TITLE NEWS

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The American Title Association

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DO NOT REMOVE

Annual Mid-Winter Meeting, Officials State and National Association, March 6 and 7, Chicago

Joint Session, Executive Committee and Officials of State Associations on Friday, March 6. Meeting Executive Committee, Saturday, March 7.

The Annual Mid-Winter Meeting will be held in Chicago, Ill., on March 6 and 7, at the Hotel Sherman. Two years ago it was decided to have a joint session of the Executive Committee of the American Association with the officials of the various state associations.

This meeting was successful and interesting beyond expectation and it was decided to make it an annual custom. The meeting is in charge of the Chairman of the Executive Committee, (the Vice President—this year Henry J. Fehrman) and all officials will receive notice of the meeting from him in the near future.

The state officials are certainly urged to attend, to come and become better acquainted with the American Title Association, its organization and work, it's program for the future, what it wants to do, the necessity for it, the part the state associations play in its work and the utter necessity for them.

They should come prepared to tell their problems, what is needed for the title business in their respective states, what are the needs of their state organizations and how the American Association can aid and assist them.

The meeting last year was only the second but it was certainly worth while. The attendance was a surprise and bespoke of the interest in the title business and the organizations. Much was accomplished and everyone there felt the worth and value of such a gathering.

This mid-winter meeting is where the business of the organization is done, probably to a greater extent than at the conventions. A review of things since the last meeting is had and plans for the future, including definite arrangement of convention details, are made.

One of the special and most important things which will be considered is the report of the Special Committee on the Formation of an Abstracters Section. If they report favorably, then definite plans will be made for the organization.

Another most important thing will be the selection of the 1925 convention place. This matter was left wholly for the Executive Committee to decide although there is a decided expression to select some place in the West.

A questionnaire will be mailed soon so an expression of the wishes of the membership can be had for the consideration and guidance of the committee. There are several places to be considered and that have been formally submitted and invitations extended.

Other committee reports will be given and it will in all be a strenuous and interesting session, devoted to the business and welfare of the title organization. Much "medicine will be made" and the meeting is for the serious business and study for the welfare of the state and national associations.

All state officials are urged to give this immediate consideration and arrange to attend if at all possible. Everyone who attends will be glad afterwards and have a feeling that it was an effort most profitably spent.

Headquarters will be at the Sherman Hotel.

Executive Committee to Select Next Convention Place

Seattle Latest to Extend Invitation. Four Places Now to Choose From

Seattle, Washington, is the latest city to extend a formal invitation to the American Title Association to hold its 1925 Convention in that city.

This makes four in all that to date have appeared and presented themselves for choice. The others are Yellowstone Park, Estes Park, and Denver, Colorado. Estes Park and Denver might be considered six of one and half dozen of the other, both being in the same state and final choice between the two will undoubtedly be as decided by the Colorado Association and local hosts. There has been a sentiment to meet in the west or northwest and with the choice of two cities and two scenic or mountain parks, a pair of each in each location, there is a fine opportunity to make a good choice.

The Executive Committee will decide at the March meeting, but as announced in last month's "Title News" information to all places is being secured, rates from all points to the four being considered, and other details of expense, etc. This will be circularized to all members and a vote asked on preference.

There is no doubt but that the 1925 meeting is going to be a record breaker just as the past one at New Orleans was. There is more interest in the organization, more attend conventions each year and the idea of any one of the four places being considered is a guaranty of a good crowd.

People have learned that attending the meetings and conventions of their commercial organizations are very profitable, a necessity to the advancement and growth of the person and his business.

The conventions of the American Title Association have grown with the organization and developed into important things for the title business.

Anyone who once attends always tries to forever after and each meeting sees many new faces as well as quite a number of "repeaters." There is a feeling already that the 1925 Convention is going to be the best one yet—something a bit out of the ordinary and all just like the New Orleans one was.

Highlights from the Addresses and Discussions of the Convention

It must be apparent to every careful observer that, in order to carry on any business or profession in this age economically, efficiently and profitably two things are of vital importance. The first of these is organization and the second is service.

We, in this country, have outlived the time when it is possible to do business in a profitable way without the enlightenment and inspiration that comes from a closer contact and association with our competitors, and with people in the same line of business in other cities, counties and states. We have passed the time when we can go our own way single handidly using only our own limited capacities and expect to compete with others. We find to do business successfully it is of the highest importance that we co-operate with our neighbors.

For this reason, we find state and national associations in every line of business and profession. Men are every where organized into associations representative of a particular industry or endeavor. The abstracter of titles, the title insurance companies and the title examiners of the nation are organized into this, our American Title Association. We are justly proud of the growth of our association in membership as well as influence. In the short space of sixteen years, we have become a great national organization constantly increasing our membership and ever becoming more influential. Our membership is now greater than it ever has been before, and it constitutes a significant roster of the outstanding title men and companies of the nation. Our influence has been distinctly felt by everyone interested in real estate titles in the country. We have reached a stage in our development from which we may look forward into the future with confidence. We now have sufficient strength to not only expect, but to demand recognition.

It has been the constant aim of your association to instill into the minds of its members the absolute necessity for the observance of high ethical standards and of giving to their clients a much more improved quality of service. In no other business or profession has there been such a marked development and advancement as in the profession of evidencing titles to real property.

* * * *

No other national association exists whose dues are as low as ours. We could not and can not now continue the work we have laid out on our present dues without the assistance of our sustaining fund.—[From address of Geo. E. Wedthoff, President.

This exchange of advertising has left one thought indelibly impressed upon my mind and that is that Title Insurance companies as a whole do not advertise enough. I have often thought of a retail or wholesale business with a half-million to a million dollars invested in its business that did not do any advertising. This does not seem possible for I daresay that such an institution would carry large newspaper ads, issue blotters, calendars, use billboards, window displays and many other forms of advertising.

In our city there is one tailor who carried half-page advertisements in the paper to impress upon the people his slogan of "Climb the Stairs and Save $10.00"; yet, the money invested by this man in his business is probably not more than a few thousand dollars.

Constant and effective advertising to build up any business but on the other hand, if you have an old established company and do not need advertising to gain the point of contact with your customers, then I say, that advertising is necessary to keep the good will and to keep out competition. I believe that every Title Insurance company at the beginning of the year should make a budget, setting aside a certain percentage of the premiums received which percentage could be 2%, 4% or 6% and then see that this money is spent on good, effective advertising. Some of the best newspaper ads I have ever seen on Title Insurance have been issued by The Chicago Title & Trust Co., and I daresay they have done much to hold the good will of the people in a city where one company must serve all.

One of the things to which this section could devote some time and effort is an attempt to standardize the forms of Title Insurance Policies. I say attempt, for a definite solution does not seem at hand and a committee could do no more than recommend a form. Even a form to be recommended would have to be limited to size, appearance and general subject matter as the exceptions and conditions in one state may not apply in another state. However it would seem to me to be worth while, for if you have examined copies of policies issued in the various cities, you will note that they vary as to size, appearance, color of paper and in fact seem to have no similarity whatever.

Fire and life insurance policies have been greatly standardized throughout the country and it would seem that Title Insurance Policies could be likewise standardized.—[From address of Walter M. Daly, President of Title Insurance Section.

Today as never before the title men must specialize in order to render the highest degree of proficiency and skill in the compilation of abstracts. Present day business methods must permeate every phase of the work and every abstract released must be the very embodiment of neatness, accuracy and efficiency. Familiarizing oneself with the different views of the writers as set forth in the articles in Title News will broaden the scope of knowledge of every member. We all realize how much benefit we derive from meeting together in convention and hearing how certain phases of the work are handled and learning the best methods of procedure under certain circumstances. Our problems are in many respects the same. It is always very profitable to have these timely legal articles written by specialists in their respective lines of endeavor. * * *

You all know that at the present time the old feeling of antipathy has completely disappeared and now the abstracter and the examiner work in almost perfect harmony, each appreciating fully the work, responsibility and problems of the other. This change has been brought about chiefly through the instrumentality of the State and National Title Associations. These have brought them closer together and have disseminated a vast amount of title materials which knowledge has broadened the vision of both and has made each more considerate of the other. Too much stress cannot be placed upon the valuable and lasting effects of these associations—[From address of Henry J. Fehrman, President, Title Examiner's Section.

"If you are not sure he will carry out the deal, why not place the whole matter in Escrow?"—this for years and years has been the bank officer's advice on large transactions and for consummation of out of the city negotiations.

The Escrow idea is not new.

And in answer to, "What will the cost of placing the matter in escrow be? Up until reasonably recently, at least, the answer has been: "Not much of anything." And when the bank officer or Trust officer has brought the Escrow principal to the desk of the escrow officers, his attitude has been, "We ought not to charge this man very much. It is a service the Company ought to render." The attitude of the customer, therefore, has been, "Surely, they will not charge me very much, for I am a customer and possibly a depositor—they ought to render me this service almost gratis." Consequently the attitude of the Escrow officer has been not how much reasonable, legitimate profit might be secured for the service, but rather, "How near to the cost of the service, do I dare make this charge?"

Trust Departments for a long time have been notorious as "gratis" departments and the greatest gratis division of the Trust Department for a long time has been the Escrow Division.

And I think there will be no difference of opinion among Escrow officers that the Escrow division until recently has been viewed by the executive officers of banks as not a business producer but a server of business already produced by some other department with the consequence that it was not a paying division, and, I presume, the Escrow Officer's compensation has frequently been a most humble servant's reward.

However, the point of view of the Bank officer and consequently the point of view of the customer and the general public is being gradually shifted to appreciate that possibly one of the most valuable functions that a bank or title or trust company can render their customers is that of Escrow service, and that in proportion to its value it should be rewarded. * * *

A soldier who had lost a limb in the war, and who for some reason, which only Uncle Sam's "red tape" can explain, was forced, himself, to arrange for the purchase of a wooden limb, and had worked very long and very earnestly to raise the purchase price of $138.00. It was the sum total of his net savings over a long period of time and the leg would be the means of his being able to replenish the $138.00 with which to go on through to greater earning power. So fearful was the soldier as to his possible loss if he gave up his money and found the leg would not fit, that learning of our Escrow division, he came in to see if his leg might not be delivered to us with his money deposited with us until such time as he found the leg a satisfactory aid to locomotion, or in the event he found it unsatisfactory, then still to be sure of having his money returned. The soldier's request was complied with, although the leg manufactory finally agreed to deliver the leg without the advance deposit.

So all the way from large properties to wooden legs have Escrow services been expanded.

Recurring to this first fundamental obstacle, namely, the matter of a sliding scale of fees under which the cost of service could never be estimated in advance, I am very firmly convinced that the flat rate schedule is the method of overcoming this first fundamental obstacle for human nature is pretty much the same in the real estate and title business as elsewhere. It is a good healthy condition where an attorney or realtor recommending Escrow service to his client, can quote the cost in advance. * * *

However, with the flat rate solution of one obstacle, we still have left others, and even more formidable ones, to-wit: in the broker's natural antipathy to relinquishing the earnest money—This is a more difficult matter to solve. You and I know that ordinarily when the broker makes a sale, he has earned his commission. Furthermore, that closing the deal is no part of earning his commission. But most of them consider it a self-imposed obligation and being primarily interested in the money, prefer in a great many cases, to close the deal around the table, pass the deeds, collect their share—all at one time.

What they forget is the risk they are asking the purchaser of the property to take,—the risk of liens becoming a charge on the property between the date of the evidence of title and the moment of recording the deeds. The attorney by the very nature of his training, and especially where he represents the purchaser, is interested in seeing that his client receives good title. Consequently he is much more alive to the risk taken in closing without Escrow, than is the realtor.

Mr. Joseph K. Brittain, Secretary of the Illinois License Board, recently prepared a brochure on: "The Ethics of the Real Estate Profession." In this booklet he lays considerable stress on the advisability of brokers depositing earnest money on real estate contracts with a disinterested Escrowee. * * *

For what are seen to be four obstacles, to-wit:

1. The matter of a sliding scale of fees under which the cost of the service could never be estimated in advance;

2. The realtor's objection to relinquishing the earnest money;

3. The realtor's fear that closing outside his office would remove the pressure sometimes necessary to carry a deal through; and would also take the client away from the realtor's office and the chance of further business while the client was "in funds."

4. The feeling on the part of some lawyers that the Trust Company was usurping legal business, we have attempted the four solutions, to-wit: (1) for the sliding scale we have substituted the flat scale; (2) for the realtors' objection to relinquishing earnest money, we are pointing out to the older and more responsible realtors in positions of authority that the temptation and danger of handling other people's money offsets the possible advantage of operating on other people's capital. And to the young realtors and attorneys we offer special assistance at a time when they need and appreciate this assistance most keenly. Consequently as they grow, we grow with them: (3) in answer to the realtor's fear that he will lose some concurrent business, we have tried to make the point that sometimes the principal business itself at stake can be saved for him by having the parties tied up in Escrow agreement to which he himself is not a party and in relation to which any refusal by him to allow recantation would beget a personal resentment which might cost the consummation of the deal, but which refusal to permit recantation when maintained by this disinterested Escrow officer still leaves the realtor on an agreeable negotiating basis with the recalcitrant parties; (4) to the feeling of some lawyers that the Trust Company is usurping legal business we counter with no direct campaign on the lawyer's clients, but rather an indirect campaign to such clients through the lawyers themselves. And to the young lawyer, we make the proposal that he is a lawyer and not a banker and that his is a professional and not a fiduciary capacity, and that for the same fee he can do the professional work involved and for another fee which to him would be infinitesmal anyway and in relation to which he would have to do much more work than his equipment and facilities permit, this work and responsibility can be lifted off his shoulders with experienced and sympathetic counsel as to any stage of the fiduciary relationship with which he may not be intimately familiar at the moment.—[From address of Kenneth E. Rice, "Building an Escrow Business."

I think the most valuable thing in that line of advertising is to make your office the headquarters for information on any subject for anybody. Last week we had a stranger drive up and ask for the shortest and best route to Miami, Florida. I gave it to him. I asked him why he came here and he said he asked eight or nine persons and they all told him to come to us, so he thought we knew what he wanted. And I have had four or five letters from that man enroute and in every one he never forgets to thank me again for the information.

The next afternoon the telephone rang and a lady's voice said: "Mr. Morgan, this is Mrs. Walker; can you tell me where my husband is?" He just went in the First National Bank; ring 66. I just saw him go in." (Laughter and applause)—[Remark of J. R. Morgan in Discussion on Advertising.

In bringing to a successful conclusion this enormous volume of business in so short a time, the American Title Association, and the important business which its members represent, has done its full share in a most creditable manner. The security back of this enormous amount of money which has been loaned by investors to the farmer in the United States, must, of course, be absolutely secure, insofar as title is concerned, if the system is to succeed. If investors thought it was not secure, of course, the bonds could not be sold and there would be no money to lend. That the work of the title men has been eminently successful is attested by the fact that losses from bad titles, which

might have been prevented, amounted to really nothing at all up to the present time.—[From address of F. R. Anselman, "Amortized Farm Loans."

MR. HALL: We have refused to take interest on our Escrow deposits because we did not want the customer to think we were delaying the deal to get the interest on their money.

MR. JONES: The only way to answer that criticism of using their funds is to get your department up to that point of efficiency to get your work out quickly. The faster you get it out is the only answer. We are getting our escrow work out a little ahead of the title work. We will settle as far as cash money is concerned, before the finished article is out. Just so soon as the title is completed and the deed is put on record, our Accounting Department will make adjustment of the funds. The papers may not follow for another week, but the money is disbursed immediately. —[From Noon-Day Conference Discussion on "Escrow."

I have been closely connected with the insuring of titles to real estate for many years and have been long convinced that it has an important part to play in the business life of this country. I strongly believe that in a country with a constitutional form of government, both Federal and State, which guarantees that no one shall be deprived of his life, liberty or property without his day in court, any plan of making titles good by decree of court will never succeed. The American system of title insurance in its simplicity, practicability, and flexibility, combined with the element of personal service, has proved itself to be infinitely superior to any foreign system of land title registration and settlement of land title disputes by arbitrary decrees.

It seems strange that the plan of securing insurance against the loss of one's home or savings invested in real estate or real estate securities through defective title should not have come into practical use long before it did. I do not think that title insurance people can put too high an estimate upon the value of the service they are rendering; title insurance men should not fear putting their business upon too high a plane or of maintaining too high a standard. The corner stone in the foundation of a title insurance company should be absolute honesty and square dealing. There is no asset equal to old fashioned honesty and integrity. The reputation of any financial institution, be it bank, trust company or insurance company, must be absolutely above reproach. * * *

Don't allow the insured to accept and pay for the policy believing that he is protected on these matters if such is not the case. Be sure that the insured understands at the time just what he is receiving. If he feels or thinks that he has reason to feel that he was allowed to believe that the policy absolutely protected him from all possible loss but when the time of testing came it failed to do so, instead of being a perpetual advertisement for title, insurance, and especially for the company which he has purchased the policy from, he becomes a bitter enemy of the company and also of title insurance in general.

I realize that there is great room for difference of opinion as to whether or not title policies should insure a marketable title or merely a good title; as to whether or not they should cover all possible causes of failure of title or be limited to matters or record; but my point is and I strongly believe that the insured should know and understand, just what he is receiving in his title policy. Title insurance will never attain its proper standing in the minds of the general public unless they find from actual experience that they receive just what they have been allowed to expect. I believe that the clauses in the contract usually contained and printed in fine type following the description and exceptions in the body of the policy, should be carefully explained to the insured in as simple language as possible. No ambiguous clauses, difficult of interpretation, should be inserted in any title policy. The fact is that by far the greater portion of these clauses are primarily for the benefit of the insured and define his rights and set forth the liability of the insurer and the method of proceeding upon the policy. Still, the popular impression in the mind of the general public is that all of the clauses in the contract in all insurance, title as well as other policies, are inserted for the purpose of enabling the insurer to avoid liability. * * *

But the crucial time in the insurance of a title comes when the settlement is made.

This is when the soul of the settlement officer is often sorely tried and his patience strained near the breaking point and real grace is required. The title has been examined, the report has been rendered, the liens and encumbrances have been apparently disposed of or adjusted, the paper prepared, submitted and approved, all searches brought to date, the case apparently all ready for settlement, the parties all present, everything seems lovely and then dispute arises as to the payment of current taxes, unknown municipal claims are brought to light, the property is found to be subject to mechanics claims, the party holding the existing mortgage is out of the city, the last interest receipt cannot be found, the purchaser at the last moment is unable to gather together quite enough money to complete the purchase, mutual recriminations are exchanged, the atmosphere already blue with smoke, becomes blue with language, yet both parties are sincere in their desire to complete the transaction. The settlement officer has often the power, by tact, patience and forbearance, to adjust the differences, get the parties together, suggest mutual concessions, persuade the parties to ignore technicalities and strict legal rights on both sides, pour oil upon the troubled waters, save the day and make all parties permanent friends of the title company. It will mean that the insured secures the home for which he has longed for so many years and the seller is relieved from worry and annoyance which mean to him very real trouble. This is real service and I do believe that a successful settlement officer in a title insurance company is entitled to an especially bright crown when the day of final reward comes. (Laughter and applause). Now the settlement has been completed and the policy issued. The purchaser receives a policy of title insurance which guarantees a good title in him and contracts to protect him against all losses arising from defects, liens or encumbrances. Suppose something does afterwards arise to cause the insured annoyance, worry and fear of loss. The title company should at once, without delay, evasion or excuse, assume the responsibility and carry out the contract to the letter. That is what it is paid for doing. * * *

Ethics between title companies is only another word for true courtesy between title companies. Suppose a title has been examined and the title officer is going over the abstract and discovers what appears to be a serious defect. He also learns that the title has been previously examined and insured by a competitor company and the defect discovered is not shown on the policy issued. There are two lines of conduct to follow, the one to broadcast the word that the opposition company has missed a frightfully important defect and therefore must be very unreliable and unsafe in their work and make all the capital possible out of the incident. The result naturally will be to make a bitter enemy of the competitor company and that it will be on its *qui vive* to get back at the first possible opportunity. The insured will very probably have little respect for a company which is so small as to follow this policy and what is more serious still, will lose all confidence in title companies and title insurance in general. The other plan will be for the company examining the title to at once communicate with the company which had previously examined it and ascertain why the defect was not shown in their policy as an exception. The chances are ten to one that the first company either had evidence on their possession which satisfactorily disposed of it, or had discovered legal decisions or precedents which placed the question in a different light. If it should turn out to be clearly an oversight on the part of the first company insuring the title, then if in any way possible it should be allowed to properly secure or indemnify the second company so that the second company may

issue its policy clear and save the first company from loss at least undesirable publicity. This is not only courtesy and true ethics, but also good business. Everyone of us here who has been in the title insurance game for any length of time can testify that no one knows when his own time is coming in the way of serious matters coming to light which have been passed and overlooked in title examinations.—[*From address of John E. Potter, "Ethics in Title Insurance.*

Every examiner of abstracts of title is impressed by the vast difference in the manner in which evidence of title is set out by different abstracters; some seem to know exactly what evidence is wanted and how to show it; some make complete transcripts of the evidence, instead of an abstract thereof; some make abstracts of deeds and mortgages but give full transcripts of court proceedings; some omit very material evidence, and few of them are skilled in the art of arranging their work in a systematic manner to make easy the examination of the abstract. There seems to be no system at all, each fellow following his own peculiar idea and the examiner is expected to wade through all and form an accurate opinion of each title. Doubtless every examiner has in mind some particular abstracter who builds his abstract in such a manner that it is neat, systematically arranged, easily examined and contains every bit of evidence that it should, but not one word more. That is the ideal abstract, the perfect abstract toward which the profession should bend its efforts.

Maybe quite a percentage of the less skilled abstracters would try and model their work after the ideal if they knew how the ideal was made. I am convinced that there are a great number of abstracters who honestly desire to improve their work, and who would welcome any suggestion along that line. * * *

The village wagon maker was supplanted by the large manufacturer who turned out vehicles in quantity; and in turn this manufacturer gave way to the automobile. The wooden sailing vessel was displaced by the steel steamship, the pen by the typewriter and so on. Whether the abstract of title is to give way to the title insurance policy or the certificate of title, depends very largely upon the ability of the profession to make the abstract as attractive in the market as its competitors, or as nearly so as can be.

Before expending too much time and effort in our endeavor to induce the legislative bodies of the various states to enact uniform laws pertaining to conveyance of real estate and kindred subjects, it might not be amiss if we ourselves, should first make a start at unification of practice and procedure, and try to standardize the business in our profession. If we, as a national organization, devoted to the study, portrayal and improvement of land titles cannot agree upon some few fundamental forms and practices in delineating the title of land, which will be accepted and used by our own members then how can we expect to exert much influence with legislatures having very little interest in the subject. * * *

If our profession is to continue and prosper, we must devise some system by which a title can be evidenced that will compare favorably with the cost facility of title insurance, and get the system in general use by the fellow who makes the abstract. * * *

In his address at Omaha last year, T. W. Blackburn said: "Why cannot you gentlemen standardize your work?" This same sentiment was expressed by our president, Henry J. Fehrman, and by H. R. Ennis in their addresses. That is exactly what I am attempting to discuss in this paper. If standardization can work such wonders as it has in the mechanical world, it can also accomplish wonders in our profession.—[*From an address of W. L. Rogers, "Excess Baggage."*

The members of the American Title Association who have had the privilege of attending the annual conventions or receiving copies of the convention proceedings and monthly bulletins know the history of the founding of the business insuring titles. I wonder how many realize the number of by-products this large and growing business has developed? * * *

I was asked especially to speak of the guaranteed mortgage, as a number of the title companies throughout the country are contemplating adding this line to their title business. Hardly a week goes by but we receive a request for information or a representative comes in to see us about the formation of such a company and how the business is conducted. Some of my good friends have recently incorporated mortgage guarantee companies. We are always ready and willing to give any assistance possible and help our friends in The American Title Association. In doing so, we feel that we are helping to secure a safe investment for the many people who are annually throwing away in wild cat securities upwards of $600,000,000, according to government statistics. * * *

In order to furnish the small investors having a few hundred dollars to invest, with a guaranteed investment and also to provide a market for the large mortgages, the guaranteed first mortgage certificate was introduced. This form of mortgage investment has proved to be very popular. A large mortgage approved for guarantee is sold in any amounts from $200 upwards. Many investors prefer the convenience of certificates and purchase them in large amounts. A certificate is issued by the title company and guaranteed by the guaranteeing company; this is an equal participation with all other certificates issued against that mortgage. When the income tax drove the very rich into tax exempt securities, it drove them out of the mortgage market. This meant that the only market for loans on apartments, hotels, office buildings, etc., was the large insurance company or the savings bank. The guaranteed mortgage certificate came to the rescue. All of the mortgage guarantee companies in New York City are selling large loans in mortgage certificates. On the expiration, a renewal of the mortgage is arranged more readily, as most certificate holders renew for the extended period of the mortgage. The simplicity of the investment appeals to the investor who has only a single certificate to take care of instead of several bulky papers. Large parcels of real estate are purchased more readily as the owners need not worry about finding a new market if a large loan is called.

The companies guaranteeing mortgages in New York City now have total outstanding guarantees of over one billion dollars on which they earn ½ of 1% per year in addition to extension fees, interest on capital funds and other investments. * * *

I would like, in closing, to leave one final word of warning. Keep the guaranteed mortgage on the high plain on which it has been established by never guaranteeing any but the safest of loans and educate the client to buy nothing but guaranteed mortgages.—[*From address of Fred P. Condit, "Title Insurance and Its By-Products—Guaranteed Mortgages."*

As title men we are the historians of the country. The history of our country is written in the records in a great mass of detail. It is our task to abstract the essentials and to pass this information on in some form or another to our patrons so that all transactions involving the title to real estate may be handled with safety and dispatch.

The progressive Title Man should take his place among the leaders and assist in putting into effect any plan that will dignify and inspire confidence in the profession and the service we are seeking to render to the public.

The present day tendency is to make an effort to elevate the standard of all business. There is a pronounced leaning toward the theory that success in the truest sense comes only to those who have a similarity of high ethical standards. Therefore it is incumbent on those engaged in the business to so conduct that business that they may render as near as possible a perfect service and one that will reflect credit both on them and the community in which they live. The evils of any business should be corrected by the men engaged in that particular business. * * *

Did you ever sit down and analyze the sources from which you secure the greater part of your business? If you did, you would probably find that more than 90% of

it comes from three different classes. The Realtor, the Lawyer, and those who loan money. The Title Man may well affiliate with the craft organizations of these three where permitted. Co-operate with them to improve the standards of their business or profession. The opportunity presents itself to establish cordial and friendly relations which cannot help but be profitable.

Ethical business methods cannot be put into effect by laws alone, but must be by appeal to the conscience of men. Yet many hold that it is advisable to have plain rules of conduct for each kind of business, stating that a man shall do and shall not do. Someone has aptly expressed it in this way: "A written Code of Standards of Correct Practice helps men to think clearly and correctly and to act honorably." It undoubtedly helps to raise the standards of the Craft in the business world and does much to gain the Confidence, good-will and favorable consideration of the public.—[*From address of Lewis D. Fox, "Ethics in Title Business."*

I have observed, and all those affiliated with the National Association who follow its activities will bear me out in this, that this Association and its affiliated state organizations have been the means of bringing about in the past eighteen years the most wonderful change in the character and the make-up of abstracts of title everywhere. It has raised the personnel of the abstracter. It has put the abstracter on his feet; it has been the means of bringing to the consumer of the title a protection.—[*From Noon Day Conference Discussion. Remarks of M. P. Bouslog, "Standardization of Title Work."*

THE EFFECT OF TITLE INSURANCE ON THE BUSINESS OF REAL ESTATE IN NEW YORK.

By F. P. Condit, Vice President, Title Guarantee & Trust Co., New York City.

The first Title Guarantee Company in New York was organized in 1883 because the real estate business in New York City had a real need for the services of such a company. The business of title insurance had made a start in Philadelphia and had been reasonably successful, and the real title insurance idea in New York was imported from that city. There was a greater need for it here than in Philadelphia, for while the proverb reads "as particular as a Philadelphia Lawyer" yet he was very little ahead in this regard of his New York brother who then had a monoply of examination of the titles to real estate, and the New York titles were longer and if anything more complex. In those days no attorney trusted any other attorney so far as real estate titles were concerned. He was glad perhaps to borrow the other man's abstract and so lighten his own labors, but so far as his client was concerned, the work was done all over again and was charged for all over again. The examination of the title that had been made for the seller was very seldom of any use when the time came for the buyer to have the same title examined.

All indices in the public office were on the basis of names, and as Cohens, Levys, Browns and Smiths increased in number, the difficulty of telling whether it was your Cohen or your Smith likewise increased. To insure titles safely made it necessary that there should be a different form of index and the title company made one on a locality basis. Under this system each deed, mortgage, lis pendens or other instrument affecting the title was kept on a separate sheet of paper. Every instrument on record that affected real estate was so copied and then these were sorted out under the names but on the basis of the property they affected. So that when an examination of the title was to be made, all those instruments affecting that title were found together. This did away with errors due to similar names or errors resulting from double chains of title or from errors resulting from failure to index. The title company could examine the title with the feeling that it had before it all of the recorded instruments that affected the title.

At the time of starting this business in New York it was found that the standard fee for title examination was 1 per cent and disbursements. When a lawyer quoted the fee he said very little about the disbursements. He stated disbursements, but he said it in a low tone of voice, and when the bill came in the disbursements often spoke louder than anything else on the bill. They always were a disagreeable item. They were more or less unexpected, were slurred over in the beginning, but had to be paid. So when the title company announced that it was going to offer a fee that would cover all disbursements, the real estate going to offer a fee that would cover all disbursements, the real estate public at once approved; and when it was also stated that the second examination of a title was going to be much cheaper than the first examination the real estate public also approved. It was a great comfort to know in advance that the fee was to be so much whether the title turned out to be a long one or a short one, whether it turned out to be an easy one or a hard one. We soon found that owing to the advantage of our locality system and owing to the fact that we had no other business in our office except the business of examining titles that we could examine titles very much more quickly than the average real estate lawyer. The real estate lawyer and the real estate broker is always in a hurry, and our ability to do speedy work began to make friends. It required some years to establish an absolute respect for our opinions and for our policy among the bar and the real estate fraternity in New York. Today our best friends are the real estate lawyers. They appreciate that we have relieved them from the burden of title examination and yet left with them a fair share of the profits. To establish this respect was one of the earliest problems that came to us. We were opposed by the strongest members of the New York bar. These men had very little to fear from the title company in the beginning, and they thought that the great lenders and the great buyers in New York would be satisfied with nothing but the opinion of their personal counsel, and if we had offered these buyers and lenders anything less effective than they were getting already we would not have succeeded. We picked out from the bar of New York three men who stood pretty close to the top, and we made them an auxiliary Board of Counsel to work with our own Law Department. The rank and file of our Law Department were naturally young men but they grew in age and experience very fast. An active Title Company is a very good place for young men to grow old in experience and it was not a great while before we found that the young men knew almost as much as their outside professional brothers, and it was not very long before we could do without the outside counsel system. Today our Company is looked up to as a fountain head of real estate law in New York City. We likewise have made a strong effort to make ourselves respected financially. We started with a capital of $1,000,000. Today we have a capital and surplus of $18,500,000 and undivided profits would bring our guarantee fund over $2,000,000. We have succeeded in paying our dividends out of our interest earnings, and our title insurance earnings have been accumulating into a guarantee fund to take care of our policies. This Guarantee Fund has been accumulated not so much from large and unusual earnings but by large and unusual savings. We have chosen to put away our money to protect our policy-holders rather than to pay it out to our stockholders, and the financial condition of the Company today is such that our policy is respected everywhere without question. People have found that our losses were promptly paid, and that we dealt with them in a broad business spirit.

The man with a title insurance policy felt that there was no title danger from which he was not protected. Each buyer told his neighbor of the sense of satisfaction that came with having his title insured, and today the amount of the real estate business that is not accompanied by a title insurance policy is very small. Today the client either comes directly to a Title Company and has it take care of his interest from the beginning to the end, or he goes to his lawyer and requests his lawyer to have

his title examined and guaranteed. Titles close sometimes in 48 hours because we have all of the records here and are able to put them through in that time if there is any real necessity of so doing. Many a sale has been made where ready money was needed at once, that could not have been made had the owner not already have had his title insured by the Title Company and so ready for a quick sale. Many a man has been relieved from a pressing business embarrassment by his being able to get a loan instantly on a title already insured without having to wait weeks and perhaps months for the old fashioned style of title examination.

In the early days we had to attract customers by lending our own money on mortgages. Of course, no capital goes very far when the size of New York is considered. Accordingly it was necesasry to find a market for these loans among people who were willing to take them on our guarantee of the title and who were willing to make their loans without having their own lawyers look over it. An inducement to persuade them to do so was the fact that these loans were ready for their investment at a moment's notice. If a man had $20,000 to invest, it could be drawing interest before night, if he was willing to take one of the mortgages already in our possession and was willing to take our guarantee that the title was all right. The number of people who were willing to do this grew with surprising rapidity. It was not long before we added another inducement, namely, the guarantee of the payment of principal and interest on such mortgages. It seemed wiser that this risk should be assumed by another company with its own capital and surplus, and accordingly the Bond and Mortgage Guarantee Company was organized in 1890, and assumed the risk of insuring the payment of principal and interest, chiefly of mortgages where the title was examined by the title company. It retained as payment for this insurance ½ of 1 per cent on the amount of the principal, in other words, when the interest received was at 5½ per cent the lender received only 5 per cent and the Company retained the balance for collecting the interest and principal and seeing that the taxes and fire insurance were paid and the property kept in proper repair.

The guaranteed mortgage has proved almost more revolutionary in connection with New York real estate than the title insurance policy. Each year more money has gone into guaranteed mortgages. Good management has made losses comparatively small. Mortgages that are carefully made and carefully watched are good investments, and the business of insuring them has proved a safe one. During the late war the guaranteed mortgage had perhaps its most severe test but the various mortgage insurance companies came through splendidly.

The guaranteed mortgage and mortgage certificate draws into real estate in New York millions of dollars every year that otherwise would not be available for real estate investment. Other title companies and other mortgage companies have taken up the business and the idea of the guaranteed title and the guaranteed mortgage has spread beyond New York and Philadelphia and is making rapid strides throughout the country. Wherever it gains ground it is a permanent gain, and a community that has once had the advantage of a good title guarantee and a good mortgage guarantee company never wants to go back to the old system.

1925 MEMBERSHIP CARDS SENT TO STATE SECRETARIES.

The membership cards of 1925 have been sent to the state secretaries for distribution to their members. If your dues are paid, you either have been sent the card already or will undoubtably receive it soon.

Most of the associations are sending out notices and trying to collect the current membership fee now due. You will help your hard working officials and the state and national associations by sending in your dues promptly.

The membership cards of the American Title Association are attractive and should be displayed. A small black edge frame can be secured for them from any picture frame shop and adds materially to their appearance.

OKLAHOMA TITLE ASSOCIATION MEETING IN FEBRUARY.

The annual convention of the Oklahoma Title Association will be held in Lawton on February 16 and 17.

This association probably has the largest crowds at its meetings of any of the state organizations. The Oklahoma Title Association is a live body, doing something all the time and the results of its work and efforts have been very beneficial to the abstracters of the state.

It will undoubtably have its customary good program, pleasant time and large attendance.

The meeting place this year is in the western part but Lawton is accessable and a most attractive little city.

HOW ABOUT YOUR INCOME RETURN?

Is it coming to the point where the income report will get you if you don't watch out? The returns of all the years since the enactment of our present revenue law are being audited and many an individual or company is being notified that it owes additional tax, penaltes, etc., for its income return of 1917 and most any year thereafter.

It seems that something about our income tax returns will haunt all of us for the rest of our days. Most companies hired expert income report accountants to prepare their returns so they would be right, sent them in in good faith and now must spend more money having expert accountants and lawyers defend them against demands of the department.

There are one or two points however that are being given particular attention by the department. One is the matter of charging depreciation on plants. Many companies carrying their plants at a fair figure of their actual valuation have been charging off a certain amount of depreciation each year. The department has ruled against allowing such depreciation, contending as given out in a special pamphlet on this subject, that depreciation cannot be charged for title plants being constantly posted and kept up to date daily, as they really increase in value instead of becoming less. Further no depreciation should be allowed in view of the fact that the department does allow deductions as expense of the expense in keeping up these title plants. It would therefore seem that no deduction can be taken for depreciation on a title plant being used all the time and daily being posted to date and added to, for it in truth becomes more valuable instead of decreasing.

There is another point however along this same line that has received different opinions from different revenue offices. This is in cases where a company has bought up several or another set of books, is only using and keeping one, has the other or others stored and seeks to charge off a reasonable amount each year on the actual purchase cost or value of the stored set of books, until such an amount will have been completely charged off. This seems only fair and some of the offices have allowed it while others have not.

Some title companies are also experiencing some trouble in an adjustment of their surplus and undivided profits account, many of which are merely carried or fictitious accounts, but the government's men seem inclined to disregard these points, and figure the adjustment on a basis that will call for the payment of more money.

Maybe some consolation can be gained in the fact that our present income tax system and law will be in effect for the rest of our lives, and that maybe somehow, sometime in the near or far future, these points will all be settled in some way and on some basis so that we will all know what to expect anyway.

THE GOLFER.

"Who's the stranger, mother dear?
Look—he knows us—ain't it queer?"
"Hush, my son—dont' talk so wild;
He's your father, dearest child."
"He's my father! No such thing!
Father died away last spring."
"Father didn't die, you dub;
He just joined a golfing club;
But they've closed the club, so he
Has no place to go, you see—
No place for him to roam—
That is why he's coming home.
Kiss him—he wont' bite you, child;
All them golfing guys look wild."
—[Stolen.

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JANUARY, 1925.

Editorial Entries

This is the year for meetings of the legislatures of most of the states. Lucky for everyone they only meet as often as they do, more lucky for the title business and every other business that not many of them met last year.

A year ago there was a general state of "brain storm" existing and there is no doubt there would have been much radical legislation introduced. There has been a growing idea among the politicians and law makers to inflict more governmental control over business, to creat more agencies and commissioners and for the governments to go into all kinds of business. This reached its high point two years ago and since then most legislatures have had a chance to cool off a bit and this idea has drooped somewhat in importance in the minds of our present day caliber of lawmakers.

The recent November election showing the trend of mind of the "dear people" was a dash of cold water on radical and extreme ideas, too. So these coming meetings of the lawmakers may be a bit more as we would like to have them.

A few years ago there was a lot of attention being given to the title business and legislation affecting it. The Torrens Bill was introduced in a few states but failed of passage in everyone.

The State of Utah practically knocked out the abstract business in that state by ordering in complete indexes and abstract books in every county and but few abstracters have survived. Everyone is an abstracter there now, either his own or for himself and every one else.

Other states saw attempts to authorize the various County Boards to install indexes, either by compilation or purchase of abstract books from some local abstracter.

The most radical was one contemplated in Kansas providing for the creating of job of Official County Abstracter, he to be the Register of Deeds and to be the sole abstracter of the county. Every abstracter can close his eyes and have visions of some of the county recorders he has known being the only one who could make abstracts and the service that would be rendered.

There were bills introduced in a few states to regulate the fees of abstracters but none passed.

This year sees a change. The abstracters have crawled from under the idea they must not initiate legislation in a few states and three at least will introduce bills designed to promote the welfare and protect the abstract business in those states. They are Kansas, Oklahoma and North Dakota.

Kansas plans to push the enactment of a license bill. It already has a bond law.

Oklahoma likewise plans to work for the enactment of a license bill.

North Dakota in addition to working for the passage of a license bill, wants to change the old one now on the books regulating the charges, and to also make it compulsory to furnish a surety bond and no personal ones at all.

Arkansas also prepared a license bill sometime ago but it is not known what they intend to do with it at this time.

Minnesota also has an antiquated and decrepit bill regulating fees and authorizing the county recorders to make abstracts. They have talked for a long time of trying to get it remodeled and brought up to date and have had the co-operation of the Register of Deeds Association, but nothing was done. The Minnesota Association has had a very quiet and restful existence for sometime now. They should get busy and do some work for their own good.

Iowa will see the introduction of a recommendation from its Land Commission for the enactment of a Torrens Law. This commission has spent a goodly length of time now in investigating things that could be done to improve the land laws of the state and have decided the Torrens Law will be a great thing and relieve them of all distress.

It would be much better if they would see the enactment of a set of laws such as set out and advanced in the Association's Fifteen Proposals and a law authorizing Title Insurance Companies to operate in the state but such is not the way of their minds.

It is to be supposed that there will be other states where measures detrimental to the business will be considered.

The title men of every state where the legislature will meet this year should be watchful and see that nothing is passed contrary to their wishes.

And it should not be hard for the abstracters to kill adverse legislation anymore than it is for the hod-carriers, or any other. In fact, it seems that they should be able to get most anything they want from a legislator either in legislation or blocking adverse measures.

The abstracter in his respective community averages and stands about as high as anyone when it comes to a good citizen—a substantial and representative influence. He commands respect and is generally well thought of by the citizenry in general. The average abstracter is usually legal advisor and other kinds of an advisor and furnisher of information to the whole community. He is usually a civic worker and in close touch with people of all classes.

He knows the real estate men, the lawyers, the business men in general. Nine times out of ten he will be found a close friend or more than a mere acquaintance of his state senators and representatives and it is surprising the number of abstracters who are members of state legislatures themselves, or play the game of politics for the fun of it itself.

It therefore seems that the titlemen over the country are well situated to take care of themselves in such matters. All it will take is the thing it takes to accomplish anything—the desire—the proper method and the energy to put it over.

The state associations should therefore put someone on the job to look after the bills that will be introduced in each state—it could be done by the abstracters in each state capitol making it their business.

Then if things come up the state officials should get busy and there is no reason why the title business cannot protect its interests the same as any other. Interest in legislative matters has gotten to be a part of the business of every trade and business. Ours is no exception.

This therefore being legislative year, interesting things will happen and there will be those affecting the title business as well as every other.

Will we be alert? Will we successfully fight the adverse proposals and will we be successful in those we advocate?

There is every indication that we will and further, that the title men are going to be active in exerting initiative in their own behalf.

Abstracts of Land Titles—Their Use and Preparation

This is the ninth of a series of articles or course of instruction on the use and preparation of abstracts

We are now ready to consider some of the actual details and forms in setting out the various muniments or matters affecting the title.

The Caption.

This is the first sheet of the abstract and as the word implies, this page will show the exact description of the land covered by the abstract. It should be absolutely definite, concise and worded so as to tell exactly for what land it covers and an accurate and correct description thereof.

It sometimes is a simple matter to figure the description, many times, however, this particular part of or point on an abstract is a test of the abstracter's skill and knowledge. It is sometimes most often possible to derive it from the conveyances in the chain, at other times there are two tracts involved which are being merged into one, for instance, a tract of two acres and a strip, an "L" shaped tract or some other piece adjoining it being added to it and a new description must be made for the two and correctly describing the merged tracts as one. At other times a tract is being sold off—and the abstract is to be continued for the new or remaining part.

The abstracter many times has to make his own description, at others it must be changed to include or exclude land from the original tract but he must know what he is doing. This is particularly true in cases of metes and bounds or irregular tracts.

At other times lots are divided into portions differing from their original lines and dimensions.

Incidents very often happen like a party owning a square acre of land in a corner of a larger tract, and is buying another acre in an "L" shape adjoining so as to make him a square tract of two acres. The abstracter is asked to figure the dimensions of the new tract being bought, make an abstract for the full two acres in which case he must prepare a caption describing the new total tract.

Real estate men, public stenographers, bankers, and everyone else attempt to do these things—do them—some right—many times erroneous. Certain it is that an abstracter must be qualified and competent to do such things.

In countries where there are surveys, where all lands are irregular and not sectionized, a knowledge of local descriptions and methods of course is necessary and must prevail in the form of describing them.

In sectionized communities like in the newer states and the middle west, descriptions of farm lands are simple but should contain a statement of the division of the section, the Township, whether north or south of the base line, the range number, and east or west of what meridian and the county and state.

In making irregular descriptions, or metes and bounds, in sectionized countries, it is always best to begin at some section, quarter section or quarter-quarter section corner as a starting point, then in whatever direction or directions and length for a starting point, then describe the tract by proper directions and dimensions and return to the beginning point.

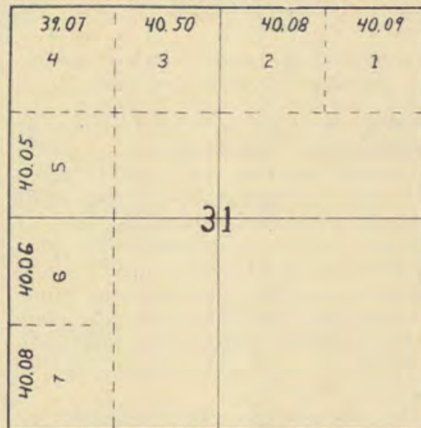

Fig. 1.

Fig. 1 shows plat of a section for places where the section, township and range system is used, and where there is an irregularity by lots.

An abstracter need not and should not make a statement of acerage in his caption. Such a thing is a part of a conveyance, and if in them, it should be shown in the abstract at the entry only.

A caption, or description for a caption for lots or sub-division should state the numerical designation of the lot, or lots or portions thereof, name of townsite, addition or sub-division and city. All such information should be in accordance with the designation, names, spelling, etc., on the recorded plat.

Many times an abstract will be brought in for completion that was originally made for a larger or smaller tract and which at this particular time is to be brought to date for only a portion, or for addition of adjoining property.

In such cases, a statement should be made as follows: "This Caption changed, January 11, 1914, to include the whole of the following described tract to-wit: (here describing it)" or "This Caption changed, January 11, 1914, to cover ONLY the following described tract to-wit: (here describing it)," and this should be subscribed to by the abstracter making the change.

This will enable the examiner to see that he has an old abstract that formerly covered certain land, and that it was changed on a certain date to exclude a portion thereof, or have new land added to it and will save him many times from wondering just what has happened, or save him work in looking

Fig. 2 shows a plat for an addition to a townsite.

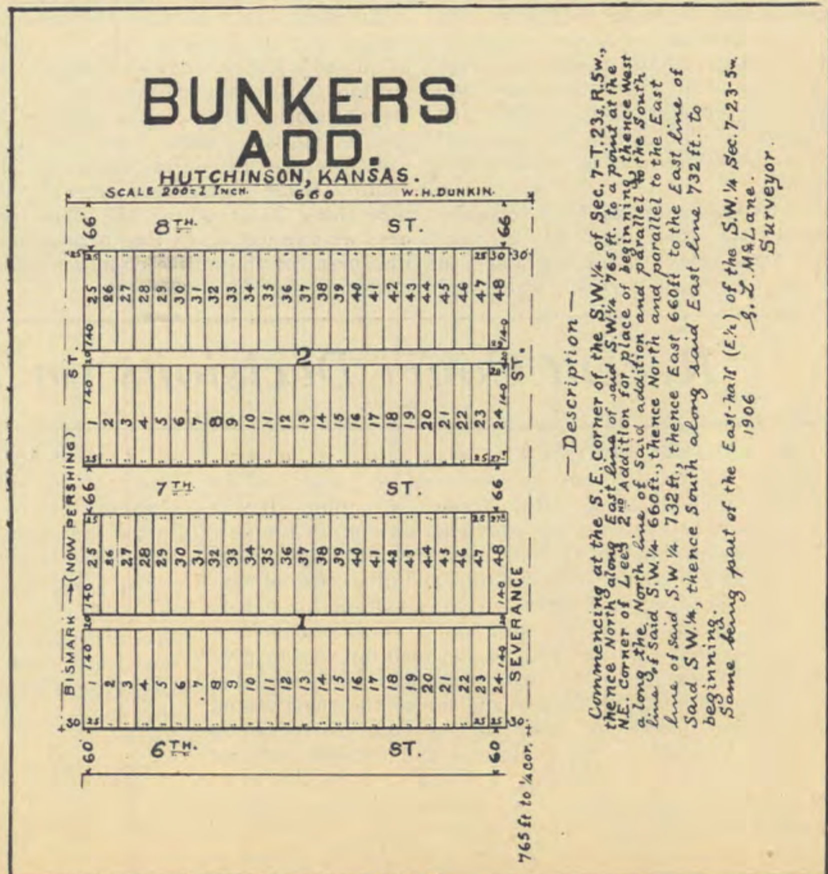

Fig. 2.

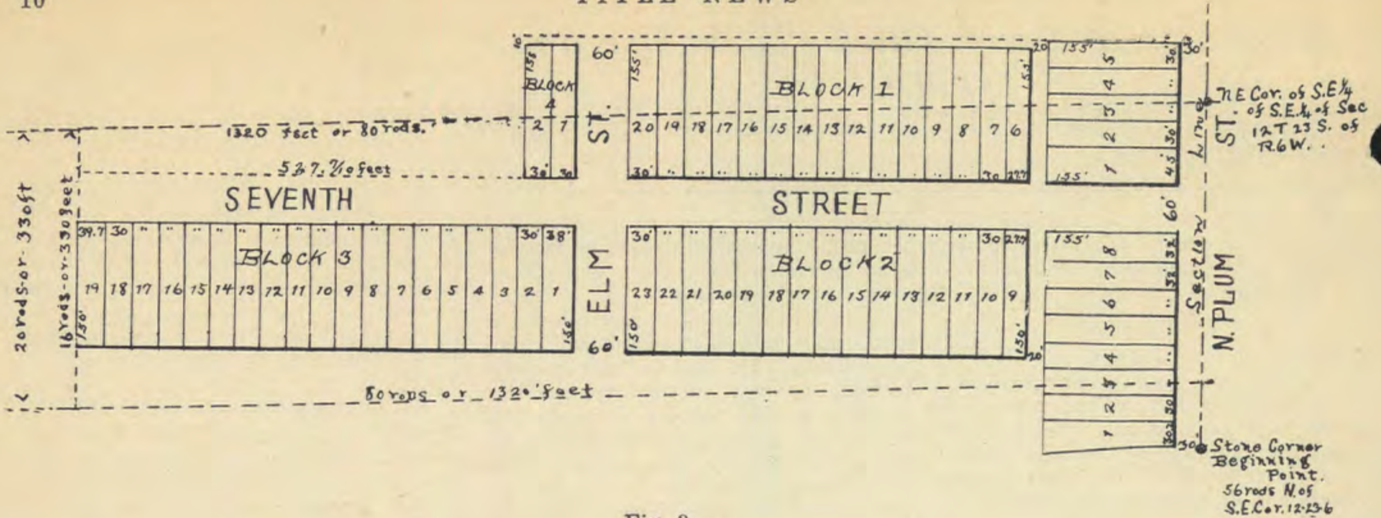

Fig. 3.

Fig. 3 shows a plat of an addition or tract where the chain is made up of two or more tracts and the plat designates their outlines.

over a lot of unnecessary material.

The Plat.

Immediately following the caption there should be a plat of the land being abstracted. A few years ago a plat was an unknown thing to an abstract, now it is an essential part and the abstracter who cannot furnish them is out of date. It will only be a question of a very short length of time until every examiner will require a plat to be attached. Many now refuse to examine an abstract until a plat is furnished.

There is only one exception to this and that probably could be in the cases in sectionized countries where a regular quarter, eighty or subdivision of a regular section is being abstracted. In cases in sectionized countries, however, in the sections on the north and west of each township where there are lots making the quarters long or short of 160 acres, a plat should be attached showing the division as to lots and the acreage.

A plat of an addition to a townsite should be an exact copy of the recorded plat. Have a tracing made in exact duplicate on a small scale, and either tying it up or with indictions of directions and dimensions to a definitely located starting point as referred to in the description of the plat itself or the conveyances before it. 200 or 300 feet to the inch is a desirable scale for such plats. The life insurance companies now in the city loan and home building plan loan field all require plats of the additions as recorded, tied up to a definite point, section line, etc., as the case might be.

But the skill and knowledge of the draftsman-abstracter comes in the case of the metes and bounds or irregular tracts. Abstracters in the larger cities have regular drafting departments but in the smaller communities the abstracter has to be his own.

All plats, and especially the ones for irregular tracts should show the tract in question and in addition thereto, the outlines, beginning points, etc., of the larger or original tracts from which the one in question "came from" in other words locate all descriptions in the chain. Some abstracters do a very nice thing in attaching the small colored or straight black line printed outline maps of the entire county to their abstracts for farm property.

Another very novel and yet most valuable plat is one that can be attached to abstracts for new additions where a number of them are being prepared for the sale of lots, and where it is an old vacated addition being re-platted.

This can be done by preparing two plats exactly the same scale, the one of the lots comprising the former addition and the other as the new plat.

Print the first one in a faint color, orange, yellow or red, and then superimpose or re-print the new plat right on top of that.

With such a plat, the examiner can look and see just which of the old subdivision lots the new one takes in, and is not concerned in examining the title to any but the lots affected.

The Index.

Some abstracters prepare an index sheet, or key to the entire abstract showing the entry number, grantor, grantee, and nature of instrument, listed as appearing in the abstract.

The value of such a sheet is doubtful, it takes time and trouble to prepare it, is not as a rule kept up as the abstract is completed, and therefore its use is not recommended.

Recent Court Decisions on Title Matters

WILL, CONSTRUCTION OF.—In an action to construe a will and quiet title, the petition examined and held to state facts sufficient to constitute a cause of action. It was further held that evidence not produced on motion for new trial not reviewable on appeal, and that one wishing to avail himself on appeal of a ruling excluding offered evidence must produce such evidence on a motion for a new trial. The provisions of the will under consideration are held to show that the intention of the testator was to give his wife a life-estate in the real estate with power of disposal as she might think proper and under the facts stated in the opinion it was not error for the court to refuse to quiet plaintiff's title. She could sell and dispose, but not will.

The items in the will read as follows: "I give and bequeath unto my wife, Lucy Ann Mansfield, all of my real estate and personal property of which I may be the owner at the time of my death to be by her taken and held for her own use and disposal as she may deem proper and right, charging her only with my debts and expenses as specified in the first item of this will." (All just debts, funeral and sick expenses, etc.)

"It is my desire and I hereby direct that at the death of my said wife, Lucy Ann Mansfield, that all of my real estate and such of my personal property as may remain after her death shall be divided equally between my brother-in-law Alonzo Crane and my half-sister, Ella Louisa Mack or the heirs of their body." (Mansfield vs. Crane, 116 Kansas.)

SPECIFIC PERFORMANCE.—Oral Contract for Sale of Real Estate, Law of Forum Governs, Contract Void under Statutes of Frauds. An action for damages for refusal to purchase real estate according to a contract for

the sale thereof cannot be maintained in this state (Kansas) where the contract was not signed by the person purchasing the property nor by an agent authorized by him in writing to do so, although the contract was made in another state for the sale of real property in that state and was enforceable according to the laws of that state. (Lemen vs. Sidener, 116 Kansas.)

DEED IN ESCROW WRONGFULLY OBTAINED.—Contract for Sale of Land, deed in Escrow, Purchaser in Default, Deed Wrongfully Obtained and Recorded, Deed Conceled and Title Quieted in Vendor. Where a contract was made for the sale of land, the deed to be placed in a bank for delivery upon payment of the price, the conduct of the buyer in obtaining possession of the deed and recording it, and in failing for a long period to make payment is held to justify the seller in calling off the deal. (Stedman vs. Dorzweiler, 116 Kansas.)

PARTY WALL.— Written Contract—Arbitration not a Prerequisite to Suit in Ejectment. The provision for arbitration in a party wall contract examined and held, not to require an offer to arbitrate as a prerequisite to a suit in ejectment by one of the parties. One is not precluded from maintaining a suit in ejectment for part of his real property occupied by a party wall built by an adjoining lot owner by knowledge that the wall was being built, when both parties thought it was being built one-half on the land of each, which proved to be a mistake. (Under this decision Giwosky had to "shave" off 4 inches of the wall.) (Puls vs. Giwosky 116 Kansas.)

FIRE INSURANCE—RECOVERY BY MORTGAGEE: Under a fire insurance policy making the loss payable to a named mortgagee as his interest may appear, and in the absence of any provision in the policy or mortgage clause creating a different relation, the mortgagee is not a party to the contract but is merely an appointee to receive the proceeds of the policy to the extent of his interest in the event of a loss, and his rights to receive such proceeds depends upon the rights of the insured and a violition of the conditions of the policy by the insured which prevents his recovery thereon will also prevent recovery by the mortgagee. (Hill-Howard Motor Co. vs. International Indemnity Co., 116 Kansas.)

WILL—Construction of Will, Equitable Conversion of Real Estate into Personal Property—A Residuary Beneficiary Has no Attachable Interest in Land owned by the Testator. A will is construed to devise the testators property to his executrix in trust to be used in her discretion for the support of his widow during her lifetime, the principal as well as the income to be available for that purpose if needed, the executrix at the widows death to sell the portion of the estate remaining and divide the proceeds among several beneficiaries. And as so construed the will is held to work on equitable conversion of the realty of the estate into personal property so that one of the residuary beneficiaries has no attachable interest in land owned by the testator. (The Hart-Parr Co. vs. Chambers, 116 Kansas.)

CONTRACT for Sale of Land on Deferred Payments and Default in Same by Purchaser. Where a contract for sale of land provides that certain payments shall be made by the purchaser and there shall be compliance with other conditions, and also that in case of defaults by the purchaser the seller shall have the option to declare a forfeiture of the contract and of all rights of the purchaser thereunder, and there is a failure of the purchaser to comply with the terms of the contract, the seller is at liberty to ignore his right to a forfeiture and avail himself of the ordinary remedies of the law for a breach of the contract by enforcing performance of the same and of his rights under it. Further if the defendant did not bring or plead the defense of the statute of limitations at the trial court, it is not available to him at appeal. (McNinch vs. Rogers, 114 Kansas.)

VENDOR AND PURCHASER.—Sale of Land, Executory Contract, Partial Payments and forfeiture of those paid in Case of Default. Possession of Land Taken Under an Executory Contract of Purchase Not Adverse to Vendor.

It is not inequitable to forfeit the rights of one who purchases real property of which he is in possession under a lease, pays a substantial part of the purchase price, and retains possession of the property under a contract which provides for the forfeiture of all of the purchasers rights thereunder if further payments to the property are not promptly made, where, in an action by the vendor to recover possession of the property, the purchaser sets up a claim of adverse possession for more than fifteen years and does not offer to pay the remainder of the purchase price.

The possession of the real property under an executory contract of purchase is in subordination and not adverse to the rights of the vendor of those holding under him. (Immell vs. Seaverns, 117 Kansas.)

MUNICIPAL BONDS—DELAY IN DELIVERY.—In an action to recover on a breach of contract for the purchase of an issue of city improvement bonds the facts considered and held that any delay on the part of the city in issuing the bonds was waived by the defendant when it received and accepted them, and retained them and haggled with the city for a settlement on other terms than those specified in its contract of purchase. (City of Washington vs. Brown Crummer Invest. Co., 117 Kansas.)

SALE OF OIL AND GAS LEASE—TITLE TO LAND. —(Point in question involves a clause in the grant to certain lands from the United States to the Union Pacific Railroad, which grant reserved to the government "all mineral land, should any such be found" in the grants granted to the Railway Company.) Record examined and held to show that in the contract for the sale of oil and gas lease the title was to be one which would satisfy the reasonable requirements of defendants attorney and held also that all the specified requirements were fully met.

The reservation of all mineral land by the government in its grant to the Union Pacific Railroad in Saline County, Kansas, patented over thirty years ago does not constitute a defect in title nor render the title to such land unmerchantable in a contract for the sale of an oil and gas lease on such land.

The court takes judicial notice that the government grants in said case to the Union Pacific Railroad covered agricultural lands and no other, and held that the possibility that such lands may also become valuable as mineral lands at some future time does not and cannot affect the rights of persons holding under the original patantee.

The contract examined and held to show that the possible existence of mortgages on the land covered by the lease was contemplated by the parties and their rights thereunder defined, and that the riddance of such mortgages was not required by defendants attorney, nor did their existence cause the title to be unmerchantable. (Crum vs. Guffey-Gillespie Oil Co., 117 Kansas.)

EMINENT DOMAIN—RIGHT OF PARTY TO APPEAL FROM AWARD FOR DAMAGES FOR PUBLIC ROAD. —One who has an interest in real property and who is not satisfied with the award of damages made by the board of county commissioners in a proceedings to locate a road thereon may appeal to the district court. Where in a proceeding to locate a road, notice to the landowner is addressed to Jesse D. May, agent, and he meets the viewers and files a claim for damages which is signed "Jesse D. May, Agent" and an allowance is made to him as Jesse D. May, agent, and he is not satisfied with the award made and appeals to the district Court, signing the appeal bond, "Jesse D. May" and on the hearing in the district court it is shown Jesse D. May had an undivided 1/3 interest in the real property and that he represented the owners of the other interests as their agent, and that the appeal was taken for and on behalf of himself and such others, it is error to dismiss the appeal because it is not prosecuted in the name of the real party in interest. (May vs. Board of Co. Commrs, 117 Kansas.)

ABSTRACT TO ESTABLISH GOOD TITLE.—Need not show Perfect Paper Title Where Cured by Lapse of Time. Abstracts to show good title need not show perfect paper title, without fault, defect or omission where cured by existing facts or lapse of time.

It appears from the decision in the case here noted that the following objections, among others, to the title were raised by the attorney who examined the same:

1—That the deed by the Trustees of the Illinois Central Railroad Co. dated October 25, 1867, was not acknowledged in their trust capacity.

2—That marginal releases, one, dated January 22, 1872 and the other dated October 7, 1874, both of mortgages, were not properly attested.

3—That the inventory of the estate of James Davis deceased, filled August 16, 1880, was neither approved nor recorded, and that description of the land is incomplete because the Township and Range were omitted.

4—That the affidavit of heirship of Jilla Davis, who died June 8, 1880, fails to state that her debts were paid. It was held that the objections above noted were cured either by existing facts, age, or the statutes of limitations and that the title was merchantable. (Illinois. 145 N. E. 235.)

THE MISCELLANEOUS INDEX

Being a review of interesting matters presented to the Secretary's office

The Title Insurance Bulletin issued monthly by The Security Title Insurance and Guarantee Co., operating in nine counties in California, with main office at Fresno, is a most attractive "house organ" and medium of publicity advertising.

It is full of interesting bits about real estate transactions, title hints, etc., and is issued and printed by the employes of the company.

The "Camden Realtor," a weekly publication of the Camden, N. J., Real Estate Board, reported a very interesting talk made by Clinton I. Evans, Title Officer of the Land Title Guaranty Co., of that city in a recent issue.

Mr. Evans predicted the passing of the time-honored South Jersey "search" and that it would be eliminated in time by title insurance. He urged that title insurance be brought into exclusive use as soon as possible both because of its advantages and value, and that if the Realtors would use title insurance exclusively, the cost would be lowered.

He also urged that surveys be made of properties. His remarks were endorsed and augmented by the Solicitor of the Camden Board and the report states Mr. Evans' talk was one of the most interesting and educational given before the Board.

A recent issue of the "Real Estate Magazine" official publication of the Philadelphia Real Estate Board contained a very interesting article on "Independence Squares Titles—How They Were Secured" written by William A. Gretzinger, Title Office of the Republic Trust Co.

This tract of land is an interesting part of the city, and its title is a bit of the history of Philadelphia. Mr. Gretzinger has made a most readable story of it.

Edward M. Hermanns, Director of Public Relations of the Union Title & Guarantee Co., Detroit, appeared on the program of the 1925 Convention of the Michigan Real Estate Association. His topic was "Publicity and the Realtor."

Sherman C. Spitzer, Vice President, and of the Guarantee Department, Chicago Title & Trust Co., was recently elected a member of the Finance Committee.

Frank O. Wetmore, President of the First National Bank, was also elected a director to succeed the late James B. Forgan.

The Title Guarantee Trust & Savings Bank, Roanoke, Virginia, has an interesting and complete explanation of Title Insurance in a little folder entitled, "Land Title Insurance." It is attractive in appearance and written in a very short form considering the things told.

It is a good piece of advertising to acquaint a customer with title insurance service.

Roy Johnson of the Albright Title & Investment Co., Newkirk, Oklahoma, tells the following of the necessity and advantages in having a set of abstract books and system of private indexes in one's own office and not relying upon the county records:

"Oil companies are generally located outside the county. In this section of the country their principal headquarters is Tulsa. They contract for a lease, which is submitted to the Tulsa office together with an abstract of title. The title is examined and when approved they pay the draft attached to the lease after phoning to some abstracter in the county where the land is located to ascertain whether there has been anything filed of record affecting that land since the date of the abstract, and the abstracter who has a complete set of indices posted to date every day is the fellow who will get the business of the Oil Company, for this is information they must have.

One of the state associations has some requirements for membership, one of which is that a member must have a set of books and maintain a regularly established and equipped office.

The value of this was recently demonstrated. A member of the association was enjoying the only business of a very good town when two men suddenly appeared on the scene, opened an office of their own with no equipment, just using the county indexes and immediately started out to secure business by offering twenty-five per cent discount, cutting prices and otherwise demoralizing business. They applied for membership in the state association but after investigation it was refused them.

The established member then advertised quite extensively that the new competitors could not qualify for membership in the state association. It was not long until the other firm ceased to do much business and the outlook is that they will soon have to discontinue which shows what the public thinks of a man who cannot qualify for membership in the association of his business associates.

The Committee on Uniformity of Practice of the Pennsylvania Title Association has done some very effective work in each year since the association's organization and the yearly reports have been a clearing house for problems of Practice and Procedure.

Binders were furnished this year for the filing of the reports which are now being printed and will be printed from year to year. This will then constitute a book of reference for such subjects.

WANT ADS.

(Information about any of the following where key number is given can be had by writing to the Executive Secretary. Refer to division and number in each instance. Where address of party is given, write directly to him.)

PLANT FOR SALE.

Abstract Office, building, office equipment, records, etc. First class. For further information address Worman Title Co., Effingham, Ill.

POSITION WANTED—FEMALE.

Experienced abstracter—able to handle all branches of work. Address, Mrs. C. M. Conn, 3127 C. Ave. East, Cedar Rapids, Iowa.

Experienced abstracter—excellent recommendations. Address Mattie Lowery, 821 Popular St., Helena, Ark.

POSITION WANTED—MALE.

Experienced in title work and management of office. Exceptionally well qualified. Address M-4 Care Executive Secretary.

Young man 30 years old, married, well qualified and experienced in work and management of office. Address M-5 Care Executive Secretary.

Young man, 33 years old, married, 8 years experienced and excellent recommendations. Address M-6 Care Executive Secretary.

Abstracter, searcher, examiner of many years experience. Wants position as examiner in East or Far West. Address E-2 Care Executive Secretary.

Abstracter and searcher. Now in East wants position in West. Experienced and well recommended. Address E-3 Care Executive Secretary.