations.

So far as I have been able to ascer-
tain, there was no other United States
legislation on this subject until the act

of July 4, 1840, now found in Sec. 967 of the Revised Statutes. This act provides that judgments or decrees rendered in a Circuit or District Court, within any state, shall cease to be liens on real estate, or chattels real in the same manner and at like periods as judgments and decrees of the courts of such states cease, by law, to be liens thereon.

In this state, then, so far as private judgments are concerned, they cease to be liens after five years, probably from date of entry. I say probably from date of entry, because there is no provision of the United States statutes providing for the docket of a judgment, as understood by us.

This limitation, however, does not apply to judgments, in favor of the United States. The United States may take the benefit of any State or Federal statute, though it is not bound by its limitation. See *United States v. Minor*, 235 Fed. 101, 148 C. C. A. 595.

In passing, it must also be noted that a decree in admiralty for the payment of money becomes a lien. See *Ward v. Chamberlain*, 2 Black 430, 17 U. S. 319. Also *Steam Stone Cutter v. Sears*, 9 Fed. 8.

We come now to a consideration of the statute of 1888, to which we have already referred.

By an Act of March 2, 1895, Section 3 was amended. This Section 3 as originally adopted was repealed August 27, 1912, and was amended, August 23, 1916.

The effect of these repeals would seem unquestionably to place it within the power of the state, by proper legislation, to destroy the lien of a judgment of a federal court, even in the county where rendered, unless the state law of docketing and recording were complied with.

There is no Federal statute providing for the docketing of a judgment, in the sense in which we understand it, so this docketing, indexing, etc., was to be done by the state officers in state offices. From this it seems to me perfectly apparent that there must be a hiatus between the rendition of a judgment by the United States Court and its docketing in the state office, during which the judgment is not a lien, and that this is clearly allowed and provided for by the United States statute in question. The clerk of our State court docket the judgment as soon as the roll is made up, and it immediately becomes a lien, but a state officer obviously cannot docket a judgment of a federal court until he has before him an authentic record of such judgment. This, too, must have been contemplated by the Act of Congress, and is provided for by our statute by requiring a certified copy of the judgment to be filed with the clerk, who is to docket the same. If delay and embarrassment result to the judgment creditor of the federal court, it is not a result of our statute, but of the federal statute authorizing just this.

Lien for Internal Revenue Taxes.

Next to judgment liens, these are the most important. They are created by Section 3186 of the Rev. Statutes. Under this section taxes of all kinds levied under the internal revenue laws, if not paid upon demand, become liens from the time when the assessment list was received by the collector. It is provided, however, that such lien shall not be valid as against any mortgagee, purchaser, or judgment creditor until notice of such lien shall be filed by the collector in the office of the clerk of the District Court of the district within which the property subject to such lien is situated. It speaks volumes for Uncle Sam as a collector, that but one list has ever been filed in this district, or perhaps this is due to the abounding prosperity of this section of the state.

There is nothing in the statute requiring it, but the clerk of this district has docketed these liens the same as judgments, and has filed copies of the list with our recorders. (Parenthetically, I may say that the district clerk actually does docket judgments, but so far as I can discover, there is no statute requiring it.)

This section contains a further proviso that where a state by appropriate legislation authorizes the filing of these notices in the office of the recorder or register of deeds, the lien shall not be valid as against any mortgagee, purchaser, or judgment creditor, until such notice shall be so filed.

In this state we have never passed such an act, so that the lien still runs throughout the district.

Our Legislative Committee should bear this in mind, and see to it that proper legislation is enacted.

This last proviso was adopted by the act of March 4, 1913, and was probably prompted by the suggestion of the court in the case of *United States vs. Curry* (D. C. Md. 1912), 201 Fed. 371.

Section 3251 of the Revised Statutes provides for a specific lien on any property used as a distillery (if the feelings of the members will allow me to mention this), but in the opinion of the attorney general, Section 3186 is also applicable.

Lien of Legacy and Succession Taxes.

Under the provisions of Section 30 of the act of June 13, 1898, continued in force by subsequent legislation, legacy and succession taxes are due and payable in one year after the death of the testator, and are a lien and charge upon the property of the decedent for twenty years, unless sooner paid and discharged.

As to property regularly administered upon, this lien presents no difficulties, the pendency of the estate being sufficient notice; but as this lien also attaches to property transferred in contemplation of death, there may be a secret lien, which might escape us.

Subdivision C of Section 400 of the so-called "War Revenue Law of 1918" (H. R. No. 12863) subjects to the lien of the tax and property which the decedent

has at any time transferred in contemplation of, or intended to take effect in possession or enjoyment at or after, his death. Any transfer of a material part of his property in the nature of a final disposition or distribution thereof, made by the decedent within two years prior to his death, without a valid consideration, unless shown to the contrary, is deemed to have been made in contemplation of death. This limitation, it will be noticed, is only in favor of the government, and does not prevent the lien from attaching where the transfer covered by the section is made more than two years prior to death.

The lien also attaches where property is held in joint tenancy, the property vesting in the survivor (Sub. d, Sec. 400). Also to property passing under a general power of appointment (Sub. e, Sec. 400).

These, properly considered, are estate and not legacy taxes, and as there is an exemption of \$50,000.00, there is no tax and consequently no lien, unless the net value of the estate is in excess of this sum.

As a practical proposition, there would seem to be no way to guard against these secret liens, except to scrutinize with the utmost care every transfer which does not appear to have been a bona fide sale. The death of a grantor shows very little consideration for title men, and as a Chinese client of mine said, when he found that it was inconvenient to have a mortgagor dead, "You think it more better him alive."

In conclusion it may be observed that a study of these Federal liens impresses one with the inconveniences resulting from a divided sovereignty, and we feel that perhaps we have not, after all, devised the most perfect system of government. For this we cannot fairly blame the framers of our Constitution, for they had in mind a much clearer demarcation of the lines than those which we now know. An extension of the powers of the central government may, or may not, be desirable, but this much, at least, would seem to be certain, if those powers are to be extended, the lines should be sharply marked and proper provision made to care for all the incidents thereof; for added causes of friction and irritation do not make for the solidity and permanency of our institutions.

A CORRECTION.

The name of the Title and Trust Company at Peoria, Ill., was omitted from the list of companies engaged in the title insurance business, printed on Page 291 of the proceedings of the Des Moines Convention.

We take this opportunity of advising all of the members of this association that this company has been engaged in the title insurance business in Illinois for a number of years past. Please insert the name of the Title and Trust Company of Peoria in the list of title insurance companies in the 1921 proceedings on Page 291.

ON ADVERTISING.

(Continued from page 1.)

of the business in our own field. Proper advertising will accomplish a great deal toward this.

But probably the biggest reason is the fact that we are backward in the advancement of our profession. To be real frank, we do not consider it to be in the class of the highest of standards. As a result we have not progressed rapidly and cannot see why we should conduct our office on any different basis than it has been conducted for years. Many see no need for a State or National Association, but are content to just search the records—make abstracts for what orders are brought to them and not be bothered with much of anything else. You have a competitor but neither pays much attention to the other. He has his customers—you have yours.

With the growth of towns, a bigger and broader viewpoint, which will be constantly effecting individuals and communities, this will improve. No more will the sole expenditure for advertising be used up in what is mere buying of business, by the giving of large discounts and making abstracts for any price to get the job. Methods of evidencing title are changing and new demands being made for better service and real, live up-to-date ways. This is being more recognized, not only by the title men, but the public, their customers. **Ways of doing business in our line can no more stand still and not improve, than can the sun and moon change places.** All others change, so must ours. Competition is showing itself more every day in the title business. Here advertising will play an important part and its indulgence is to be considered an investment.

These points directly concern and apply to the abstracters. The biggest change, tho, in our profession and which warrants the spending of much money for advertising, is found in communities where title insurance is used and the advantages of the title and trust company is known. It must be realized by every title man, that the knowledge of the efficient and complete service rendered by these companies, in their own fields, will spread to places where such is as yet unknown generally, and this will have an effect in nature of a demand for better service, from every title man.

The guarantee and trust companies must advertise in a general as well as a direct way. First, because there is keen competition among the big companies in every locality where they exist and second, the public must be given a conception of their activities and service. This is especially true where a company is starting in a field, unacquainted with this service. In such a case, theirs will be a long campaign of education and continual hammering and before they get tangible results and real profits made, they will feel like they

had truly pioneered something. The large title companies with their trust, escrow and insurance departments are truly setting a high standard and such service will soon be in such favor with the public that the demand for it will be felt in the smallest communities.

This covers the matter in a general idea. We will now consider some specific ideas for the abstracter. Local conditions always prevail. The conclusion has been reached that 90 per cent of the abstracters get 90 per cent of their business from the agents, brokers, lawyers, bankers, etc.; therefore, it can be readily seen that money spent on general advertising would be wasted in the average case. You should play to your ninety per cent, although a certain amount of general publicity is essential. There are many ways to reach this bulk of your clientele. Novelty advertising is very good. Those of the desk variety, or office utility, have a double value in that they are not only before the eye of the one to whom they are given, but of those who come into their office as well. Calendars have a value, if not too common in a community, and then are all right, if of a better grade than the other fellow's and thereby given preference. Program space, directory cards, etc., must be considered as only donations. However, we must indulge now and then when some good customer asks you to advertise in his lodge or church publication. This is judgment, not advertising sense. County ownership and city maps distributed to these offices free, furnishing of mortgage expiration lists, and all such schemes as can be thought of and done by every abstracter is good and inexpensive advertising. The more direct your method is, the more effect it has. It also contains the personal element.

One of the most successful campaigns brought to our attention was that of a company which made a consistent campaign among this ninety per cent business clientele by the distributions every Christmas of a personal present. It started with leather goods, such as bill-folds, valuable paper file, pocket leather case, etc., until this line had been exhausted. Then came the pocket-knife, the automatic pencil, both of high-grade. Then followed a series of desk utilities, such as pin-tray, memo-pad, letter-opener and knife. The big values in these were personal touch, quality of article, and the fact that this memento was looked for and expected every year. The principal point in such a campaign is quality of the article and not having your firm name stamped all over them in large type. It is not necessary to have it at all, as people will always re-

member its reception after the first impression.

Every abstracter knows there are many tracts of land in his county owned by non-residents. You can build quite a list of prospective customers from them by writing each of them, asking if there is any information you can give him about his property, or be of any service to him in any way. Some abstracters compile a list and notify all such non-resident owners of the date their taxes are due and the amount.

Thus you will see that anyone giving this matter a little thought can devise many and divers methods of getting his name and wares before his field of customers. Join your Chamber of Commerce, real estate boards, be a man in your community and boost for its development. Remember ours is one business which grows as the town grows. If it stands still, our cash drawer suffers. Boost for "Own Your Own Home" and like campaigns.

This committee desires to have a big exhibit at the Cedar Point Convention, and asks that you forward to the Chairman, Richard B. Hall, Hutchinson, Kans., samples and specimens of all novelties, pamphlets, copies of newspaper ads, printed matter and all other things you have used in advertising. These will be arranged and put on exhibit and will be most fascinating and interesting. Help us put this over.

Such are the conclusions and information gained from our efforts in the very short time this committee has been functioning. We trust they may be of value to you, and that in our future wanderings we can find many more things of interest and present a valuable report at the next convention.

Respectfully submitted,
THE COMMITTEE ON ADVERTISING,
RICHARD B. HALL, Chairman.

ADVERTISEMENT.

Mr. Sadler, owner of the Abstract Office at St. Joseph County, Centreville, Michigan, has recently died. The plant is now for sale. Address all communications to Jennie A. Sadler, Centreville, Michigan.

* * *

L. F. Jaccard, 822 Ninth Street, Greeley, Colorado, desires to purchase an abstract office. Also desires employment if said office cannot be obtained, where he can eventually buy an interest. Employed eight years by the United States Title Guaranty Company of New York and two and one-half years in Colorado.

* * *

Miss Etna Trent of Fort Morgan, Colorado, desires position in abstract office, experienced and able to take full charge. Would also consider buying all or part interest in set of records. References if desired. Address all communications to Miss Trent at Fort Morgan.

Boost for the Order