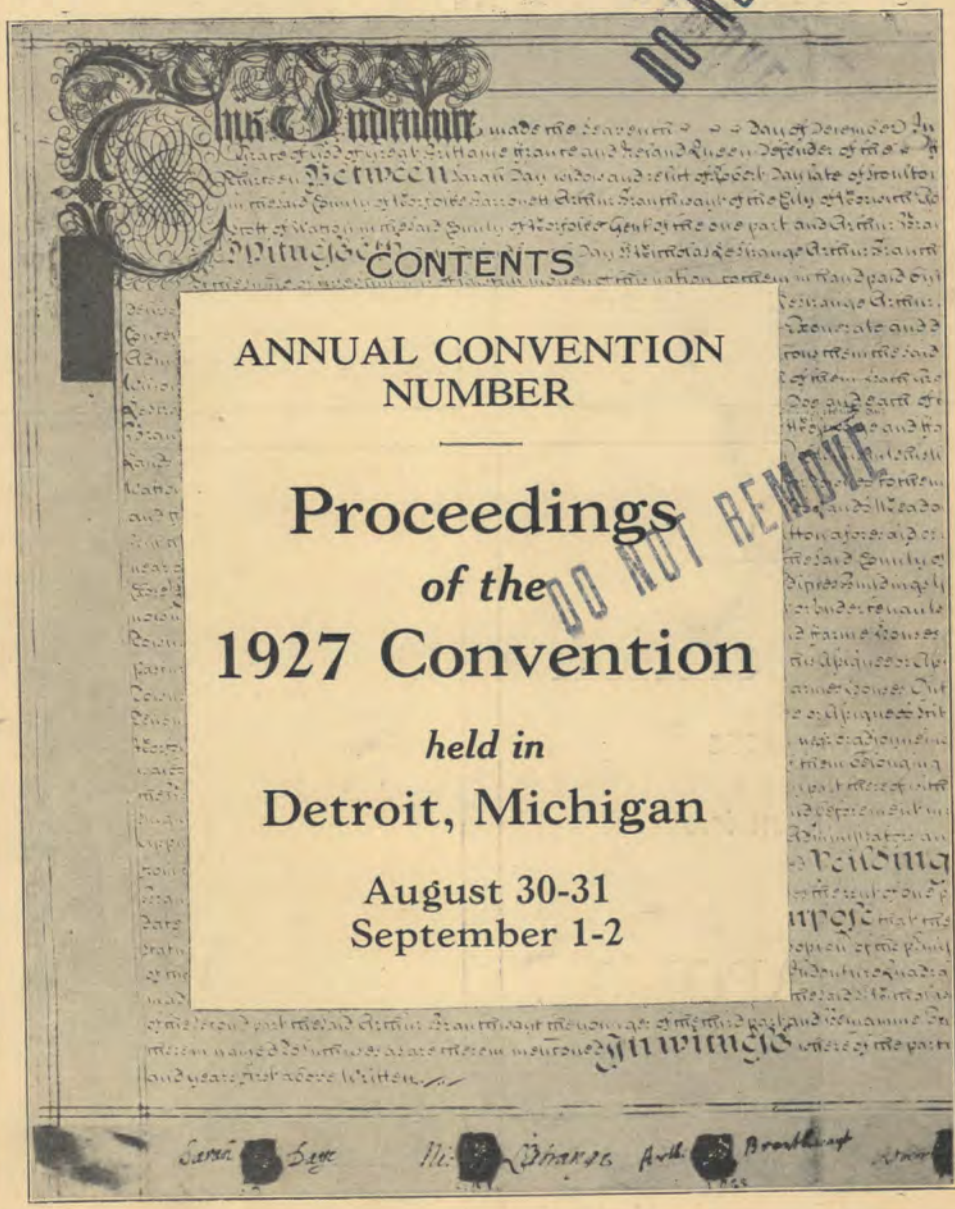
Title News

Vol. 6 *OCTOBER, 1927* *No. 9*



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ANNUAL CONVENTION NUMBER

Proceedings *of the* 1927 Convention

held in

Detroit, Michigan

August 30-31
September 1-2

The 1927 Convention

OF

The Nebraska Title Association

WILL BE HELD IN

OMAHA

OCTOBER 21-22

A good program. Annual Banquet. Football game.

Every member of the Nebraska Association should attend.

The Missouri Title Association

WILL HOLD ITS

Annual Convention

IN

ST. LOUIS

OCTOBER 24-25

This meeting will have the most instructive and interesting program ever presented at a Missouri convention.

Attendance records should be smashed.

The Indiana Title Association

WILL HOLD ITS

1927 Convention

IN

INDIANAPOLIS

October 26-27

The abstracters of Indiana should attend this meeting to profit from the proceedings and give the state association fitting support.

They will benefit thereby.

The Annual Convention

OF

The Kansas Title Association

WILL BE HELD IN

PARSONS

OCTOBER 28-29

This Association has been the means of developing the abstract business of the state.

Its conventions are real events.

This one will provide an extraordinary program, and special entertainment.

TITLE NEWS

Issued Monthly by and as the Official Publication of

The American Title Association

Publishers, Kable Brothers Company, 404 N. Wesley Ave., Mount Morris, Ill. Price, $2.00 per year.
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Vol. 6 OCTOBER, 1927 No. 9

Editor's Page

THIS introduces the Annual Printed Proceedings in a new style. In all of the years past they have been printed in book form. The change this year is for many reasons. Among them are: by printing in the regular magazine form it can be included with other issues by those who are keeping files of the publication; it can be made more attractive, complete and easier to read by reason of the better typographical make-up; it is more economical in many ways and the expense reduced by making it a regular issue of TITLE NEWS.

There have been twenty-one issues of the annual proceedings—one for each year of the association's existence. These books contain a wealth of information on title subjects and the material constitutes a real reference library.

One of the coming issues of TITLE NEWS will contain an index to all of the material to be found in these proceedings. Likewise many of them will be re-printed from time to time in future numbers so that this valuable material may be made available to the present day.

ONE of the biggest features and reasons for a national or any other convention is the opportunity it affords for those present to mingle together. This is valuable not only for the friendship and social side, but very profitable in a business way for the knowledge secured and information exchanged among those present.

The Detroit convention saw more of this than any other. The convention quarters and facilities were such as to provide everything necessary and all together. There were groups here and groups there, two or three talking here and larger groups there.

Throw together people from all over the country who are in the same business, and who have a sincerity of purpose, are anxious to learn and things will happen. It is such events that begin movements and developments that result in the changes and progress of a business, system or anything.

One could not help but notice the extent this was done at Detroit and feel that this last convention was going to result in a great change for the improvement and development of the title business.

The Title Hound says:

NEW BUSINESS COMES TO HIM WHO GOES AFTER IT!

The Proceedings of the Detroit Convention are full of money-making suggestions and ideas. Get wise to your opportunities, then cash in by putting them into effect.

Digest that stuff of Jim Johns about Regional Meetings and getting together.

BY reason of the program of the convention, the title business has available, authoritative material on three very perplexing subjects; was furnished with a brief of the decisions affecting title insurance and a most exhaustive and complete treatise on the Torrens system; was given practical information and suggestions on eight subjects of business conduct and concern; presented with four inspirational papers and discussions of unusual interest, and the abstracter literally led to the way of a bigger and better business.

Surely these conventions are very much worth while, and repay for themselves many times in actual financial returns. The Detroit meeting was particularly proof of these benefits.

SEATTLE in 1928! Of course the attendance record will be broken there as it has every year in the past, and it will be a big and interesting convention.

Many will begin planning right now for the 1928 convention, so you be one of them too. There is a lure in that trip—everyone wants to visit that part of the country, either for the first time or to repeat.

It will be held in the ideal time of the year—late summer, can be made a vacation trip, railroad rates are in effect and to Pacific Coast points are the lowest ever granted, and think of all the country and interesting places you can see enroute. There is Yellowstone, Glacier, the Canadian Rockies, Colorado, and all the points of interest in Oregon, Washington, California and all the states enroute. The circle trip tickets permit one to see all of the wonderful, scenic and interesting western half of the United States.

THERE are several state conventions scheduled for October. The members of those associations holding their annual meetings at this time are urged to attend.

They will find a more alert and active state organization, a better program and convention than ever before, and will hear something very much worth while from the national association representative who will visit them this year.

THE advertising exhibit was again this year a big feature of the convention. It attracted the interest and attention of everyone and many very carefully studied the matter on display.

THE Arkansas Title Association won the President's Cup in the Membership Contest for largest gain. Likewise its Secretary, Bruce Caulder, won the first individual prize for largest percentage. F. E. Raymond, Secretary of the Washington Title Association, was second, and J. W. Banker, Secretary of the Oklahoma Title Association, third.

READ the report of the Legislative Committee if you want to know what all the legislatures had in mind affecting titles when they last met.

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Detroit Convention an Epochal Event

Most Valuable Meeting Ever Held Seattle in 1928

Everything predicted for the Detroit Convention transpired. It was a real celebration for the Twenty-first Birthday Party of the organization.

The attendance shattered all former records. Not only were there more registered than ever before, but there were more there attending their first national convention than any other convention. They came from thirty-four states and included most representative groups of the three branches, title examiners, abstracters and title insurance people. More of Jim Johns "simon pure" abstracters were in attendance than any convention in years.

It was a wonderful crowd. They came to enter into the spirit of the thing and everyone added to the making of a perfect convention atmosphere. They had a good time, and then were serious minded to the business and actual convention proceedings. Never has there been a crowd that hung together better and paid conscientious attention to being in attendance and on time.

That the association has been rapidly growing, commanding the attention and consideration of the entire title industry and more people actively interested and participating in its affairs are shown by the number of new faces present, and especially the larger number enlisted in its work and which have been called upon within the past few years.

Everyone knew that the gangs from the Burton Abstract & Title Co., and the Union Title & Guaranty Co., our local hosts, would provide a real time, but no one anticipated it would be in such a measure. The minute you arrived you felt that there certainly was something going on, that you were in on it, and it was about the greatest thing you had yet been in.

Things start on the first day although many arrived two and three days ahead of time just to check in and be on hand. The ladies were entertained at luncheon and bridge on Tuesday noon and afternoon at the Lockmoor Country Club.

The entire convention had a real automobile trip on Wednesday afternoon and saw Detroit. They really covered the territory too and viewed every place of interest.

The Moonlight on Wednesday evening, however, will be forever remembered by everyone. One of the large steamers had been chartered for the occasion and the crowd spend the eveing on a cruise up the Detroit River and Lake St. Clair. Refreshments were served, singers and entertainers were generous in their offerings, and an orchestra played for deck dancing. A real party, and one of the finest things ever done for any convention.

Thursday morning's offering of entertainment for the ladies caused some concern but proved harmless. It was a shopping tour for the ladies and they looked more than they bought to the relief of the husbands. Anyway they had a good time as woman can on such occasions.

Thursday afternoon added another climax to those already reached. The entire afternoon was spent by making a trip to the mammoth River Rouge Plant of the Ford Motor Co. This is the industrial wonder of the world and the visit to it was alone worth the trip to the convenion.

The crowd also visited the Ford Airport and many took rides over the city in the gigantic 14 passenger Ford-Stout All Metal Planes.

Thursday evening brought the annual banquet. This was a delightful occasion. There was music and fine entertainment. Strickland Gillilan, poet, lecturer, author and world known entertainer, was the life of the party and convulsed the audience.

Two of our own party shared headliner honors by their stunt, a stereopticon lecture on a cruise around the world. John Scott was the lecturer and Bill Pryor the operator and other part of the show. Few escaped their puns.

Thus was a good time had by all and the convention entertainment features were wonderful and bountiful.

The program was one of the strongest and most valuable ever given. Never has there been a better list of subjects and handled by a more competent and able group of speakers. All papers and proceedings of the meeting are printed in full in the following pages and everyone should read every word of this issue of TITLE NEWS.

The meeting started with a bang. Things moved right along and the usual reports of officers, committees and others proved to be extraordinarly interesting. These were diposed of the first day, but there was one speaker of honor and note, and his address was a wonder. This was given by Clarence C. Hieatt, President of the National Association of Real Estate Boards. Mr. Hieatt had a message, and he gave it in a way that carried his audience with him. Read it and digest every word.

The examiners section program came the morning of the second day and was the first sectional program to be given. Sufficient to say that it presents three pertinent subjects, given by authorities, and that the room was packed for the entire program and it was an effort to get it to disperse for the noon conference.

The abstracters section held the stage on Thursday morning. This was a lively session. Jim Johns took off his coat, rolled up his sleeves and went to it. Read the story in the following pages.

The three speakers presented some fine material in an able way. There was enough about the abstract business spoken in this program, and written into the record by these proceedings, to revolutionize the abstract business if those in it will just take cognizance thereof and put them into practice.

The abstracter and his problems have been studied, a definite remedy found and a well defined program undertaken to solve them. The abstracters themselves will have to put it across, however.

The title insurance program proved unusually interesting. The early beginning of the business, and a look into the future was presented.

The noon conferences, over which Harry Bare presided, were well attended by an enthusiastic crowd and they contributed materially to the success of this convention as they have in former ones.

A new custom was established this year when the last day's program was continued through the luncheon and the final afternoon's session ended the convention.

It was here that the eagles arose and spread their wings and all the home state and city orators soared to dizzy heights and told us of their wonderful places and extended hospitable invitations for future conventions.

Not only are we being asked a year ahead, but two years and even three in advance. Quite some change, the old timers say, from years in the not so far past when there was sometimes wonderment as to just where the meeting could go and visit, and the invitations were few and not so enthusiastic.

It is Seattle in 1928. That gang up there have long been making plans. There are five past presidents of the association in its vicinity and many staunch supporters of the association in the great northwest. Everyone was voting "aye" for Seattle, and the speeches and invitations were not necessary, but it was all gone through in usual order and prescribed form

so everyone could have a good time voting for Seattle.

And then there were many for 1929, with a real organized effort and invitation from Texas for the wonderful city of San Antonio. Others who extended invitations were St. Louis, Richmond, Va., and Milwaukee.

Then to speak a good word for 1930, Florida was there in full form. William J. Burns, of Sarasota, and of world wide fame because of his great dectective agency, came all the way from his home, Sarasota, just to spend fifteen minutes in inviting us to Florida in 1930. Then Tuck Dodge, as spokesman for the Florida Title people and who had agreed on Tuck's home town, Miami, displayed a hitherto unknown ability as a spread eagle orator and toyed with speech, rhetorical phrases, gestures and all the tricks of the spellbinder. So it looks pretty good for Florida in 1930.

It was a wonderful convention—there was something about it that was very impressive. Everyone there seemed to thoroughly know of the American Title Association, to be appreciative of what it has done, and cognizant of its growth and the place it has now reached. And they were all for it and anxious to support and take a part in the thing it has now become—a representative organization.

It was a big convention. It appeared different in that respect than ever before, and there was somewhat of a psychological effect in its having reached its twenty-first year, and entering a more forceful and mature career.

Walter M. Daly Elected President

Edward C. Wyckoff, Vice President, and J. M. Whitsitt, Treasurer

Detroit Convention Chooses Popular and Able Men as Officials for Coming Year

Walter Daly, President of the Title & Trust Co. of Portland, Oregon, and the retiring President of the Oregon Title Association, was elected President of the American Title Association at the Detroit Convention. The nominating committee unanimously selected him to head the association for the coming year and went through the formalities of election with an enthusiastic ballot.

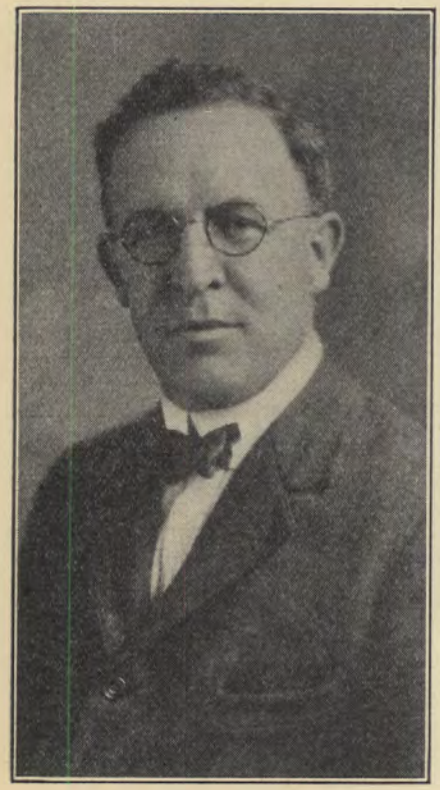
By his election and his fellow titlemen giving him the highest honor possible for a man to attain in his profession, he was given a vote of high esteem and regard for his ability and personality. It is likewise a fitting recognition for his many and continuous years of service in the organization.

Mr. Daly became active in the national association many years ago and no meeting of the organization since then has been held without finding him present and taking his part. He has served as the chairman and member of many committees; was Chairman of the Title Insurance Section for a term; member of the Executive Committee for two years and was elected Vice President at the Atlantic City Convention of a year ago.

In addition to his activities and interest in the national organization he has been equally active in the Oregon Title Association and been prominently identified with the progress and development of the title business in

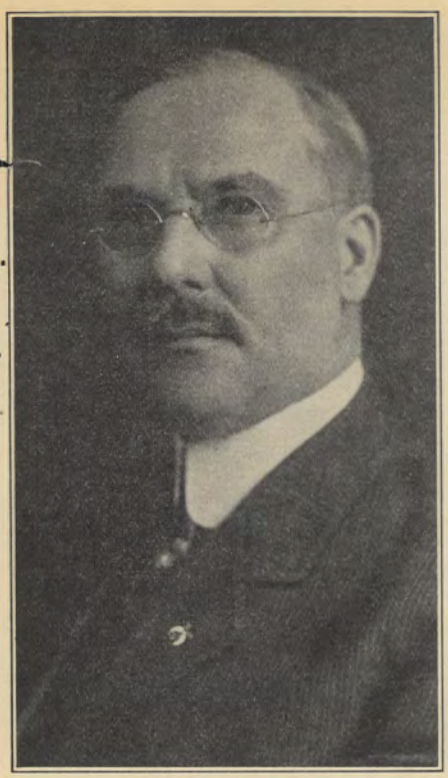
The President-Elect

WALTER M. DALY
Portland, Ore.



EDWARD C. WYCKOFF
Vice President
Newark, N. J.

J. M. WHITSITT
Treasurer
Nashville, Tenn.



J. M. DALL
Member Executive Committee
Chicago, Ill.

HENRY B. BALDWIN
Member Executive Committee
Corpus Christi, Tex.

RICHARD B. HALL
Executive Secretary
Kansas City, Mo.

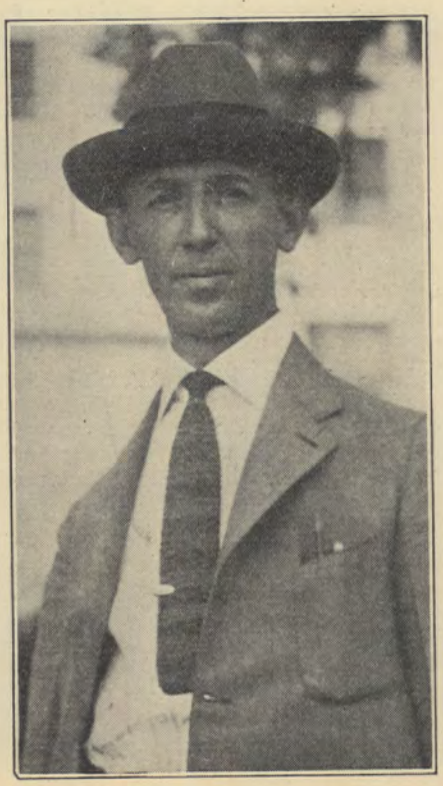
the entire Pacific Northwest.

Walter may know that he has the heartiest good will and support of the entire membership and everyone will give him every cooperation and make his "reign" marked by increased activity and usefulness from the American Title Association.

Ed. Wyckoff, Vice President.

Edward C. Wyckoff, Vice President and Title Officer of the Fidelity Union Title & Mortgage Guaranty Co., Newark, New Jersey, was selected as Vice President. Mr. Wyckoff's participation in association affairs can be measured in a term of comparatively few years, but they have been produc-

DONZEL STONEY
Member Executive Committee
San Francisco, Calif.



M. P. BOUSLOG
Member Executive Committee
Gulfport, Miss.

FRED P. CONDIT
Member Executive Committee
New York City

tive and beneficial to its work. He was purveyor of hospitality supreme at the Atlantic City convention and has made a nation wide circle of friends.

Mr. Wyckoff's first appearance at a national convention was at Omaha in 1923 and since that time he has been the enthusiastic and active New Jersian in association affairs. His only other official capacity was in serving two years as Treasurer, truly a job of labor and love, and his election as Vice President is a genuine vote of recognition for unselfish and unassuming service.

As Vice President, he is ex-officio Chairman of the Executive Committee and has an active year ahead of him.

J. M. Whitsitt, Treasurer.

One of our most highly regarded and really popular members was elected Treasurer. No words need to be said about Mack Whitsitt. He has been a power and influence in the Association's growth for a number of years and never had any official badges given him to wear except his service as a member of the Executive Committee for two terms.

He was host to the Nashville Convention in 1919 and no meeting of the association in years has failed to bring Mack and his crowd from Nashville. His election was the natural outcome of a spirit appreciation of worthiness and sincerity. He is President of the Guaranty Title & Trust Co., Nashville, Tennessee.

J. M. Dall and Henry Baldwin, Members of Executive Committee.

J. M. Dall, Vice President of the Chicago Title & Trust Co., Chicago, Illinois, and Henry B. Baldwin, President of the Guaranty Title Co., Corpus Christi, Texas, were selected as members of the Executive Committee for the two teams expiring in 1929.

Mr. Dall needs no introduction to the membership. He has been the keystone in many an arch of the association's affairs but always held out for immunity from any office or official capacity preferring to do his great big part from the sidelines.

The conventions of the past few years have abided by his wishes but the Detroit one decided he should be placed where he rightfully belongs,—in the official family.

Henry Baldwin was re-elected for another two years as he was elected a member of the committee in Denver two years ago and his term expired with the Detroit Convention. His re-election is significant of the regard held for him and the work he has done for the organization.

Woodford, Condit, Bouslog and Stoney Continue for the Year.

James W. Woodford, Retiring President, becomes a member of the Executive Committee, ex-officio, and Fred P. Condit, M. P. Bouslog and Donzel Stoney continue for another year before the expiration of their terms.

Lindow, Johns, Scott, Chairmen of Sections for Coming Year

Sectional Organizations Plan Campaign of Constructive Activities

Last year saw the three sections representing the respective branches of the title business very active and conducting work for their groups. This was the first year that the actual constructive and logical activities of the association were almost entirely directed by the division organization representing them. It will become more and more necessary for them to take up the work as the association grows and its programs become more pretentious.

This next year promises to see the machinery of the American Title Association running upon this plan and each Section, the Abstracters, Title Insurance and Title Examiners, have certain definite outlines of work that they will undertake.

Lindow Heads Title Insurance Section.

Edwin H. Lindow, Vice President of the Union Title & Guaranty Co., Detroit, and General Chairman of the Detroit Convention Committee, and thereby master of ceremonies and host par excellent, was selected as Chairman of the Title Insurance Section.

Mr Lindow has made a name for himself in many association affairs. He has always most successfully and enthusiastically accomplished every job given him. One of his outstanding achievements was his work last year as Chairman of the Membership Committee, when the membership was increased some 40 per cent.

He is one of the younger members of the association who has won the respect and good will of everyone by reason of his ability and willingness to energetically serve.

Stuart O'Melveny, Excutive Vice President of the Title Insurance & Trust Co., Los Angeles, was selected as Vice Chairman. Mr. O'Melveny is also President of the California Land Title Association and a leader in title matters on the Pacific Coast.

The acquaintanceship and contact of the Association and Mr. O'Melveny with each other began at the Denver Convention two years ago. He immediately became assimilated into its affairs and activities and became a most helpful participant, as is very evident from this recognition.

Kenneth E. Rice, Vice President of the Chicago Title & Trust Co., was elected Secretary. Mr. Rice is well known to the entire title fraternity and has been unassumingly active in association affairs for several years.

The following were chosen to constitute the Executive Committee of the section: Elwood C. Smith, President, Hudson Counties Title & Mortgage Co., Newburgh, N. Y.; R. O. Huff, President, Texas Title Guaranty Co., San Antonio, Texas; Richard P. Marks, Vice President, Title & Trust Co. of Florida, Jacksonville, Fla.; Paul D. Jones, Vice President, Title Guarantee & Trust Co., Cleveland, O.; and Benj. J. Henley, Executive Vice President, California-Pacific Title & Trust Co., San Francisco, Calif.

Abstracters Section.

James S. Johns was re-elected to head the Abstracters Section for another term. This was expected and in the order of things. Jim Johns started something last year and will be kept in his present place in order that it may be finished and the long hoped for constructive work done for the abstracters.

Jimmy has been referred to as the one who has at last appeared to lead the abstracters into their own. Certain it is that they will be, if they will only take advantage of the opportunity and enter into it whole heartily.

He made his first appearance and acquaintance with the organization only two years ago and it would be hard to figure how anyone could any more quickly size up the situation, its needs, become so thoroughly acquainted with the means at hand and immediately begin accomplishments. His re-election will meet with most enthusiastic approval.

Another man was given early recognition and his first official position when Alvin Moody, President of the Texas Abstract Co., Houston, Texas, was selected as Vice Chairman.

Mr. Moody is most capable and shown a great interest in the American Title Association. His work with his state organization, of which he is a past president, was noteworthy and the national body will profit by his increased activities in its affairs.

W. B. Clarke, President of the Custer Abstract Co., Miles City, Montana, was

selected as Secretary. Bill comes from the banks of the Powder River, and is likewise President of the Montana Title Association, one of the strongest and most worth-while ones in the country. He is a tireless and energetic worker and has been a leading factor in establishing the abstract business in his state upon its present high plane.

The Executive Committee of the Section is composed of well known men, and the one woman given an official title this year. She is Vera Wignall, President of the Guaranty Abstract Co., Pauls Valley, Oklahoma. Others members are, J. R. Morgan, President, Johnson Abstract Co., Kokomo, Ind.; E. D. Dodge, Manager, Dade county Abstract Title Insurance & Trust Co., Miami, Fla.; Henry C. Soucheray, Treasurer, St. Paul Abstract Co., St. Paul, Minn.; and J. Emery Treat, Manager, Trinidad Abstract & Title Co., Trinidad, Colo.

Examiners Section.

John Scott, attorney of St. Paul, Minnesota, was re-elected to the Chairmanship of his section for another year. He conducted an active program last year and promises a continuation this one.

O. D. Roats, attorney for the Federal Land Bank, Springfield, Mass., was selected as Vice Chairman and Guy P. Long, Title Office of the Union & Planters Bank & Trust Co., Memphis, Tenn., re-elected Secretary.

Members of the Section's Executive Committee are: Frank P. Doherty, attorney, Los Angeles, Calif.; James E. Rhodes, Legal Department, Travelers Insurance Co., Hartford, Conn.; V. E. Phillips, attorney, Kansas City, Mo.; Geo. E. Bremner, Title Officer, Cuyahoa Abstract Title & Trust Co., Cleveland, O.; and Frank P. Ewing, Assistant Solicitor, Metropolitan Life Insurance Co., New York City.

Proceedings, 1928 Convention, Held in Detroit, Mich., Aug. 30-31, Sept. 1-2

The Twenty-first Annual Convention of the American Title Association was called to order in the Ball Room of the Hotel Statler, Detroit, Mich., shortly after 10 o'clock on Tuesday morning, Aug. 30, 1927, by the President, J. W. Woodford of Seattle, Wash.

THE PRESIDENT: The convention will please come to order.

Will you rise while Dr. M. C. Pearson, Executive Secretary of the Detroit Presbytery, invokes Divine blessing?

The invocation was given by Dr. Pearson.

THE PRESIDENT: It is now our pleasure to listen to an address of welcome by Mr. Harvey J. Campbell, Vice-President and Secretary of the Detroit Board of Commerce.

MR. CAMPBELL: I feel rather solemn after such a wonderful invocation. I never can understand why a preacher can't get some kind of applause after a job of that sort.

The first thing I want to do is to congratulate this group upon being here in such great numbers. Dr. Pearson and I will agree, I think, in saying that this is probably a larger group than we are used to talking to when we come down here and do our sister act at morning sessions of conventions—the reason being that most people haven't the fortitude that you ladies and gentlemen are displaying this morning. You know better than to get up early to hear speeches and you also know that the welcome is usually a bunch of bunk and something to be avoided. You get to the meetings a little later when you get down to serious business.

The thing that has been impressed upon me this morning is that you are a group of historians, really. That is a thing you know something about, so I am going to tell you something about Detroit's history.

We are about two hundred and twenty-five years old. We will start there and take it by easy stages so you will get out for lunch. I have to remember that I am here to welcome you.

I am going to take advantage of my position by telling you something about this unusual town we now have. About two hundred twenty-seven years ago, or something like that, a gentleman named Cadillac founded this town. You from the hinterland and smaller towns think Cadillac is an automobile. Cadillac was once a Frenchman; he is now quite dead! Nobody knows why he founded the town. Cadillac was coming up or down the river—I have never learned just exactly whether he was going up or down the river. He stopped here—perhaps because there was a clearing or for some other reason; there is some talk of a squaw. This was before the so-called gentlemanly preference for blondes.

Anyway, Cadillac landed in Detroit. If some of the people I know had been down on the shore to welcome Cadillac they'd have held up their hands in holy terror and said, "Don't land here. Don't stop here. Don't found a town here. Go to Toledo, or Buffalo, or Cleveland, where you will be on the main trunk lines east and west."

But Cadillac didn't have this information; he did land and he started a fort. Then because France and Great Britain matched for the fort a number of years, it was passed back and forth and finally they both lost and America won it. The United States took over Wayne County. We had a number of battles with the Indians. I looked up the details of those skirmishes and I found that the American forces lost seventeen men on Jefferson Avenue in the biggest battle of the time and a great many people became famous for that.

Wayne County then took in all of Michigan, the northern part of Ohio, Indiana and Illinois, which now includes Chicago. Some way or other that escaped from us and the county shrank to its present size, which is plenty big enough.

A little after the War of 1812 somebody set fire to the town. That is the biggest thing that ever happened in the city of Detroit and the Detroit Board of Commerce, which I have the honor to represent, offers a reward of $250 to anybody in this audience or elsewhere who will burn out the same section of the town that burned at that time—everything along the river front between Third Street and the Brush Street depot inclusive.

A gentleman named Stearns came to Detroit and discovered there was money in making pills. He ran a little drug store on Woodward Avenue, up on a little hill. On your way to Windsor you will notice the drug store. He used the first commercial telephone ever used in history. Later he started a pill factory and Mr. Parke and Mr. Davis came along and joined up in partnership and we became known as a very good pharmaceutical chemist town.

Somebody learned that there was money in making stoves and they started to make stoves, and at the beginning of this century we had a pretty good reputation of having a little more than a quarter of a million people, some manufacturing, some trees, some nice wide streets and hack stands. Then something peculiar happened.

The advent of the automobile really was the beginning of Detroit's history. They dabbled around with the automobile until about 1910. Then they decided they'd go into the business seriously. Some people have just re-

newed that decision and are going into the business seriously now.

I'd like to turn serious for a moment and talk to you about this development of the automobile because it has meant something.

As you go about this town, as you see the kind of a town we have, with no tenement district, with a great many home owners, I'd like to have you know that there are some basic reasons for the prosperity that this town has enjoyed. We must hand it to the automobile business, although I am compelled to say that if there were no automobiles in the world we'd still have a very good town here in Detroit.

We can see, by studying the beginnings of the automobile business, that the city of Detroit at the present time is built upon discouragement. The men who were in the automobile companies were absolutely discouraged. Nobody would help them out. They weren't getting the breaks that the aircraft business is getting at the present time. Nobody would take them seriously. They were very peculiar loking men, wore peculiar clothes, they were quite dirty. The instruments they were developing smelled to heaven and made peculiar noises and they were being built in woodsheds and alleys. There were no garages then. These men were held in disdain. They were what you might call nuts. I wouldn't call them that, but they were the men who became the leaders in the automobile business.

They went to bankers, to financiers, to people with money and tried to get financial backing. They couldn't get it. What did they do? They borrowed money, ran credit and a great many of the largest stockholders in the largest automobile companies were stockholders for one reason—because the automobile company couldn't pay its bills and gave them stock.

Ned Jewett, in a public statement some time ago, said he had been offered one-third of the stock of the Ford Motor Company to satisfy a $25,000 claim and he went to his banker and asked for some advice and the banker thought it over very seriously and said, "Get your money." He did. He might now have had a third interest in the Ford Motor Company and there would be entirely new history, a different history of the automobile business.

The same is true of Dodges and Andersons and Grahams and a number of others. Mr. Cousens, I understand, bought his stock for $1,200; he got thirty million for it. I tell you that to let you know that these men fought the discouragement. They were nondescript, they were unorganized, but they finally did become organized as you have in this great association of yours and have built a thing that has absolutely no precedent.

Remember also that the workmen who went into those plants were unorganized. There were men among them who believed that an internal combustion engine, if put into a buggy, would make it run. Nobody knew what it was all about. Later when the union attempted to organize the Detroit automobile workmen, they were entirely too late. They waited for about ten years to get a start and then it was impossible to make any inroads on that group. Consequently, in our great shops in Detroit there never has been an walking delegate standing behind a individual workman telling him how few operations he should perform. Individual initiative has been rewarded and you have heard the names of great men who have come up from the machine shop because they have been unhampered, unrestricted, absolutely free.

Because of that condition Detroit has been a haven of factories, many of which I could mention, who have been so harrassed by organized labor troubles in other cities that they have sought a sanctuary in Detroit where they have been protected and been able to hire the men they pleased, pay them better than unions ever dreamed of paying.

The sight draft bill of lading came into business and the letters "f. o. b. Detroit," which means you pay the freight. That means that in the early days the automobile companies selected their dealers because they had financial standing, not brains. That is what is the matter with the automobile game.

We have developed a city here of which we are intensely proud. We have a well-grounded sort of civic life. We are proud of our churches. Last summer in London five Detroit preachers were filling five different pulpits. We are very proud of the fact that they are outstanding men. The greatest criticism ever heard of our schools is that they are too extravagant and too good for some of our children in some neighborhoods. I claim there is nothing too good for the average dirty American kid.

We have one of the three greatest orchestras in the world and although we are looked upon strictly as a machine town where the men in it are machines, we really have some sort of a soul. We are mighty proud to have you select this town and we hope you see it as we see it.

I am not going to bore you any longer to tell you any more about Detroit, to attempt to infringe upon the time of the important speakers that you have, but I want you to know that there is one thing we always remember in welcoming conventions to Detroit and that is that our records show that one out of every ten of the visitors to Detroit come back here to live. As I look at one-tenth of this audience, I say that you are welcome here to your new home when you come here to live.

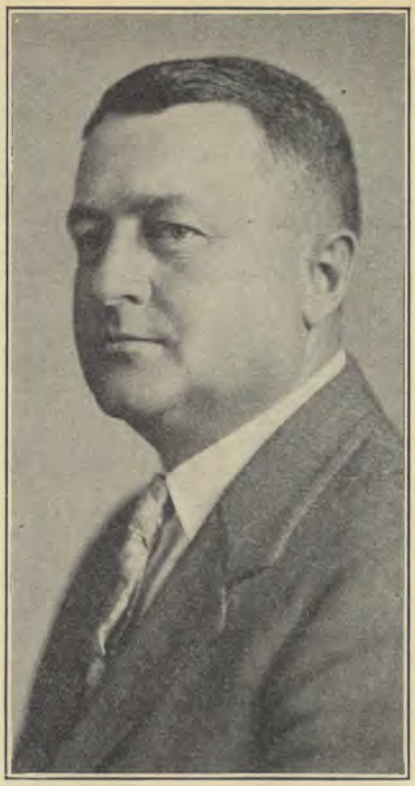
If I were mayor I'd offer you the keys to the city. But I will close by simply saying that it would be impossible for the mayor to give you the keys to the city. It would take a wheelbarrow to bring them here because of the padlock situation.

Thank you very much.

THE PRESIDENT: The response and any comments which certainly are invited by that address of welcome will come from Mr. R. O. Huff of San Antonio, Texas, President of the Texas Title Guaranty Company.

MR. HUFF: It is indeed a pleasure and privilege to be invited to respond to this address of welcome. Before we got to Detroit we heard a great deal about the welcome that was waiting for us when we arrived. Some of us came here under a great misapprehension. We supposed that Henry Ford

The Retiring President



J. W. WOODFORD
Seattle, Wash.

Who was given the highest honor possible by his fellow men and workers, and fulfilled his responsibility to a degree of the highest commendation. He entered his office enriched with the good wishes and sincere friendship of the entire association, and left it with them increased many fold.

His closing part in presiding over the Detroit Convention was a fitting climax to his year's active service. It was the biggest and most enthusiastic convention and his personality and geniality was a forceful influence in its success.

The association benefited from this active contact and his service will be always remembered. May it long be said, "Jim have a cigar."

started Detroit, and we didn't know any better. Down where I came from we never heard of it except when we were in school.

When emigration started in the United States, it went from east to west along this way. Now it is going from north to south. Our state is being settled by a great many very fine people from Detroit and up along the Canadian border. I think more than one out of ten stay down there. They come down and settle our land. They raise fruits and ship them back up here to you—citrus fruits. They raise cotton and other things that are necessary for the automobile manufacturers.

I am sure there is one question in the minds of these people here in Detroit, and I want to answer it if I can. I suppose they often wonder where we get the money with which to buy automobiles. We borrow it in the East.

I notice from the program that this is a convention for work and not for play. There are some entertainment features on the program, not too many. We are in the business comparatively new. It isn't as old as Detroit. Detroit is a baby among cities. Some of us come from places much older than Detroit. Long before Detroit and Mr. Cadillac were born, we were. I want you to know that there are other great peoples in the United States.

I think all of the United States and all Americans are great people. We think so ourselves, and we agree with him. But we came here for work. We are in this young business, and the men who are responsible for the business (many of them) are before me this morning. They started this business of title guaranty in the United States.

This is a day of cooperation. We come here that we might operate together in selling this business to the people of the United States. We come first for information, that we may inform ourselves about each other's problems, about each other's requirements; that we may know something about the requirements of the people to whom we would sell our services. After we get this information, along comes the inspiration. We then become inspired to go back and do greater things in service to the people and that, of course, requires perspiration. Without these three things: information, inspiration and perspiration, we can't succeed in our business but with these three things in our business we will succeed. There are some other things that go along with it, but those three are the essentials that we must have. I am sure that everyone who leaves here Friday will go away with a full, fixed intention of putting more perspiration into their efforts.

We are glad to be in Detroit. Sometimes when we are confined to a small section we become extremely provincial. That is bad for any people. It is good for us to get away and see the rest of the world and find out that there is some part of the country besides the part where we live, and there are people other than us.

We are glad to be in Detroit. So far we have enjoyed our visit and I am sure that we are not going to misbehave or do anything that will make you ashamed of us. Again I thank you on behalf of the convention for your fine welcome.

THE PRESIDENT: From now on our program consists of work. The work starts and ends with the Executive Secretary's office. We will have his report at this time.

Report of Executive Secretary

By Richard B. Hall, Kansas City, Mo.

MR. HALL: As Mr. Huff said, our business is really only an infant or young business. You know we have a habit, in our life, of measuring the progress of time by little lapses or periods or certain events and I think one of the most important ones in the life of any individual is when he becomes of age. I wonder how many of you know that this is the twenty-first birthday of the American Title Insurance Association?

We have reached our majority, and as there is always a psychological significance connected with the passing of this milestone, I think we can feel about like we all felt when we became of age—that the Association has just about gotten into that same kind of a spirit, has gotten over its formative stage and its kiddishness and is now entering upon a real mature life.

There are in this group six men who became of age in their life with the Association. Those men attended the first meeting of the American Title Association, held in 1907, and I ask them to arise. They are:

M. G. Thraves, Fremont, Ohio.
H. C. McNeil, Paw Paw, Mich.
M. P. Bouslog, Gulfport, Miss.
John T. Kenney, Madison, Wis.
Geo. Wedthoff, Bay City, Mich.
Herman Van Aalderen, Grand Rapids, Mich.

(Applause)

This Association a few years ago undertook to organize upon a definite basis in order that it might serve the title industry. A further step in that program was the establishment and maintenance of a central office in a central city of the United States, this office to be conducted by an executive force that should serve you. That move has repaid many times, and the reports that you will hear today will bear out that statement.

I will give a few figures that will be interesting because they show what has been done. During the year the Association received a total of $19,629.92 in income; $735.00 came from the membership dues of the title examiners; $390 from dues of individual members; $4,673 from dues of State Associations, or a total of $5,798 in dues. I want to call your attention to the fact that when I read the report of the expense you will see that this item of income does not in itself cover even the cost of printing and issuing TITLE NEWS.

The life of this organization comes from a voluntary sustaining fund. This year we received $13,510 from this voluntary contributory method. A total of $321 was received from miscellaneous items.

During the year we spent a lot of money. This is the first time in the history of the American Title Association since the stormy days prior to 1922 and '23, when we come before you with a depleted treasury. We have spent more than we took in and eaten up our reserve. The reason for that is that we undertook a very pretentious program at the beginning of this year. The results have justified themselves. We have served the title business and made you money. The title business has made more progress in the past three years than ever in its history. It has made much more progress in the past year than it ever has in the total of the three years. The expense items are as follows:

Salaries	$ 7,900.00
Office rent	995.00
TITLE NEWS	6,278.12
Traveling expenses of representatives to State Associations	1,509.78
Stationery	1,450.53
Postage	837.26
Telegrams	257.06
Supplies and miscellaneous	2,558.36
Office equipment	418.35
Abstracters Section	376.83
Title Examiners Section	113.60
Title Insurance Section	74.43
Midwinter meeting	1,227.08
A total of	$23,996.40

We exceeded our receipts last year by some $4,000. That is explained by the fact that, as I said, we undertook a most pretentious program. We undertook to serve you and we did. We make no apologies. On top of that,

the demands upon the Association this past year exceeded all expectations or plans and we were forced to engage in activities and spend money to meet them. In other words, we have at last sold ourselves to the title business, as you have heard me tell, as our efforts formerly were expended in selling the organization to the title people and getting them to use it. They are now thoroughly sold and are using it.

You might be interested in knowing that last year the Association sent out over 98,000 pieces of mail, of which some 35,000 were first class. That shows some of the things that we have been doing. In addition, we have at last reached the goal we have always striven for in giving the title people a real magazine. Our efforts have not stopped upon this one thing and we will be continually striving to give you a better, more profitable and a more worth while publication.

A year ago the membership was built up to an unprecedented figure. I am happy to say that the membership was maintained this year as well as an increase added. A further report of that will be given in the report of the Chairman of the Membership section. We have spread out over the country, we have spread the gospel and there is a movement on foot among the title people today to march forward.

We who can be on the top and look down to see the title field as a seething mass. It is no longer a disorganized mob but, following the precedent and the road of all other industries, has made itself realize that there are no state or county lines, that the abstract business and the title insurance business and the business of examining titles is a nation-wide industry. Abstracts and title insurance policies travel back and forth across this country like cantaloupes or the products of industrial plants. Our service is a commodity of general usage. We are fast overcoming our inferiority complex and convincing ourselves that we are an essential, that the public needs us, that they can get our wares through no other source than us, and we are entitled to a commensurate fee for responsible, high-class service that is being demanded from us.

Within the past year there have been fewer causes of complaint against the title business than ever before. We have taken our place in the sun. The Association is doing a lot of wonderful work. This year every State Association held a convention—for the first time in history. Every one of those conventions was a record breaker. Every State Title Association accomplished something for the good of the business within its state. There was more legislation introduced into legislatures of the country this year directed at demoralizing and obliterating the title business than ever before since the wave swept across in 1907 and the other that swept across in 1914. We seem to get favoritism in legislatures in periods of seven years.

All of those were defeated. There was some constructive legislation enacted through the efforts of the title people. The American Title Association feels that it is at a point where it, like the buggy manufacturer or saloon keeper and the brewery, must enter into an entirely new business. We have been conducting a revival campaign, we have been doing missionary work among the title people and we have reached the saturation point. This year we must undertake a definite campaign to take hold of the boot straps of the title business and lift it up, and that is just exactly what we intend to do and what will be done.

The association is organized into three divisions. During the past year, for the first time in the history of the Association, these three divisions functioned and conducted separate campaigns of their own and accomplished a lot for each individual branch of our business You will hear about these later. During the coming year that campaign will be intensified. There will be submitted to the Chairman of every section a definite program of things that need to be done for the title business and their activities, and the entire energy of the Association and the title business of the country, will be devoted to enacting them.

You probably will be interested in knowing that this work calls for a great army of people. It involves the expenditure of personal funds, of time and energy and talent. Four hundred and nineteen people took an active part during the past year in the activities of the American Title Association either as an active officer, as a committeeman, or someone who took an active or an indirect part. If you were to total the number of people engaged in the work of the organized effort of the title business of this country during the past year, State Associations and all, you'd find that upwards of a thousand people, or one-third of the membership of the Title Association, had taken part, an active part, in this movement.

Things are bound to happen. The business will prosper. It has. All of you are enjoying better business conditions than ever before. You are finding the title business is more profitable, it is better serving the people, it stands in higher regard. You all know the progress that has been made and how this business has been revolutionized since the New Orleans convention three years ago. The greatest strides have been taken. Title insurance has become nation-wide, universal. The business has been firmly entrenched all around. It has been done, accomplished solely by the mutual efforts of the people in the business, speaking and directed through the state and national Title Associations.

The midwinter meeting in Kansas City last year was very enthusiastic; a great deal was accomplished. We have in Kansas City an office that is there to serve you and is serving you. We trust that any time any of you come through there you will come down and see it. None of you have an idea of the work we are doing. It exists strictly for your benefit.

I think that now, upon our twenty-first birthday, the title business will move forward with its feet on the ground and its head up as never before, and you will all be proud that you're in it. In my estimation the title business is one of the virgin industries of this country and holds a great future. It is probably the only essential industry that has not taken hold of itself like others have, and moved itself forward. I think from now on we are going at full speed.

THE PRESIDENT: The Secretary reports that there are no amendments suggested by the Committee on Constitution and By-Laws.

The report of the Committee on Membership and Organization will be made by the Executive Secretary.

MR. HALL: As I told you just a few minutes ago, last year some 900 members were added to the membership of the American Title Association as a result of a most energetic campaign conducted by E. H. Lindow. The membership at that time reached some 3,000. We were concerned as to whether or not the Billy Sunday tactics adopted by Mr. Lindow was a religion that would hold; therefore we made not only efforts to secure new members this year but efforts to hold our old ones. We held them, and in addition to that made an increase this year of 344.

Due to the energetic work of Mr. John F. Scott, Chairman of the Title Examiners Section, who was getting into it for the first time and was more enthusiastic and energetic than he was wise, he added fifty examiners during the past year. Practically all of these came from the Building and Loan Associations—a new source of membership.

Of course there was an increase of a substantial number in the state associations; they added 287. There was some shrinkage during the year, which was to be expected, but we had a net gain of over 100.

Mr. Rogers, in his report, seems to hold a rather pessimistic view, with which I am just a little inclined to concur. It takes a great deal of effort to get people into State Associations at this time because of the constant efforts that have been exerted every year. We believe that we have reached practically the saturation point and that instead of trying to get every Tom, Dick and Harry in the country into the Title Association we should be concerned with putting some restriction, or recommending some qualification or otherwise making it

worth while to belong and claim a membership in the Title organization.

In addition to that, we have to whip into line some thirty State Secretaries every year—all good fellows who have to do a lot of work for the good of the cause, and it is a tremendous job. We have about come to the conclusion that it does not pay. That is the consensus of Mr. Rogers' report—that this year we should, rather than try to get everybody into the Association, direct the efforts we expend into formulating some workable, practical scheme and qualification for belonging to the Association the same as is required by others so that it will mean something. It will distinguish a member from the other fellow and make it worth while.

In addition to that we think that we will have to work just as hard to keep the men as it would be to get new members. Strange to say, you can send out anywhere from six to ten statements and letters to some of these folks and while they do not intend to drop out, they do so. The fight seems to be to maintain the present high class, large number of members that we have built up in the past three years and make this a more formidable and respected body.

THE PRESIDENT: We have one more report for this morning, to be made by Bill Pryor of the Advertising Committee. Pryor is lost somewhere in the wilds of Canada, driving through with John Scott. Instead of coming from St. Paul through this great American country, they decided to go into a foreign land, and they are not here yet.

I have a couple of bright spots which might be thrown on the screen to dispel a little of the gloom that was disseminated by some of these reports.

Tom Dilworth of Waco, Texas, wires:

> Permit me to express my appreciation of your work during the past year. Best wishes for a happy, successful convention. I know the meeting will be a wonderful one. Sincerely,
>
> Tom Dilworth.

This telegram is from that prince of good fellows in Kansas City, Jesse P. Crump:

> I regret very much my inability to be present but desire through you to extend my greetings to the members present. Wonderful work has been done by the officers this year, for which due credit should be given. As the boys from Texas are inclined to be somewhat timid, ask Mr. Lindow to take personal charge of them and see that they miss no interesting sights of the convention city. Best wishes for a successful meeting.
>
> Jesse P. Crump.

May we have the Treasurer's report, Mr. Wyckoff?

MR. WYCKOFF: The Treasurer's report is dry and statistical only.

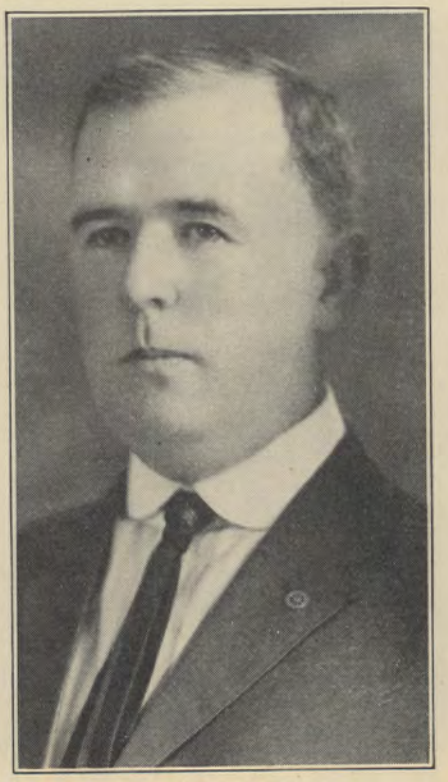
The Secretary's report gives the details of these same transactions and we have decided that there was no need of burdening the convention with two sets of detailed reports. So I will say that this report reads from September 1, 1926, until August 18, 1927, when by mutual consent the books of the Secretary and the Treasurer were closed and since which time no monies have come into the hands of the Treasurer.

These items in some respect will not show that the budget has been strictly followed but your Secretary's report will demonstrate that where the budget was exceeded it was entirely justifiable and in the interest of the Association. While we appear to have spent considerable money and so have run exceedingly close to our funds in hand, we nevertheless have benefited substantially from those expenditures.

(See detailed reports of Executive Secretary and of Treasurer shown beginning on page 105.)

Officials, Abstracters' Section

JAMES S. JOHNS
Chairman
Pendleton, Ore.



ALVIN MOODY
Vice Chairman
Houston, Texas

W. B. CLARKE
Secretary
Miles City, Mont.

THE PRESIDENT: With regard to the activities of the Nominating Committee, I feel it is necessary to make the statement, inasmuch as there are so many new faces here, so many in attendance for the first time, that each State is entitled to one member of the general Nominating Committee. It is the duty of members from the various states to get together immediately after this session, select the member from your State to serve on the Nominating Committee and immediately file that name with the Executive Secretary so that he can have a direct check on the Nominating Committee.

In selecting your member of the Nominating Committee, the By-Laws provide that you shall select, if possible, from your state delegation someone who has attended three national meetings. If you have no one in your delegation who has attended three, then select someone who has attended two. If you have no one in your delegation who has attended two national meetings, then select from those attending for the first time.

I shall appoint Mr. Tom Scott of Paris, Texas, as general chairman of the Nominating Committee—rather a restrictive appointment on Tom because he has no vote. It is always hard on a Texan to deprive him of a vote.

Now, with the admonition that you proceed immediately to select your members of the Nominating Committee, I believe there is nothing further at this morning's session and we will adjourn to meet back here promptly at 2:30 o'clock. The noonday luncheon is at 12:15 in this room.

TUESDAY LUNCHEON.

SECTIONAL CONFERENCE.

Following luncheon, the convention was called to order by Harry C. Bare of Ardmore, Pa., Vice-President of the Merion Title & Trust Company, who presided at this session.

THE CHAIRMAN: Friends, the experience of the past few years has demonstrated that these noon conferences are a very valuable feature of the convention work. When you consider for a moment the distances from which all you delegates come from all sections of this country, and the limited amount of time that may be allotted to the work that should be accomplished in order to make your trip really worth while, and allow your Entertainment Committee some opportunity to give you entertainment, it means that you must have real intensive, earnest effort on every phase of the convention work.

With that thought in mind I want to ask on behalf of the speakers who will address you at these noon meetings your earnest and interested effort and attention to the subjects as they discuss them with you. Give them your thought and, as far as time will permit, ask questions and engage in any discussion of the questions they take up with you with the idea of making these meetings just as interesting, just as helpful as they possibly may be.

The subject of "Legislative Activities of Title Associations" will be discussed with you by a man known to every one of you—that man through whose initiative, whose good sound business judgment and experience, the foundations of this Association were laid—an attorney along the Pacific Coast with wide experience. He needs no introduction but it is a pleasure to me to present to you Mr. Frank Doherty of Los Angeles, Executive Secretary of the California Land Title Association.

Legislative Activities of State Associations

By Frank P. Doherty, Los Angeles, Calif.

MR. DOHERTY: The subject that has been assigned to me—"Legislative Activities of Title Associations"—is one I enter upon with some hesitancy because I realize that there are forty-eight states and each state has its own legislative problems. What may be good in one state may be inapplicable to some other states. Suggestions we have adopted in California may not be found practical in other states.

So with that warning, I wish to state that what we have done in California is merely by way of a suggestion to take or leave as you see fit, regarding the activities of your legislative committees in other states.

I might make this suggestion, however, by way of introduction: That it has ever been a fault of legislative committees and particularly those of Title Associations not only in our State but also in the National Association and in the State Associations, to do only what is known as negative or destructive legislative work. This has been called to your attention on past occasions. That is, you never take any interest in legislation until some hostile legislation is introduced in the Legislature and then you call a conference, hurriedly get together, run to the State Capitol and do all you can to defeat the measure.

That is not the kind of legislative work that is effective. In my opinion it is the wrong time to start legislative work when the other side, the enemy, begins to attack you. You should lay out in advance a constructive program. You should lay out a program which is one that will appeal to the members of the Legislature so that you will gain their confidence and respect —not that you are there trying to seek any special interest measure, any measures that will advance or further your own private affairs, but those that are for the common weal, the common good for the public at large.

I have in mind the example set recently by our bankers. They were confronted, in states where states permitted branch banking by state banks, with a very serious situation. They saw that they could not prosper in the future if the national banks were not permitted to continue to compete with states banks by likewise engaging in branch banking. What did they do? Sit idly by and let a group of farmers, mechanics, near politicians and the like sort sit down at Washington and prepare the kind of legislation under which the national banks would operate? Not at all! They got together the best brains in the banking fraternity; they went down to Washington, had a bill prepared, submitted it to Congress as the illustration of the kind of a law they wanted the banks to operate under.

The legislators knew very little about banking. They knew that the bankers knew more about legislation affecting banks than they did. They went to the banking committee of both the House and the Senate and they educated the members of those committees to the needs of branch banking in certain states under certain circumstances, with the result that they had the Pepper-McFadden Banking Bill enacted. It is now a law.

If the Title Association will follow a like example, not merely send inexperienced employes or one not actively in the title business, a near-lobbyist or a lobbyist, to the legislature to represent their interests but would send their best brains, the men who know the title business from the ground up, to the Legislature, discuss with the legislative committee the problems of the title business not from the standpoint of enriching the title companies but from the standpoint of protecting and safeguarding the public interest and the property rights of the public, you will gain the confidence of the legislators and you will be given a fair hearing.

Don't be discouraged if you do not get results at first because you cannot win the entire confidence of the legislature on your first meeting or your second meeting. We had our problems in California. We had four barren

years. We introduced legislation in 1921; it met with favor in both Houses. The Governor could not see it as we did and vetoed all our measures. In 1923 we returned again to Sacramento with a program which we had given careful thought, with the result that again the Legislature agreed with us and again enacted it into law and submitted to the Governor the measures we had submitted to them. The Governor, who is now among the departed office holders of California, again saw fit that he could not look with favor upon our measures and again vetoed all our bills.

We went again this year with twenty measures. They were presented to the Legislature after careful thought—not on the spur of the moment but the thought of over a year. The Legislative Committee met, received suggestions from throughout the State. The best brains in the title business in California met again and again until finally they drafted legislation which was not a matter of special or private interest or advancement of the cash drawer of the title companies but which they thought was for the best interests of the public at large in that state to safeguard and simplify the transfers of real property and dealing in realty.

They went to the Real Estate Association and got the approval of the Real Estate Association of the State to their measures. They went to other groups, the lawyers and other groups, and had them likewise approve the measures. The measures were introduced into the Legislature, twenty in number. In introducing them we selected men who had the confidence of the Legislature, who had served in that body for several sessions. They in turn had the confidence of the administration, the new Governor. The result was that every single measure we introduced passed both Houses and was submitted to the Governor.

Two were duplicate measures that had been introduced by other members with whom we conferred and asked the Governor not to sign our measures, yielding to other members who had introduced similar legislation. One bill had been amended in a minor particular which we thought rendered the bill ineffective. The Governor signed the remaining seventeen and they are now the laws of the State of California. That is the result of six years of consistent effort—not haphazard planning but a consistent plan worked upon by the chairman of our Legislative Committee, Mr. Henry Monroe, who was a member at one time of the Executive Committee of this Association.

I cannot at this time pass without paying him a compliment. Henry Monroe is not merely a name or person in our state; in the title world he is an institution in California to whom every title man looks with respect and confidence because when he speaks on title questions we listen. And the legislators of the State of California likewise look upon him with respect and confidence.

The program which we introduced is one which of course would not be suitable to other states because you have different problems, but I wish to caution you on this: Do not work under the theory that the laws in your state are the last word in matters affecting real property or matters growing out of the title business. For this reason: If it is the last word in the logic and wisdom of the ages, there is no use attempting further progress. I do not think that any state laws are as they should be. I do not believe that they are as perfect as they might be. I would like to see the day when transfers of real property would be so simplified that real property would be more of a general article of commerce.

I can look back just a few years ago, and you will remember when bills of lading with sight draft attached were not a common means of doing business, but we adopted a uniform bill of lading and today it is the accepted method throughout the nation because a bill of lading in Ohio is good in California and one in Washington is accepted in New York without question, being uniform in each state.

There is no possibility of bringing about uniform transfers in every state but there is a possibility of working to an end so that there will be greater uniformity and a more simple method of transferring title to property and the simpler the method by which the property owner is safeguarded, the greater number will be the transfers and the greater the return indirectly to you in the title business.

VERA WIGNALL
Executive Committee, Abstracters Section

One of our problems in California was the matter of doing away with the risk incurred by Federal Liens or Federal Judgments. In our state, as probably in most states in the Union, they have no law affecting the liens of Federal Judgments limiting them to any particular locality. A Federal judgment lien having been rendered by the Court in the district is a lien throughout the district. In our state our districts are quite large, having but two Federal Judicial Districts in California, one in the South running as far north as Fresno. A judgment having been rendered in that district is a lien throughout the twenty-odd counties in that district. It was a hardship and a risk to which we were forever exposed.

The judgments of the courts of superior and inferior jurisdiction likewise, when docketed, became a lien on the property throughout the county in which the judgment was docketed.

We secured the passage of an act that no judgment in an inferior or a superior court or of a Federal Court, became a lien upon real property until an abstract was recorded in the office of the County Recorder in our state, which corresponds to the Registrar of Deeds or County Clerk in other places where they have different offices to file their records.

That law had the effect of centering into one office practically everything that affected the title to property. We do not have to look further in the future than to the County Recorder's office for any document, any lien affecting the title to property.

We introduced the usual curative acts curing defects, acknowledgments, etc. We also introduced a law which is the first of its kind that we have attempted but which we hope will have its effect in simplifying the transfer of real property and that is one which has as its object the cutting out of contingent remainders upon unborn heirs.

We have several pieces of property in San Francisco and other sections of the country where a contingent remainder was left to an unborn heir, with the possibility of the heir not coming into existence at any time, yet it was a cloud upon the title. We provide that if a guardian ad litum would be appointed by the court to represent the unborn heirs, to have their interests appraised, the property divided and the interest of the unborn heirs put into trust and held for that heir if he ever came into existence, that situation could be cleared up.

That had the effect of clearing up the title to pieces of property that had lain dormant for a long time and would lay dormant for many years in the future, otherwise.

Those are general propositions which might not be applicable to your state. I would feel, however, if I

did not give Dick Hall some work to do in our Legislative Committee of the National Association, I would not be fulfilling my duty on this occasion.

I believe the Legislative Committee of the National Association can be of great assistance to the state associations in formulating state programs, in working out their problems and cooperating with them so that in the end there will be greater uniformity between states on matters of elementary principles.

I have in mind, for instance, the matter of a uniform notarial acknowledgment bill. It is a simple measure yet each state has a different requirement, a different form. The form is mandatory; unless followed the act of a notary is null and void and the record is of no value. Why could not the national legislative committee of this association, in conjunction with the legislative committee of the state associations, agree upon a uniform notarial acknowledgment act—one for the individual, one for the attorney-in-fact, one for the corporation, and having agreed upon it introduce it into forty-eight states and have the approval first of the national Real Estate Boards, the Bankers Association, the Bar Association if you can; introduce it into the forty-eight states and then keep plugging away until you have the same notarial acknowledgment throughout the Union?

Then you'd have a simplified method of transfer in a very elementary way.

There is another illustration. A corporate form is the commonly accepted method now of doing business. Delaware is accepted as the corporation state at this time in a majority of the states of the Union. Yet when you have a transfer in states outside of Delaware by a Delaware corporation, there is no certainty that that corporation on the day of the deed or the date of mortgage or trust deed or trust indenture has power to execute the instrument upon which you are to pass. Its license may be suspended for failure to pay license or franchise tax or failure to comply with laws of Delaware or the state law under which the corporation is organized.

I do not at this time pretend to suggest any remedy for this but there ought to be some plan worked out by which, when a foreign corporation doing business in your state executes a document, that on its face it should be accepted as within the powers of that corporation until the contrary appears. It is not a simple matter. I do not intend to suggest to you any panacea, but it is something worthy of the thought of the national title association legislative committee.

One other thought: At the present time the Government is filing thousands of tax liens on income taxes. Under the law these tax liens take effect from the date of their recording or registering with the proper officer. They are second and subsequent to existing liens on the property. But when you come to foreclose the liens, you cannot close out the redemption right of the Government because there is no period under which these liens expire and secondly, you cannot make the Federal Government a party defendant because it has not permitted itself to be sued.

I would suggest as a matter to submit to the national Legislative Committee, that either the Government permit itself to be sued in a limited number of cases, not for the purpose of doing away with the income tax charge against the delinquent taxpayer but to foreclose the lien upon the property and thereby clean up the title to the property and relieve the title of this cloud, or specify a period within which the lien expires so that within three years or five years after the lien is filed it will cease to be a lien upon the title of the property and not run on indefinitely, as is now the case.

The Legislative Committee may do another service to those interested in title insurance. I have reference to the attitude of the Federal Government, particularly the Attorney General's office that has charge of these matters, toward title insurance. The War Department, Navy Department and Post Office Department are forever purchasing property for the Government, to be used for Government purposes, yet the Attorney General's office will not accept, except in rare instances, policies of title insurance as evidence of title to that property. In some places they will insist on searching the records themselves. In other places they will have lengthy abstracts, although the community in which the abstracts are demanded has ceased to use them for a long time.

The Assistant Attorney General in charge of these matters at Washington recently stated he could not do other than to accept abstracts because he says, "Under the law I am required to accept abstracts." Another Assistant Attorney General says it is not the law at all, it is a custom that originated in the State of Vermont and was brought to Washington.

I believe the national association could go to Washington and convince the Attorney General that he could accept title insurance where title insurance is the accepted method of evidence in title. Or, if the law needs changing, to have a law introduced that in the discretion of the Attorney General, wherever title insurance is accepted evidence in title, that title insurance policies will be accepted by the Government.

How can we convince the property owner, the public, that title insurance is a desirable method of evidencing title if our national Government refuses to accept it as an evidence of title in its deals in purchasing property?

Those are just merely suggestions which may or may not be applicable to the state, may or may not be of interest to the national association. I feel, however, that until we put over our program from a national viewpoint, unless we convince the public, the law-making bodies, that we have a service to render to the public, we are engaged in a business that is essential, necessary to modern business conditions, one without which business cannot prosper and progress as it should, we are not fulfilling our mission.

Each of you here is convinced of the need of the title business, the need of the abstract business in the communities where abstracts are accepted and title insurance where title insurance is the accepted method of evidencing title, but unless you convince your neighbor, the business man who owns and invests in property, that that is an essential and necessary business, he will ever grudgingly go to you with his evidence of title.

You should bring to the business men of the nation the necessity of the title business to the welfare and progress of the nation. It occurred to me this morning that perhaps it would be a step in that direction if this Association should go to Washington and interest the United States Chamber of Commerce, which publishes the magazine known as The Nation's Business, and have them establish as a department of that magazine the title business—whether it be title insurance or the title business as a whole. They now have an insurance department which they conduct in the United States Chamber of Commerce. They have articles from time to time in their magazine. I am satisfied that you could interest them by showing them that the title business is a national business, is one of national interest and of national concern and have them appoint an Assistant Secretary versed in this particular kind of work to convey to the business men of the nation the work that is being done by the title men of the country.

These are merely suggestions and I wish you to understand, Mr. Chairman, that they are suggestions from a layman, one who is only indirectly and you might say slightly connected with the title profession and title business. I submit them as a layman, merely as suggestions, for you to see perhaps that one outside of your business may look at things a little differently from the way you look at them. They may be worth while; they may not. You have my good will; I am glad to be here.

THE CHAIRMAN: We are indeed indebted to Mr. Doherty for a very constructive, very informative talk, one that the State representatives can take back to their State activities, put into practice with a tremendous amount of benefit.

Is there any discussion on the subject of Mr. Doherty's address?

One question may be of interest to a great many of us. That would be if Mr. Doherty would give us a summary of the jurisdiction exercised by the

Bureau of Insurance over the title insurance companies and whether it was necessary for the Legislative Committee to get the consent of the Bureau of Insurance to their program that they submitted to the Legislature.

MR. DOHERTY: As a matter of state policy, and I think it is true in every State, if the Insurance Department is a part of the administration that is then in power, not a hold-over office from an antagonistic or opposition administration, as a matter of policy the Governor would not sign a measure affecting the insurance laws of the State without having the approval of the man at the head of that Department.

So when we wish in any way to change the insurance laws of the State affecting title insurance or any other insurance laws, we first go to the Insurance Commissioner of our State and submit the problem to him and convince him that our remedy is a sound one and endeavor to have him join with us in a recommendation to the Legislature that it is satisfactory legislation. That is a matter of policy.

L. H. SMITH (Virginia): What is the extent of the jurisdiction of your State Department of Insurance over the insurance company?

MR. DOHERTY: Well, every State varies, of course. In our State the Insurance Commissioner has the power to regulate the insurance to the extent only of examining the companies to see that they are solvent, that they are paying their losses properly, that they are keeping their assets in the condition required by the law and other regulatory measures of that sort.

Naturally, when you are dealing with an administrative officer, you want to be always discreet because not

E. D. DODGE
Executive Committee, Abstracters Section

of the power that he possesses but the power he attempts to exercise sometimes that is even beyond his power, which is of great moment.

It's rather like the fellow who was in jail. He sent for his attorney, and the latter said, "Why man, they can't put you in jail for that."

And he replied, "But look at me! Here I am."

MR. SMITH: In a great many Southern states the Bureaus of Insurance in the respective states do not at present exercise any authority over title insurance companies. Title insurance is so given in some of the Southern states that there is no provision in the codes for the supervision of title insurance companies.

MR. J. E. ROEHR (Milwaukee): I'd like to inquire whether, under the laws of the State of California, title insurance companies are compelled to maintain specific reserves.

Mr. DOHERTY: Yes, they are. You must have a deposit with the State Treasurer of a hundred thousand dollars as a prerequisite to first engaging in title insurance in the State of California and thereafter you have to set aside a certain proportion of your gross premiums each year until they reach a certain amount. I think it is one-fourth the capital.

MR. N. H. GILLOT (El Paso, Tex.): The Reclamation Service in Texas has accepted our policies of title insurance.

MR. DOHERTY: The War Department will or will not in certain circumstances, the Navy Department will or will not under certain circumstances and the Post Office Department has a like rule. There should be uniformity. I think the Reclamation Department comes under the Department of the Interior.

THE CHAIRMAN: We will pass on to a discussion of the subject of "Overcoming Objections and Antagonism of Lawyers to Title Insurance." This subject will be handled by a man who has had a very wide experience with title insurance and its institution in sections that theretofore had not known of it. Mr. A. H. Rutgers, of the Union Title & Guaranty Co., Detroit.

Overcoming Objections and Antagonisms of Lawyers to Title Insurance

By Anthony H. Rutgers, Detroit, Mich.

History shows that there never has been a new invention to better the condition of the workingman which has not met with opposition from the workingman; that there never has been a new service for the business or professional man but that, too, has been opposed. Men seem to oppose progress—they appear contented to go along in the same old way. Lawyers, too, can be placed in this category, with, perhaps, more excuse for the Lawyers than for any other class, in view of their training and the fact that their practice is based on precedent. Case-law has made Lawyers "precedent" hunters, and continual practice in hunting precedent has become a habit which has made the Lawyer fearful of plunging into the pool of progress, with the result that he interposes objections to the introduction of Title Insurance. In addition to this, we have the various Bar Associations discussing at their meetings the encroachment of the Title Companies on the Lawyer's preserves, in spite of laws prohibiting the practice of law by corporations. We must, therefore, admit that Lawyers do oppose the introduction of Title Insurance. We must, consequently, overcome and meet these objections, and must prepare ourselves to do this. Now just how can we do this? Perhaps we can learn from the methods of the Maytag Company, which, in my opinion, has one of the strongest selling organizations in the country. This company handles the matter of meeting objections in a very effective way. After teaching men all that is possible about their product—and they insist on this before they permit any man to sell—they instruct each and every salesman in the art of anticipating objections.

They say: "Some people do not think it possible to anticipate objections. They argue that each prospect is different and consequently the salesman has no idea what the prospect is going to say. Hence it is impossible to lay out answers to objections since they do not know what they are going to be. This seems plausible at first, but let us analyze it. When this country declared war on Germany, what was the first big step? The first move was to make preparations to

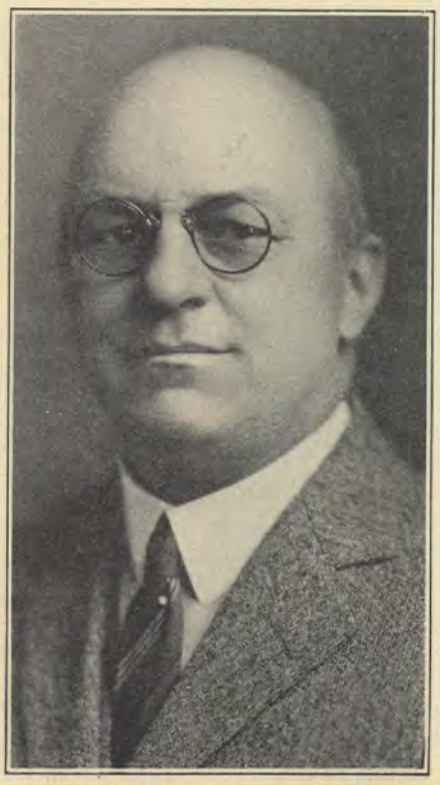
meet the enemy. They ordered submarines, flying machines, gas bombs, machine guns, cannons, and a thousand other implements of war, as well as equipment for men. Now suppose that instead of this, the leaders of our great forces had said 'Each war and each battle is different and must be handled individually, and so we will leave our cannons and aeroplanes and submarines and machine guns at home, until we find out what we are going to need for each encounter.' The result would have been that when attacked by submarines, we would have been unprepared, and when the enemy moved forward with many destructive devices, we would have been defeated.

"What did our leaders do? They said, 'Experience has taught us that the enemy may use any one or all of ten thousand infernal machines, and we must ANTICIPATE this, preventing their use where possible, and always having material for a comeback when needed.' A concrete example. Our government expected the enemy to use submarines. Instead of waiting to see if he would use them, we presupposed that he would and endeavored to prevent such a move. As a result, the United States Government did not lose a transport. In other words, they were so successful in ANTICIPATING objections, that our opponents were defeated, and eventually accepted our proposition, which in this case, was Peace. Our prospects are not enemies but it is necessary to convince them, mentally, and to do this we must be as well prepared, and if possible more so than the general who leads his forces into battle. (Please do not make the inference that I am comparing battlefields to salesmanship, but merely am using a striking illustration to bring out my point.) You, as salesmen, are the ones to declare the attack and to adapt your mental equipment (which corresponds to the fighting equipment of an army) to your prospect." It has been found that any sales talk can be arranged to ANTICIPATE OBJECTIONS, and, thereby, eliminate them. There is a solution to every problem. Negative thinking will not solve it. POSITIVE THINKING WILL.

I am a believer in Affirmative Salesmanship, and in my work guard against negative thoughts—that is, I DO NOT THINK THAT Lawyers object to and antagonize Title Insurance when they learn and KNOW what it is; how much more it does for them and their clients; how much it frees them from worry and responsibilities; how much better it is in every way than the Abstract-Lawyer's Opinion or Certificate System; and further, that we do *not* practice law, thereby encroaching on their preserves.

All companies entering the Title Insurance field for the first time must overcome many obstacles by a campaign of education and hard work. This has been the experience of every company. I have seen the growth of Title Insurance in New York City, Chicago, California, the Middle West States, here in Detroit, and elsewhere, and I have seen some of its unpopularity. In addition to overcoming the bitter opposition of public officials in the City of New York—the County Clerks and Registers—whose income was reduced by loss of official searches—Title Insurance had to overcome there the strong opposition of the members of the Bar, and until the companies there made arrangements so that Lawyers could make a great deal more money with the Title Companies than without them, this resistance on the part of the Bar was not overcome. (This is probably the quickest way to overcome the selling resistance of the Lawyer to Title Insurance; to do it otherwise, means a long, hard, systematic fight.) The result is that not a Lawyer in New York City, now, would think, for one minute, of ever going back to the days when he examined his own Titles.

Lawyers, as a class, lack knowledge of Title Insurance and *must be sold* in a thorough and scientific manner. If there exists a man or woman who does not believe, honestly, that Title Insurance is a major necessity, it can be truthfully attributed to one cause —LACK OF KNOWLEDGE. The force of the statement, "Unbelief is blind," is nowhere more apparent than in its application to those who oppose Title Insurance. We must, therefore, develop the ability to open the eyes of such doubters. But to do so effectively, we must be well equipped. We must offer *the right kind of policy* and *complete service.*



HENRY C. SOUCHERAY
Executive Committee, Abstracters Section

Title Insurance is not easy to sell, but when a salesman has learned how to overcome the initial sales resistance, progress can be made. Perhaps the reason why Lawyers are hard to sell for the untrained or faint-hearted sales worker, is that Title Insurance is just well enough known so that the average Lawyer has heard something about it, and he thinks that he knows more about Title Insurance than the salesman. One reason why the courts reject jurors who have read something about a case, is that when the average man acquires a little knowledge, he is likely to be stubborn about letting any one else add to his meager store of information.

If we were selling merchandise, we could resort to two appeals. One is the PERFECTION or QUALITY of our goods, and the other is the SERVICE that we, as manufacturers or salesmen of these goods, can render. All we have to offer to the public (this includes the Lawyer, also) in Title Insurance are those two things, plus the financial responsibility of our Company. Assuming that we have the proper policy—and there is considerable disagreement as to what a policy should contain as appears from the examination of various policies issued throughout this country—we have taken care of the quality of our goods.

Sooner or later the uniform policy in Title Insurance MUST COME. It will come willingly if we will have it; under compulsion of legislation and law if we won't. Uniform policies now exist in other kinds of insurance, and a Title Insurance business is no different than any other kind of insurance so far as the general provisions of the policies are concerned. It would be much better for us, or the men who have devoted their lives to the Title business, to work out this uniform policy than to have the details worked out in the legislatures of the several states. This is said mindful of the kind of men who are sometimes sent to these legislatures, and also with due respect to the wisdom of some of the men who are sent there. I have made a study of many policies, and it would surprise you to learn how many conditions are imposed—so one-sided and onerous, that a Title company can escape its responsibility. This is an anomalous situation, indeed, and perhaps is one of the strongest criticisms that we can meet with in the field that comes from the Lawyers.

In the first place, we should give the policyholder all the protection that we can; and in the second place, protect the insurance company in a proper and reasonable manner. An insurance policy which protects the company ahead of the interests of the insured is not fair in a salable commodity. Trying to do this creates much resistance, and causes more criticism from the Lawyers than any

other one thing, unless it is loss of business.

In the financial center of this country, a standard form has been worked out, which seems to meet the demands of the financial interests. The policy now used there is the result of many years of thought and study and, if workable there where transactions are large and questions of Title are difficult, the same policy can be used elsewhere in the country where Titles are not so cumbersome. Title men outside of the metropolis are just as able, mentally, and otherwise, to give the same commodity.

Now having a policy which protects the insured against any loss or damage that may be sustained by it, to the amount of the policy, by reason of any defect in or liens upon the property, the Title to which is insured, either in fee or mortgage lien; insuring the policyholder against lawful objections to the Title (this means marketability of Title); to obligate the insurance company to conduct at its own expense, any litigation that may be brought—affecting the Title that they have insured—by anybody whose interest in the property they have not excepted in schedule, and against anybody who repudiates the Title as unmarketable—assuming that our policy does all this, in addition to other minor things, we have *something to sell that is so far superior to* anything that the old systems have to offer and can give, that we can approach the greatest Lawyer in the land with confidence and not fear his criticism, because we are in his office to help him.

Do you believe in such service? If you do, then all that salesmanship amounts to is making Lawyers think as you do and then persuading them to act accordingly.

PREPAREDNESS PLUS PERSISTENCY. Follow this formula for a stated number of hours daily in personally pressing Lawyers and we WILL produce profitable premiums.

Insurance is bought for the safeguards provided. It is sold, therefore, on a basis of protective quality. IT SHOULD NEVER BE BOUGHT OR SOLD ON PRICE. Title Insurance salesmanship calls for the ability to prove to the Lawyer the worth of such protective service.

Now, having the proper policy—in selling the Lawyer, we must make the proper approach. When I say proper approach, I do not mean gaining admittance to the office of the Lawyer and obtaining an opportunity to talk to him. We shall not complete our approach until we gain sufficient attention to cause him to give close heed to our story. Having done this, let us so direct the conversation as to cause his mind to move along with ours. The "gift of gab" alone will not enable us to do this. A flood of words may drown our purpose. Words accomplish nothing unless they are the RIGHT words. We *should drive home our story.* We have all listened to solicitors whose volubility repulsed us. Their parrot-like sales talks were committed well and delivered fluently, but they never reached a convincing point. They were "Circle" talkers. Never employ tricks to gain an interview. Our business is legitimate and dignified. *Simply go in with all the vim that is in you.* Never beg a Lawyer for a little time in which to talk to him. We know that our proposition is worth the careful consideration of every business and professional man, and that those who fail to take advantage of it are greater losers than we are. If we go about it in the right way, we WILL, in effect, plant in the mind of the Lawyer the feeling that he should, in reality, have asked us to give our time to talk to him. I do not mean that we should make any man feel that we are conferring a personal favor by presenting our proposition, but let him understand by our attitude and self-confidence that we are presenting a man-to-man business plan for which we have no excuses to make, because its acceptance means much to him.

When you enter the office of a Lawyer, do not apologize for calling during business hours. We have a legitimate business proposition to offer, which, if accepted, may save the Lawyer more money in five minutes than he could make in five months by attending to daily routine matters. *Take it for granted* that the Lawyer will be interested in our proposition, and that he will appreciate its importance as soon as we have explained it. Then talk business, don't make excuses. Do not ask the Lawyer if he is busy. He probably is. He is not, however, too busy to consider Title Insurance protection, which will keep him profitably busy and without which he and his clients may become bankrupt.

J. EMERY TREAT
Executive Committee, Abstracters Section

When you enter the office of a Lawyer, have a clear mental picture of what you want to accomplish. Paint a picture in your mind and put the Lawyer in it. If you cannot visualize the picture, you cannot describe it in words, no matter how fluent a talker you may be.

There are a great number of salesmen who have the habit of saying to a prospect, "You ought to have this," or, "You ought to have that." "*You ought to*" is an abomination in salesmanship. No man wants to be dictated to as to what he should or should not do. Our familiarity with Title Insurance should enable us to know better than the Lawyer what he ought to have, but we should direct the conversation so tactfully as to make our "Ought to's" appear as an amplification of the Lawyer's own viewpoint. In order to do this, it is helpful to use actual cases which involve conditions which the Lawyer might have to meet in case he does not secure the protection we offer.

RESULTS DEPEND UPON THE MANNER OF APPROACH. A preacher asked those in his congregation who wanted to go to heaven to hold up their hands. Every parishioner voted "Aye." A gunman said, "I bet I kin ask that question so that no one won't want to go to heaven." He presented two formidable pistols and demanded: "Every dern one of you who wants to go to heaven hold up yer hands." There was no response.

Do not fear the Lawyer, but go to him with your proposition. If it is sound in principle and purpose (as it is); if you, yourself, believe in it, heart and soul; if you have the ability to present it as you understand it—*have faith in it and mean it*—you will receive attention, and not alone attention, but ACTION.

There is practically no conceivable situation for which we cannot be prepared in a certain and effective way. TITLE INSURANCE IS BASED ON SCIENTIFIC PRINCIPLES. In order to apply those principles successfully to the needs of our pospects, we must understand the dignity and responsibility of our calling, and fit ourselves for our work by close study, thorough practice, and intelligent application.

At several Bar Association meetings, before which I have appeared to discuss Title Insurance, some Lawyers criticized the Title Companies because they sought to expand their markets by drawing attention to dangers and failings of the old system, but that criticism is too foolish to be worthy of consideration. The idea has a sound basis, and the theory of securing business by warning the public is really doing the citizens a favor, since, if they should have losses, while

insured, the Title Companies would make good on their contracts and the policyholders would benefit.

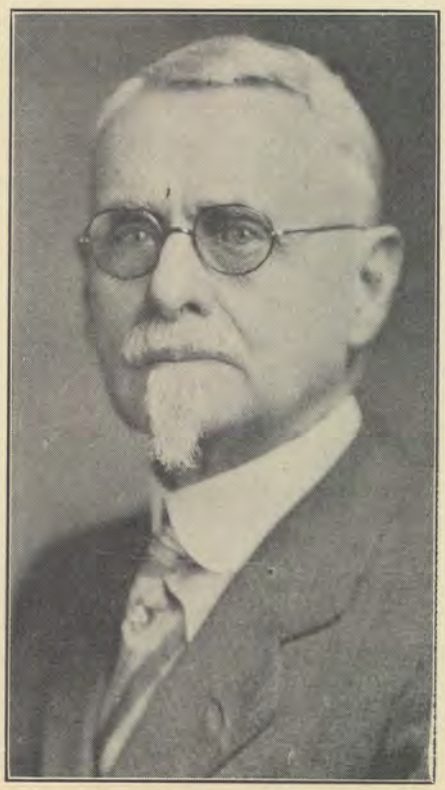
Sometimes, Lawyers say that there is no need for Title Insurance (this is paticularly true in the smaller cities) because there are so few losses growing out of defective Titles. I have checked up the Advance Sheets of the Northwestern Reporter and of the Northeastern Reporter issued during the past six months, and was surprised to learn that, approximately, one-third of all cases reported involved real estate. It is true that not all of these cases resulted in a loss of Title or loss by reason of defective Title, but in each case the holder of a Title Insurance policy would have been protected not only against loss but against court costs, attorneys' fees, and other expenses incident to long extended litigation. One needs only to look at the dockets of the courts of the country to see what a large percentage of the litigation involves land Titles, and to realize that vast sums of money are lost in fees and judgments.

I say to the Lawyer—in view of all these cases and the possibility of error in decisions of law and fact, can you afford to give your clients an opinion on the condition of the Title of any real estate for the small fee you receive for the examination of the abstract, when it involves so much responsibility? The responsibility is too great. Let your client buy an abstract only, and if any trouble arises from facts which you could not possibly foresee, he will blame you, anyway; but advise him to get a Title Insurance policy and he will come back and thank you.

Lawyers also *criticize* Title Companies for not taking any and every kind of risk, accusing us of being "Sure Bettors." This statement is due to lack of experience in the Title business, and to the confusion of the Title Insurance business with Life Insurance and other kinds of Insurance. Lawyers make a mistake when they think that a Title Company can insure every risk that is presented to it, good, bad, or indifferent, and win out in the end, just as Life Insurance Companies issue a group policy on all employees of a corporation without medical examination of each risk. Experience has taught that this cannot be done. I am of opinion—and it is based on a number of years of experience—that no Title Company should issue a policy of Title Insurance until its own legal department has certified that the Title is good both in the law and fact; and when the Title Company says that they have made the best examination which men learned in the law of real estate—therefore, specialists—know how to make, and that in their opinion the Title is good and that they back up their opinion with a guarantee as an incident they, the Title Company, thereby present to the public *their strongest selling argument*. We all know how difficult it is for Lawyers to know just how courts are going to decide questions of law, and when we can get Title Companies to do this before the questions of law reach the courts, we are receiving a wonderful service.

Some lawyers have objected to advising Title Insurance on the ground that it would detract from their own business. I believe that this is a short-sighted policy. A Lawyer should give the advice that will benefit his client the most. He should allow his own personal interests to disappear entirely in the welfare of his client. I am sure that no broad-minded counsel believes, for a moment, that his own opinion or certificate of Title, based on a search or abstract, however properly made, can give to his client the security that a proper Title policy, made by a reputable Title Insurance Company, would provide. It is up to the Lawyer to cooperate with Title organizations in furnishing to the client a Title which will adequately and completely protect the insured against any possible defect in such Title. Lawyers should cooperate more fully with land Title companies with this end in view, and should cast aside their own personal interests and advise their clients in reference to Titles to real estate on the same basis that the code of ethics require the Lawyer to advise his client on other matters.

Modern developments must be met by modern methods. Progress entails some re-adjustments in the practice of law, as well as in manufacturing, trade, and commerce. Lawyers must, in truth, cast off worn-out methods and institutions as a locust casts off its useless shell, and adopt modern ones to meet new needs. It is well to recognize that the Lawyer of today occupies a different position from that of his predecessors of fifty years ago. His relations to the social structure have changed. He is operating in a different environment. He is functioning in an entirely new way. The changing conditions must be met by a re-adjustment of the methods of practice. The Lawyer as the advisor of the business man must be familiar with business, and he must admit that it is *better business* to have a Title Policy than an opinion on the Title. The law touches every phase of business life, and it has always been in this broad loom that the Lawyer must weave his pattern. The design must change to meet each new demand.



J. R. MORGAN
Executive Committee, Abstracters Section

Personally, I do not think that it is a difficult thing to sell Title Insurance to the Lawyer. Perhaps it is all a matter of the mind. If, however, we *set out to sell* the Lawyer, more of us would have the Lawyer interested. The power of a determined frame of mind can scarcely be over-estimated. Our mental attitude is more of a determining factor than most of us suppose.

In closing I want to say that I have great respect for the law and its exponents. To me the law is a wonderful profession, perhaps that accounts for my delight in talking to Lawyers. Since my law-school days I have never forgotten the words of Rufus Choate to Judge Davis. He said: "We rightly have great respect for the decisions of the majority, but the law is something vastly greater and more sacred than the verdict of any majority. It is a thing which has stood the test of long experience—a body of digested rules and processes bequeathed to us by the ages of the past. The inspired wisdom of the primeval East, the robust genius of Athens and Rome, the keener modern sense of righteousness are in it. The law comes down to us one mighty and continuous stream of wisdom and experience accumulated, ancestral, widening and deepening and washing itself clearer as it runs on, the agent of civilization, the builder of a thousand cities. To have lived through ages of unceasing trial with the passions, interests, and affairs of men, to have lived through the drums and tramplings of conquest, through revolution and reform and all the changing cycles of opinion, to have attended the progress of the race and gathered unto itself the approbation of civilized humanity is to have proved that it carries in it some spark of immortal life." Abraham Lincoln commenting on these words, said: "They suggest to me that the voice of the people in any one generation may or may not be inspired, but that the voice of the best men of all ages, expressing their sense of justice and of right, in the law, is and must be the

voice of God. The spirit and body of its decrees are as indestructible as the thrones of Heaven. You can overthrow them but until their power is reestablished, as surely it will be, you will live in savagery."

This love for the law which will carry admiration for the Lawyers, will create, in time, the right mental attitude to enable us to do our part, and if we carry out our duty—call on Lawyers and convince them of the merits of Title Insurance—we can rest assured that they as good business men and lawyers, will not object to nor antagonize Title Insurance, since it is their aim, as a rule, to give their clients the best advice and protection.

THE CHAIRMAN: We will pass on to a subject that I have been patiently awaiting (and I believe that applies to most all of you)—the subject of "Photo Recording and Take-Offs", which will be handled by a man whom I understand originated this idea, the first man to have it put into practice as an actual means of recording instruments and also of having photo-abstracts as such taken from the record. Mr. Talbert Taylor of Miami, Okla., President of the Photo Abstract Company.

Photo Recording and Take-offs

By Talbert Taylor, Miami, Okla.

MR. TAYLOR: This subject that I have been assigned is one that is quite simple and one which I am sure we can all visualize in a very few minutes. It was pretty well covered by Mr. Rutgers and Mr. Doherty. It involves, of course, some changes and as Mr. Rutgers said, all of us oppose those changes even though they are for our benefit.

In the days of Christopher Columbus it was unpopular to say that the earth was round. Down in Vinita, Okla., there was a petition handed to the City Commissioners in 1904 signed by the best citizens of the town asking them to pass a city ordinance prohibiting automobiles running on the streets because they frightened the horses. In that same town I met considerable opposition to the idea of photographer recording.

We adopted it in our county in 1919. We were the second county in the United States, I believe, to adopt photographic recording. It had been used at Frederick, in Tillman County, Okla., prior to that time—about a year, I think.

My plan was about as follows: We proposed to our County Commissioners (that is, the Photo Abstract Company) that we would record their instruments for so much per page, which was 25 cents per page or 50 cents per sheet, and on July 1st, 1919, we began making the records of that county by photography and we now have covered a little more than eight years.

At the same time that we have made the County records, we have made a photographic copy of the instrument for our own records and have kept those copies in our files. I don't think there is any doubt but what this is the best method of recording an instrument. The question of whether it would fade is one which has been discussed everywhere it has been undertaken. Personally I believe that the photographic print will last longer than any other method of recording. I think it will last longer than the old nut-gauze and iron that was used by the Egyptians on the papyrus that we have that has been preserved through many, many years but that is only my opinion.

However, that opinion has been formed after some considerable investigation, as far as I knew how to make it. Of course we have no prints that are a thousand years old and we can't give that kind of proof.

The adoption of photographic recording, or applying it in the abstract business, necessarily means for us to change our methods in many instances. Many of us make a take-off of the instrument and we don't want a full copy in our abstract office. We already have a system that we want to follow. But photographic recording is coming. It will be used everywhere undoubtedly, and we must prepare to meet that situation.

After we had been recording about four years in our County, we prepared a bill and had it introduced in the State Legislature. In that bill we provided that the recording might be let by private contract to an individual or corporation upon stipulation made with the County Commissioner. That was to take care of our situation at home, perhaps; at least it was suggested by that and it seems to me that that would be a good thing for all of the States. So those abstracters who desire to adopt that would have the benefit of the work that they get from the county.

Of course we expect to make a profit out of that business and while we put the most of that profit into our own copy, yet there are many advantages in that. The citizens of our county have two records just alike, neither one of them can ever be altered in any particular without positive detection. There can be no erasures on interlineations. Therefore there can be no changes of record without positive detection. If the county record should be destroyed in our county, it need not affect anyone's title so far as recorded instruments are concerned because we have a duplicate of the county records.

It might be interesting to know that you can record by photography cheaper than you can with a typewriter or by long hand. There are many wastes under the old method. In our county they kept more stenographers than they needed and they paid considerably more for the recording than they pay us. We do all of the recording and they paid about $2,400 a year to do that work before we took over the contract; since that time I think the most they have ever paid us is about $1,600, so there was a saving to the County through that method and if you can save to the citizens who have instruments to record that much, there is that thing also in favor of the system.

I don't want to enter into the feature of the advantages. That is something that each one of us can readily see. I don't want to take any more of your time than is necessary to get the idea before you. If the abstractors over the country would take sufficient interest to inform themselves on this subject so that when the matter is presented to your legislatures you will be in a position through your State Association to direct that legislation, I think it will be to your advantage.

In the passage of our Oklahoma law, the State Association helped very materially in that although not many of them at that time knew very much about it. We had opposition. I think perhaps the greatest opposition to that bill was the opposition of my own competitors in my own town and some poltical opposition. We had opposition in the House and in the Senate and when it came to the Governor, who was the once widely heralded Jack Walton at that time, he vetoed the bill but I went to Oklahoma City, made a good speech and talked him into withdrawing his veto, signing the bill and it became a law—.

THE CHAIRMAN: Are there any questions?

MR. J. E. TREAT (Trinidad, Colo.): I'd like to ask Mr. Taylor in relation to making his photo abstracts, is it not a fact that they are too bulky to be used generally?

MR. TAYLOR: Of course a photo copy is not an abstract in the first place; it is a copy. But we do furnish quite a good many photographic abstracts in our county for the reason that we have a very large lead and zinc mining field in the county and there are no two mining leases that are exactly alike and the examiners want to have the lease exactly as it is. We have had considerable demand

for photographic abstracts. Those we have made by making a photographic positive from the photographic negative in our office, binding those positives together and making the abstract. We do not use them in making the ordinary abstract for real estate transfers or loans, for it does make, of course, a more bulky abstract, if you would call it an abstract, than the ordinary abstract.

MR. J. R. MORGAN (Kokomo, Ind.): I'd like to inquire where you do the recording by contract with the County Commissioner, what becomes of the County Recorder of your County.

MR. TAYLOR: You don't need him. That is a thing you will have to fight. You will have every politician in the State up in arms when you go to abolish any office. They are creating new ones every day.

MR. MORGAN: I admit that your system is par excellence, but how about the politicians?

MR. TAYLOR: Mr. Rutgers solved that question. He said if you believed in anything strong enough and went after it hard enough, you could get it. So it is with this matter. I would say that we could abolish the office of Register of Deeds in those States altogether; let the instruments be received and indexed by a clerk in some other office. We are working for the people, not for the officers. It is true we have their opposition. We had their opposition to our bill in Oklahoma but we believed in our method so strong that we went against them with our full weight and we didn't have so much trouble.

MR. HERBERT FEEHAN (Albany, N. Y.): Suppose you want a certified copy of an instrument of record. Suppose I wanted to use a certified copy of the record in some court proceeding. Who certifies that record?

MR. TAYLOR: In our state the County Clerk does the recording. He usually appoints a deputy who is designated a Registrar of Deeds. In our particular county the Registrar of Deeds receives the chattel mortgages, all recorded instruments; he indexes the chattels, the deeds, and delivers them. That is all he does. When there is a copy to be certified, it is certified in the name of the Clerk by the deputy in charge of that Department.

MR. FEEHAN: Then you don't abolish the office of Clerk.

MR. TAYLOR: No, but a great many of the states have a separate office of Registrar of Deeds. I'd say that office should be abolished and this work of receiving the instruments turned over to a clerk in some other office. That would be my idea about that.

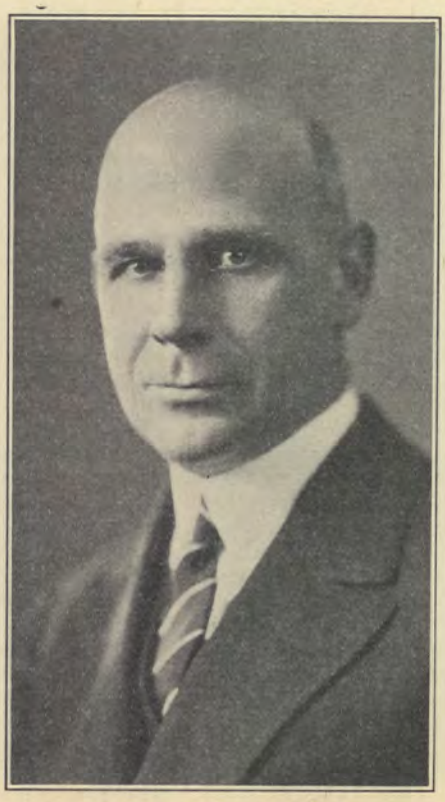
MR. McNEIL (Paw Paw, Mich.): I was rather in hopes that this talk would develop into the comparative cost of take-offs and photographic method. Could we have just a word on that? There is no question about the accuracy, but I'd like to have some suggestion as to the comparative cost to the abstractor of photography and the ordinary take-off.

MR. TAYLOR: The principal cost in using the photographic machine is the sensitized paper itself. There are people now going over the country engaged in making photographic copies of records, and one of these people told me a short time ago that he offered to make photographic copies of records in a certain county at seven cents a page. The cost of copies will vary according to the number of copies you make. I am not qualified to state positively what it costs at the present time under present conditions. The machines which I bought are not any longer manufactured.

The people who sold me my machines were bought out by the Photostat Corporation of Rochester and they don't make the kind of machine that I use. You can make copies cheaper with that one than you can with mine. But I would say that you can make a photographic copy of a two page instrument—for instance a warranty deed where you have to make both sides, at about the same figure that you can make an abstract of that warranty deed. You have twice as many

Officials, Title Insurance Section

EDWIN H. LINDOW
Chairman
Detroit, Mich.



STUART O'MELVENY
Vice Chairman
Los Angeles, Calif.

KENNETH E. RICE
Secretary
Chicago, Ill.

sheets because you have had to photograph both sides of it but you can make it as cheap as you can make an abstract.

MR. T. H. McCONNELL (Oklahoma City): I understand there is some complaint these photographed copies are often illegible, hard to read and strain the eyes.

MR. TAYLOR: I think most of the abstractors a good many years ago reduced the copy so much that it was so small it made it hard to read. In our office we made a larger copy and we don't have the fine print to read that they have in most places where they have made photographic copies of the record. I think that is perhaps the condition that Mr. McConnel speaks of. He has reduced the record so small that it makes it hard to read.

MR. PASCHAL (Atlanta, Ga.): A photographic machine has been installed at the instance of the County Commissioners and the lawyers have voiced much antagonism. Their principal objection seems to be on account of the injury it does to the eyes. They say that it ruins the eyes to have to read those photostatic prints.

MR. TAYLOR: That enters into the feature covered by Mr. Rutgers in his talk. There is opposition to everything. When they first commenced to operate railroads between Baltimore and Washington, the old stage coach kicked up a big fuss. I see now the railroads are trying to get all the states to keep the busses from running on these new paved highways. It is just a question of how we look at these things. Personally I don't see any difference in reading a photographic copy and reading any other copy. I think it is possible in most instances (it is to me, at least) to make a photographic copy look plainer than the original instrument. There might be, of course, some difference in the operation of the machines, and things of that kind. The work must be done right, of course. The sensitized paper is a very delicate proposition. A little bit of light goes through a small hole in the lens to do the whole work. If it isn't given proper exposure and development it is worse than nothing.

I have letters from the Eastman Kodak Company and the Photostat Corporation, both of Rochester, dated 1923, four years after we began doing the work in Miami, stating that it was impossible to do it from a practical standpoint. I think I have a copy of that letter in my grip upstairs. Now the Eastman people are the largest people in the photographic game in the whole world. In 1923 they said it was not practical, yet in the same year, 1923, they evidently saw the light because they bought out the Camerograph Company at Kansas City and began making these machines themselves.

I have known people who saw copies who told me they knew they faded. They knew they did, but I knew they didn't, so that's all there is to it.

MR. J. M. WHITSITT (Nashville, Tenn.): We have used a system of photographing since 1911. Our girls copy from them and make the abstracts. They are the abstractors in our office instead of the men. We have no trouble at all with anybody reading the print and it does not hurt the eyes. In fact, I think it is easier on the eyes than the white paper.

As to the question of fading, we have prints made in 1911 just as good now as they were when they were first made.

MR. TREAT (Trinidad, Colo.): I can give the same testimony that this gentleman has, except our records go back to 1913. Records of 1913 are just as good today as the ones we are making now and we find no trouble in reading them. We have no trouble with our stenographers and typists in reading them—no trouble with the eyes.

THE CHAIRMAN: Mr. Taylor has shown me this morning a copy of an abstract that was made in 1921 which certainly seems to me to be just as legible and easier on the eyes than the average abstract or typewritten record that I have seen.

MR. E. M. SIMMONS (Topeka, Kans.): I want to answer the question of this gentleman over here relative to cost. We have just completed photographing deeds in the office of the Registrar of Deeds in Topeka, Kans. Our highest record was 2,460 pages in one day, an eight-hour day. This record does not have to be proofread. These 2,460 pages were voiced, trimmed and put on the shelf in the vault. In figuring up the cost of making this record, we figured that it cost us in the neighborhood of $34 for a book of 640 pages. That is making them at the rate of 2,000 pages per day.

THE CHAIRMAN: Pressure of time makes it necessary to declare this meeting adjourned. We will reconvene in the room indicated by Mr. Woodford at once.

MONDAY AFTERNOON.

Following the luncheon conference, the convention met in the small ball room in the Hotel Statler to continue the program for the afternoon. President Woodford presided.

THE PRESIDENT: I want Elmer McClure of Arkansas to come forward, please. This, ladies and gentlemen, is the President of the Arkansas Land Title Association, — the association which, by report of the Secretary and Chairman of the Membership Committee, is entitled to receive the President's Cup. Considering the mental pain and anguish and the financial suffering gone through by the President in purchasing and actually paying for this cup, I for the first time can part with it freely and in the spirit of good will.

Mr. McClure, it should be accepted by you on behalf of the Arkansas Land Title Association with the admonition that it is not your Cup personally, it belongs to the Association and if it has endeared itself to you, it should be turned over to your Secretary as the keeper of the tokens, etc., already won or to be won in the future by your State Association. It gives me pleasure to present you with this perfectly useless Cup. (Applause).

MR. McCLURE: My organization didn't send me here especially for this Cup because we didn't know we were going to get it, but on behalf of the Arkansas Title Association I accept this Cup. I thank the President very much for awarding it.

THE PRESIDENT: Now I want Bruce Caulder, Secretary, to come forward. Bruce is the Secretary of the Arkansas Land Title Association. Bruce comes from a town which is variously estimated to contain somewhere around 1,700 to 2,100 souls. According to the report made to me by the Executive Secretary and the Chairman of the Membership Committee, Bruce wins the next drain on the President's private purse for the greatest percentage of new members obtained during the past year.

I am not going to tell you what is in that box, Bruce. However, I will say this: It doesn't contain any of the articles by which you attained an enviable fame at the Kansas City meeting last winter. Bruce said at Kansas City that he was a beginner, he didn't know certain things, but he had beginner's luck. I will also advise you that it is something which can be opened with perfect freedom among the members of both sexes.

MR. CAULDER: Mr. President, I haven't words to express my appreciation. When I left home I knew I'd have a pleasant time attending the American Title Association convention. When the Cup was presented to the President I was very much pleased, but when I get this I haven't any more to say except Thank You.

THE PRESIDENT: If you care to pry the lid off and show the folks what it is, I expect this is the best time to have the agony over with.

(Opening of box discloses beautiful set of Schaeffer's pen and pencil).

The next matter on the program is the awarding of the prizes which have made it necessary in the past year to increase the salary of the Executive Secretary. I will turn this part over to Mr. Hall.

MR. HALL: Mr. President, Ladies and Gentlemen: Caught in a moment of looseness and eagerness, we thought it would be nice to just give everybody a prize, and I consented to give second and third prizes to the State Secretaries who showed the result of effort in a membership campaign. I offered to give a copy of "Warvelle on Abstracts" and a copy of "Thompson on Real Estate," but I concluded that would be like giving a washing machine to a woman, or her husband presenting her with a safety razor as a Christmas present. I think these fellows know more than Warvelle ever wrote, from what I have been able to

diagnose from their work, and who wants to know anything about real property anyhow?

Therefore, I am cooperating with the President in increasing the dividends of the Shaeffer Pen Company, and inasmuch as these two gentlemen are both worthy and need these things I know, I decided to waive the books and give something practical. The second prize goes to Mr. F. E. Raymond, Secretary of the Oregon Title Association. I will ask Mr. Raymond to come forward and receive this prize.

MR. RAYMOND: I wish to thank you very much, Mr. Hall. I certainly didn't anticipate this in getting only five new members for the Oregon Title Association.

MR. Hall: Mr. Raymond had a possibility of seven and got five of them, and he did some good work.

Now the third prize is a duplicate. This goes to Mr. J. M. Banker of Oklahoma.

These State Secretaries this year really did a lot of good work, were enthusiastic and energetic in it, and added many members to their Associations.

THE PRESIDENT: The next regular item on our program this afternoon is the report of the Judiciary Committee by Lloyd Axford of the Union Title & Guaranty Co. of Detroit.

Decisions Affecting Title Insurance; Report of Judiciary Committee

Lloyd L. Axford, Detroit, Mich., Chairman

MR. AXFORD: Mr. President and Gentlemen: The Judiciary Committee undertook to collect together and digest the decisions of the country involving the liability of title insurance companies. It was their intention to classify those decisions but they found only some fifty decisions, which would indicate that they were a kind of peaceable crowd so we have simply arranged them alphabetically and we wish to give due credit to Mr. Charles C. White of Cleveland for the loan of a brief upon the subject. I am rather inclined to think that you will find it very much more instructive to read than you'd find it entertaining to listen to. With that idea, I will present this report to the Secretary and perhaps he will impose it upon you.

BANES v. NEW JERSEY TITLE GUARANTEE & TRUST COMPANY (1906).

142 F. 957
74 C. C. A. 127

"A testator who owned a half interest in a mortgage, devised his whole estate to his widow for life, with remainder to his children in equal parts. Plaintiff acquired by assignment the interests of two of such children in the mortgage and obtained from defendant, a title guaranty company, a contract of guaranty against loss or damage which he might sustain by reason of existing defects of title or liens affecting his interest in the mortgage. Held, that such contract could not be construed, in the absence of any express provision therefor, to be a guaranty that plaintiff acquired a legal title to the assigned interest in the mortgage, and that to entitle him to recover on the contract it was incumbent on him to prove some loss or damage, which was not done merely by evidence that a receiver appointed for the estate of the decedent had collected the portion of the mortgage debt belonging to the estate, and satisfied the mortgage to that extent; it not appearing that the proceeds were not still in the hands of the receiver."

BARTON v. WEST JERSEY TITLE & GUARANTEE COMPANY (1899).

64 N. J. L. 24
44 A. 871

"(1) In an action upon a covenant contained in a policy of title insurance of the title of land grounded on the eviction of the insured from the land—HELD, that to make out a cause of action the declaration must show either an eviction under a paramount title by due process of law or a disturbance of title or possession under a paramount title equivalent to an eviction."

"(2) Whether, under the provisions of the policy in question, eviction by due process of law was essential to a right of action, or not."

"(3) An averment of a claim of title or of eviction under an adverse title is not sufficient."

BOTHIN v. CALIFORNIA TITLE INSURANCE & TRUST COMPANY (1908).

153 Cal. 718
96 P. 500
Am. Cas. 1914 D. 634

"Where a policy of title insurance, by its terms, only insured the record title to the property, and expressly excepted the 'tenure of the present occupants,' a title to a portion of the property acquired by adverse possession, is not insured against, and constitutes no breach of the covenant of title set forth in the policy."

"In an action to recover damages for alleged breaches of the covenants in such policy of title insurance, for specified defects in the title, there can be no recovery either for the expense of defending an action to quiet title in which adverse occupants of a portion of the property prevailed, nor can a deed of trust executed by a stranger to the record title, constitute a defect in the record title insured against."

BROADWAY REALTY CO. v. LAWYERS TITLE INS. & TRUST CO. (1919).

226 N. Y. 335
123 N. E. 754

reversing judgment (Sup.) 157 N. Y. S. 1088 which reversed 154 N. Y. S. 1024, the lower court finally sustained.

"Contract insuring the marketability of title, drawn by the insurer describing the property by meets and bounds, and also the building now being erected, 'the lands to be insured being that on which the building now stands as shown by the survey of F.' HELD to cover an encroachment of the building on a public street notwithstanding the survey showed the building to be entirely within the lot lines."

BROWN v. TITLE INSURANCE & TRUST COMPANY.

51 Cal. App. 65
196 Pac. 114

First Appellate District, Division One—January 13, 1921. Hearing denied by the supreme court March 14, 1921.

"A grantee cannot recover damages from a title insurance company for alleged negligence in taking and recording, at the instance of the grantee, a deed in which there is a discrepancy between the date of the instrument and the date recited in the certificate of acknowledgment (the latter date being one on which the grantor named therein did not have title of record), where it is apparent from the instrument itself that due to a clerical error an erroneous date was inserted in the certificate, and,

even though that mistake had not existed, the deed would have been invalid and ineffective to convey title for other reasons, for which the title insurance company was not responsible."

CHICAGO REAL ESTATE BOARD v. MULLENBACH (1913).

184 Ill. App. 437
Memorandum Opinion

The fact that a title guaranty policy tendered to a purchaser was made subject to questions of survey is wholly immaterial where the premises as described in the contract have a nactual existence in fact within the boundary lines as designated in the original survey and plat.

CHERRY, APPELLANT v. PEOPLES TRUST COMPANY (1925).

282 Pa. State Rep. 52
127 A. 320

Insurance — title insurance — Owner's certificate—parties—affidavit of defense—Act of May 14, 1915, P. L. 483.

1. Where a policy of title insurance is issued to a mortgagee of real estate, and an owner's certificate is issued to the owner wherein the policy is recited, and it is stipulated that if the mortgage is paid off, a new policy will be issued to the owner in his own name, if he continues owner, the latter can not maintain an action on the policy in his own name, if the conditions stipulated have not been fulfilled.

PAUL D. JONES
Executive Committee, Title Insurance Section

2. In such case the owner will not be allowed to maintain that the question of his right to sue can not be raised, because the denial of his standing to do so was not set forth in the affidavit of defense, under the Act of May 14, 1915, P. L. 483.

3. Where it is apparent from plaintiff's own evidence that he is not entitled to recover, he can not be aided in his effort by defendant's lack of defense.

CLARKE v. MASSACHUSETTS TITLE INSURANCE COMPANY (1921).

237 Mass. 155
192 N. E. 376

"In an action to recover of the defendant title insurance company as indemnitor for the value of the plaintiff's title as mortgagee of certain lands, the trial court erred in failing to instruct the jury to find for defendant title insurer, if found the plaintiff made a conveyance to a third party and took back mortgage from him in bath faith and in fraud of the rights of persons who might deal with the plaintiff as mortgagee."

De WYCKOFF v. FIDELITY UNION TRUST COMPANY (1922).

97 N. J. L. 233
116 Atl. 714

"The defendant issued to plaintiff its policy insuring the title of a large tract of land, the title to a small portion of which was defective because plaintiff's grantor had no title; the plaintiff called upon the defendant to perfect the title which resulted in negotiations culminating in an agreement manifested by a letter from defandant to plaintiff that if plaintiff would acquire the outstanding title at a cost not to exceed $5,000, the defendant would pay him the amount of the costs as damages. The plaintiff acquired the land, paying $5,000, and defendant refused to refund, upon the ground that the policy only bound it to pay when it requested the party guaranteed to acquire an outstanding estate, and also that plaintiff could only recover such proporation of the insurance as the value of the outstanding estate bore to the whole."

"HELD, that the letter which authorized the plaintiff to acquire, at his election, the outstanding estate, and if he did, defendant would pay him the costs and damages not exceeding $5,000, was a sufficient request under the policy, and that the promise to pay the costs and damages not exceeding $5,000, fixed the measure of damages between the parties, if acted on."

DOVE and GUTH v. THE COMMONWEALTH TITLE INSURANCE, etc., Co., etal, 6 Pa. Dist. Rep. 263 (1897).

Under a receipt of a Title Company, given to a mortgagee, for money to be applied, inter alia, as follows: "to cover completion not to be insured," even if such agreement is held to import any contractural relations with the owner of the fee, and if the company failed or refused to complete, plaintiff has a complete and adequate remedy at law, and equity can not be invoked to compel specific performance of the alleged contract on the part of the company to complete the houses.

DRISCOLL v. TITLE GUARANTEE & TRUST COMPANY (1922).

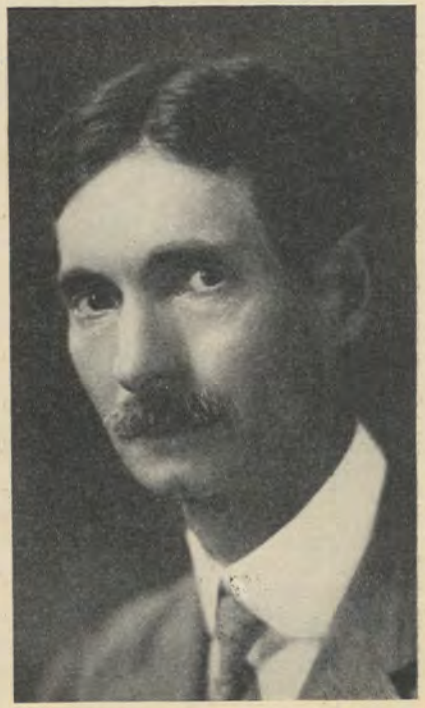
197 N. Y. S. 323

"A certificate issued by a title guaranty company to a purchaser of land under an installment contract, that the vendor was the owner, of the land is not breached by the existence of incumberances against the land, since ownership has no reference to liens."

ECONOMY BUILDING & LOAN ASSOCIATION, Etc., v. WEST JERSEY TITLE, Etc., CO. (1899).

64 N. J. L. 27
44 Atl. 854

"Where a title company carelessly and untruthfully certifies that a mortgage is a first lien when there is in fact a previous recorded mortgage upon the



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Executive Committee, Title Insurance Section

lands, the plaintiff has a good cause of action, if injured thereby."

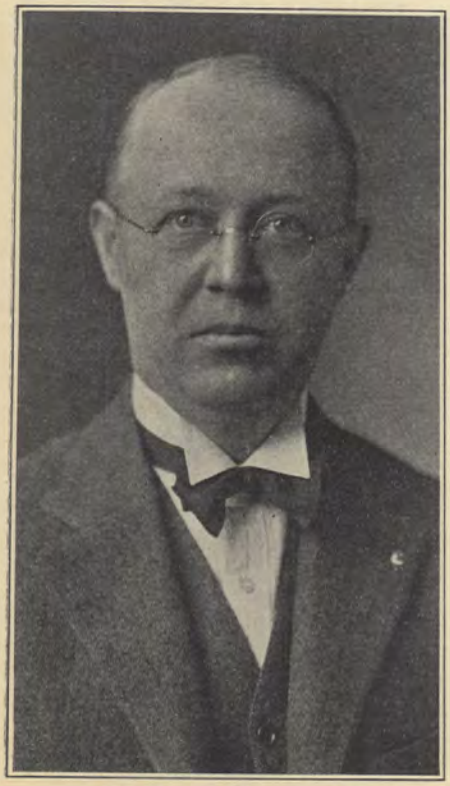
EHMER v. TITLE GUARANTEE & TRUST COMPANY (1898).

156 N. Y. 10
50 N. E. 420

"One who had agreed to purchase a certain house and lot employed a corporation engaged in the business of examining and guarantying titles to examine the title and draw the deed. Through the negligence of the corporation's agent, an adjoining lot was described in the deed. The purchaser made the agreed cash payment and moved into the premises intended to be conveyed. Upon the mistake being discovered, a proper deed was executed, but it was discovered there was a mortgage on the property, and this mortgage being subsequently foreclosed, and the property sold for less than the mortgage debt. The vendor was insolvent. HELD that the company guaranting the title was liable to the purchaser for the part of the price paid by the purchaser, and that the purchaser was under no obligation to have sold the premises for the purpose of mitigating the damages."

EMPIRE DEVELOPMENT CO. v. TITLE GUARANTY & TRUST COMPANY (1919).

225 N. Y. 53



ELWOOD C. SMITH
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121 N. E. 468 reversing judgment (Sup.)
157 N. Y. S. 68 decided by Ct. of App.

"Title insurance policy insuring against 'loss or damage' by reason of defective title or incumberance upon the property issued by company authorized by and under Insurance Law No. 170 to issue such policy, HELD to cover loss to insured by reason of assessment constituting a lien on property at time policy was issued not listed in the schedule of exceptions, although insured by terms of the contract of purchase and deed whereby it acquired the property bound itself to pay the assessments becoming a lien after a certain date, which date was prior to time the assessment in question became a lien, and although insured had knowledge of the lien when policy was issued."

FOEHRENBACH v. GERMAN-AMERICAN TITLE & TRUST COMPANY (1907).

217 Pa. 331
66 A. 561
12 L. R. A. (N. S.) 465
118 Am. St. Rep. 916

When a Court determines a failure of title as to a part of the assured's land, the defense that there is no loss, in that the assured never had title to the part that failed, is of no avail.

FOX CHASE BANK v. WAYNE JUNCTION TRUST COMPANY, Appellant (1917).

258 Pa. 272
101 Atl. 979

Where a title company undertakes to indemnify the holder of a mortgage against mechanics' liens which might be filed against the mortgaged premises, and such liens are filed and to the holders of such liens is awarded the fund that otherwise would have paid the mortgagee, the mortgagee thereby sustains the very loss insured against and it is vain to offer opinion evidence to show that the market value of the mortgage was less than its face value.

FRY v. TITLE INSURANCE AND TRUST COMPANY (1921).

187 Cal. 168
201 Pac. 115

"In an action by a vendor against a title insurance company for slander of title, where it appears from the complain that the plaintiff presented to his vendee a duplicate certificate of title issued by the registrar under the Torrens land law, that the purchaser demanded as additional assurance of title a guaranty of the defendant, and this the plaintiff agreed to furnish, that the defendant declined to furnish such a guaranty of title unless a certain judgment of record was specifically released, that the plaintiff agreed to secure such release, and paid a certain sum for such purpose to the defendant, that thereupon the defendant wrote its guaranty of the title to the purchaser, and the plaintiff secured the purchase money, the vendor is not entitled to recover the amount which the defendant required him to pay as a condition of entering into a guaranty with a third person, plaintiff's vendee, leaving the defendant obligated by its guaranty."

GAULER v. THE SOLICITORS LOAN & TRUST COMPANY, (1891).

Vol. 20, Phila. Rep. 344
9 Pa. C. C. 634
28 W. N. C. 208
48 L. I. 252

It is no defense to an action on a title insurance policy, that the insurance company did not prepare the conveyance of the insured. Title companies are not authorized to do conveyancing.

GLYN v. TITLE GUARANTEE AND TRUST COMPANY (1909).

117 N. Y. S. 424
132 App. Div. 859

Policy excepted: "variations between the location of the fences

BENJ. J. HENLEY,
Executive Committee, Title Insurance Section

and stoops and the record lines."

HELD: encroaching ornaments on the adjoining building were not excepted under the preceding language. Damages: Difference between value of property when purchased with encroachments, and its value as it would have been if there had been no such encroachments, citing Kidd v. McCormich, 83 N. Y. 391.

HANEY v. MOORHEAD, Appellant (1915).

61 Pa. Sup. Ct. Pep. 187

Where a title insurance company insures title to a property after the owner has presented to it certain releases of mechanics' liens, and subsequently, after liens have been filed nothwithstanding the releases, takes title to the property in order to protect its own interest, and it appears that the owner had attempted to make a fraudulent misuse of the releases, the title insurance company has no standing to intervene in a scire facias subsequently issued on the liens, as a party having a lien within the meaning of the Act of June 4, 1901, P. L. 431; nor has it a standing as an owner to offer in defense the releases in question, inasmuch as the filing of the liens after the date of the releases gave it actual or constructive notice that the plaintiffs in the scire facias claimed to have a charge on the property nothwithstanding the releases.

HANKEY v. REAL-STATE TITLE COMPANY (1891).

11 Pa. Co. Ct. R. 320

A title insurance company insured plaintiff's title to land, referring to the application for insurance, which described the tract precisely as in the policy. It also acted as conveyancer and prepared the deed with the same description. The land was of less quantity than the description, and plaintiff sued on the policy for damages, setting forth in his statement, the purchase, insurance and loss, annexed copy of policy but not of application. On demurrer—Held that the statement was insufficient.

KENTUCKY TITLE COMPANY v. HAIL (1927).

292 S. W. 817

The policy provided that no claim should arise unless the insured was evicted or dispossessed by virtue of a final judgment in a court of competent jurisdiction. And it also excepted liability in case of a deficiency unless a survey was made.

In the examination of the title the company discovered that the submitted description did not cover the land to be insured—nevertheless, the policy was issued with the erroneous description.

Questions: Will the company be protected by the exception concerning a survey, and the provision about the final judgment?

Held: No. A survey is entirely unnecessary when the company found the error in description without it. The law will not force a man to do a useless thing—attempt to pursue an unfounded suit.

McLOUGHLIN et al., Adm. v. BRIDGEPORT LAND & TITLE COMPANY (1923).

99 Conn. 134
121 A. 175

A trustee with power to sell was advised that he had no power to mortgage. He sold the land to B without consideration and B executed a purchase money mortgage. The trustee assigned this mortgage. With this knowledge the company insured the assignee. Upon a foreclosure proceeding the Court held the sale and purchase money mortgage as entirely fictitious and that the legal effect of the transaction resulted in the trustee mortgaging his interest to the insured, to do which, of course, he had no power.

The Title Company was held liable as it had actual knowledge of the entire transaction at the time the policy issued, as its own attorney had objected to the title on the very ground it was set aside.

MARCELL v. MIDLAND TITLE GUARANTEE & ABSTRACT CO., et al (1924).

199 N. W. 731

"In an action by a purchaser of real estate against an abstract company for failure to note in the abstract the existence of an attachment lien, later confirmed by judgment, with interest and costs, together with any reasonable expense of plaintiff in attempting to defeat such lien. In such case the plaintiff may not permit the property to be sold and charge the abstract company with the increased expense made necessary in procuring title from the purchaser: it was his duty to reduce his damages as much as was reasonably possible."

MINNESOTA TITLE INSURANCE & TRUST COMPANY v. DREXEL (1895).

70 Fed. 194
17 C. C. A. 56
36 U. S. App. 50

A policy of title insurance, insuring also against liens, provided that payment or discharge of the mortgage owned by the insured, except through foreclosure, should annul the policy. Thereafter, mechanics' liens in existence at the issuance of the policy were established, and the property sold under them, and subsequently the mortgagee foreclosed, and bought in the property for the amount due on his mortgage. Held, that the purchase at foreclosure sale, was not a satisfaction of the mortgage, annullign the policy, and that the insurer was liable for the amount of the liens.

MURPHY v. UNITED STATES TITLE GUARANTY COMPANY (1918).

172 N. Y. S. 243

The insured sustained a loss because of incumberance. Question of Damages.

Held: Difference between value of the property as incumbered and its unincumbered value; rather than lost profits through failure to complete sale.

Obiter: A judgment that insured shall execute and deliver to defendant, the insurer shall execute and deliver to defendant, the insurer, a quit-claim deed, would be proper only if insurance contract contained a clause that insurer, in case of rejection of title, would pay agreed sales price, and then only in an action for specific performance in a court of equitable jurisdiction.

OCEAN VIEW LAND CO., Plaintiff in error, v. WEST JERSEY TITLE GUARANTEE CO., Defendant in error (1905).

71 N. J. L. 600
61 Atl. 83

"A condition in a policy of title insurance that 'no claim shall arise under the policy unless the party insured has been actually evicted under an adverse title insured against' is not fulfilled so as to give a right of action by the insured by an adjudication on appeal that an order and decree of an Orphans' court confirming the terms of a sale made by an administrator de bonis non cum testamento annexo of the lands in question and authorizing a deed therefor, to the plaintiffs, should be annulled, reversed and for nothing holden."

PALLISER v. TITLE INSURANCE COMPANY OF NEW YORK (1908).

115 N. Y. S. 545
61 Misc. 490

To recover for liens not excepted in policy the insured must prove a loss—either by payment or by their successful enforcement.

PENNSYLVANIA COMPANY FOR INSURANCE ON LIENS, Etc., v. CENTRAL TRUST & SAVINGS COMPANY (1917).

255 Pa. State Rep. 322
99 Atl. 910

1. Clauses in a policy of title insurance must be construed in view of the subject-matter insured and if its general language does not apply or become meaningless or inoperative it will be ignored in determining the liability of the parties.

2. A policy issued by a title company in favor of the mortgagee of real estate upon which buildings were to be erected, insured the mortgagee against "actual loss or damage . . . which the said insured shall sustain by reason of the noncompletion of the premises" and provided that "whenever the company shall have settled a claim under this policy, it shall be entitled to all the right and remedies which the insured would have had against any other person or property . . . If the payment made by the company does not cover the loss of the insured, it shall be interested in such rights with the insured, in the proporation of the amount paid to the amount of the loss not hereby covered. And the insured warrants that such right of subrogation shall vest in the company, unaffected by any act of the insured" . . . "All interest in this policy (saving for damages accrued) shall cease upon the transfer of the title insured, except where this policy is transferred with the approval of the company. Partial transfers of titles shall reduce the liability of the company upon the insurance in the proportion of the value of the estate transferred to that retained." The mortgagor defaulted, and after default two of the properties were released from the lien of the mortgage without the consent of the title company. The remaining properties were conveyed to a nominee of the mortgagee. Thereafter it appeared that the buildings had not been completed. The mortgagee had no right to complete the buildings. Upon the title company's failure, after notice, to complete the buildings, the mortgagee completed them and sued the company for the loss. Defendant contended that by the release of the two properties from the mortgage lien it had lost its rights against such properties, and that the policy was avoided thereby. There was evidence that the mortgage had depreciated in value because of the noncompletion of the buildings. HELD, (1) that there was no privity of contract between the mortgagee and the contractor and the mortgagee had no rights to which defendant could be subrogated; (2) that as between the mortgagee and the defendant the contract was not one guaranteeing completion of the houses but a contract of indemnity against loss on the mortgage by noncompletion; (3) that the release of the two properties from the lien of the mortgage did not render the policy void but would reduce defendant's liability, if they had any value over and above the mortgage; (4) that a verdict for plaintiff for the amount of the loss should be affirmed.

PENNSYLVANIA LAUNDRY COMPANY v. LAND TITLE & TRUST COMPANY (1921).

74 Pa. Sup. Ct. 329

Where a title insurance company convenanted, for a valuable consideration, to indemnify the insured against defects in title or encumbrances which might impair its value, the deprivation of the right to use a part of the property for the purpose which the plaintiff contemplated, was a loss for which the plaintiff is entitled to be idemnified.

The measure of damages is the loss which the plaintiff sustained by reason of the defect in his title, and this is not only the value of the strip of ground taken, but also additional expenditures rendered necessary by such defect.

An insurance company issued a policy which undertook to insure the plaintiff's title to a certain piece of ground, excepting such defects as "accuracy of description and dimensions and any other objections which an official survey would disclose." The plaintiff desiring to erect a building upon the property, employed an architect to prepare plans and superintend the erection of the building. Application was made to the surveyor of the proper district of the City of Philadelphia for an official survey of the lot, and a plan of survey was furnished by the district surveyor, to the architect. The latter prepared plans for the building, in accordance with the plan of survey furnished by the district surveyor, and the work of excavating for the foundation was being carried on when a bill in equity was filed by the owners of the property adjoining the western line of the lot, averring that they had acquired by adverse user, for a long period of years, the right to use, as an alley or passageway, a strip of ground two feet, six inches wide, along the western portion of the property in question. Upon the filing of the bill in equity, the plaintiff company gave notice to the defendant company of the proceeding and requested it to make a defense to the same. The title company declined to assume the burden of defending the case upon the ground that the claim of the alley, if established, would be one which fell within the exception to the covenant of the policy, and that the defect was one which an official survey would disclose. The equity suit established the right to the alley.

In an action on the policy, the case was for the jury with instructions that, if the alley was such an encumbrance that any plan furnished by a competent survey or would show it, the plaintiff was not entitled to recover. The court would not declare, as a matter of law, that the existence of the alleged alley would have appeared upon a plan furnished by the district surveyor, and whether it came within the exception set forth in the policy, was a question for the jury.

PETROLEUM PRODUCTS COMPANY v. GUARANTEE TITLE & TRUST COMPANY (1916).

26 Pa. Dist. Rep. 297

The ordinary settlement certificate issued by a title insurance company to attorneys—exchangeable for a policy upon payment of additional money and upon production of a deed for the property—is not an insurance policy. It is merely the obligation of a conveyancer—accordingly, there is no cause of action if the candidate fails to disclose a sewer which is not shown by the indices.

PLACE v. ST. PAUL TITLE INSURANCE & TRUST COMPANY (1897).

67 Minn. 126
69 N. W. 706
64 Am. State Rep. 404

"Tenancy of the present occupants," stated in a title insurance policy as a defect in the title not insured against, will be construed to mean tenancy arising through occupation or temporary possession by a 'tenant,' in the ordinary sense of that word, where such intention appears from the whole policy. It does not include a claim of one asserting ownership in fee as against the insured title, and in actual adverse possession when the policy was issued."

"The stipulation in a title insurance policy that no right of action shall accrue thereon unless the assured has contracted to sell the land or the interest assured, and a court of last resort has declared the existence of a defe or an incumbrance upon the ti for which the company would liable under the policy, does n apply where the land is held ad

versely, and the insured has lost it by reason of a defect in the insured title."

PURCELL v. LAND TITLE GUARANTEE COMPANY (1902).

94 Mo. App. 5
67 S. W. 726

Where the title is defective under a policy, when does the statute of limitation commence to run?

HELD—not until party insured suffers a loss, either by failure to sell or actual ouster.

QUIGLEY v. ST. PAUL TITLE INSURANCE & TRUST COMPANY (1895).

60 Minn. 275
62 N. W. 287

"Where an insurer by a policy of title insurance agrees to indemnify a mortgagee against loss not exceeding $2,200.00 by reason of incumbrances and to defend the land against such claims, a loss occurring by reason of the negligence of the insurer is not limited to $2,200.00."

QUIGLEY v. ST. PAUL TITLE INSURANCE & TRUST COMPANY (1896).

64 Minn. 149
66 N. W. 364

"Where a title insurance company undertook to defend the interest of insured in the premises against a lien it was bound to protect him through all stages of the proceedings to enforce the lien, as well after as before judgment therein or notify him that it would not do so, and furnish him necessary information of the statute of the proceedings in time to enable him to protect himself, and if after giving such notices the company defends the proceedings, but thereafter abandoned the defence it was necessary for it to give insured another notice."

ROSENBLATT v. LOUISVILLE TITLE COMPANY (1927).

292 S. W. 333
218 Ky. 714

The policy excepted liability where the insured suppressed any material fact. The insured did not disclose that this grantor was of unsound mind when the deed was made.

HELD: No liability.

SEYMOUR, Appellant, v. TRADESMEN'S TRUST & SAVINGS FUND COMPANY (1902).

203 Pa. State Rep. 151
52 Atl. 125

Where a title insurance company insures the title of second mortgages, and also the completion of houses upon the property covered by the mortgages, and in the policy the insured warrant that their rights of subrogation shall vest in the company unaffected by any right of the insured, and subsequently the insured after notifying the company that the houses were not completed according to the plans and specifications, proceed to foreclose the mortgages and buy in the property, and thereafter sell the property to the owners of the first mortgage, the insured can not recover upon the title insurance policy, inasmuch as they voluntarily put it out of their power to comply with their covenant as to subrogation.

STATE v. MINN. TITLE INSURANCE & TRUST COMPANY (1908).

104 Minn. 447
116 N. W. 944
19 L. R. A. (N. S.) 639
124 Am. St. Rep. 633

On the cancellation or annulment of a policy of title insurance by judicial decree because of the insolvency of the insurer, the insured is entitled to a proportionate part of the premium paid, measured by the time elapsing between the date of the policy and the date on which the company was adjudged insolvent.

If the application for the policy stated that part of the premium was for investigating the title, such part may be retained by the insurer.

STENSGAARD v. ST. PAUL REAL ESTATE TITLE INSURANCE COMPANY (1892).

50 Minn. 429
52 N. W. 910
17 L. R. A. 575

Where a policy of insurance provides that any untrue answers to question contained in the application shall avoid the policy, the answers amount, in effect, to a warranty, and the matter of their materiality is not open.

TAYLOR v. NEW JERSEY TITLE GUARANTEE & TRUST COMPANY, (1903)

70 N. J. L. 24
56 A 152

"Under a contract of title insurance, agreement to indemnify plaintiff if there be a final judgment on a lien not excepted from the guarantee, the confirmation of an assessment by a municipal body, legally necessary, to render the assessment a lien, is not a final judgment or decree on a lien."

TAYLOR v. N. J. TITLE GUARANTY & TRUST COMPANY, (1902)

68 N. J. L. 74
52 A. 281

"An action upon a policy of insurance of title of land, which guaranteed the plaintiff against loss from certain causes, provided that such loss be ascertained in a manner provided by the conditions of the policy."

HELD, that to make out a cause of action the declaration must state the facts, tending to show specifically that loss had befallen the plaintiff in one or more of such modes."

THOMAS v. TRADESMEN'S TRUST & SAVINGS FUND CO., (1898)

7 Pa. Dist. Rep. 375

The right to compensation for use of a party wall is not an incumbrance under a title insurance policy. It is a mere chose in action.

TITLE GUARANTY & TRUST CO. v. MALONEY, (1917)

165 N. Y. S. 280

Where applicant refused to pay premium because of exception set forth no policy. HELD

"Where title insurance company found that lands not sought to be insured were, as to land sought to be insured, dominant estates, which could enforce restrictive covenants against the property to be insured, and releases were obtained from the owners of the dominant estates, but not from the mortgagees of such estates, rights of such mortgagees were properly excepted from such insurance and applicant liable."

TITLE INSURANCE & TRUST COMPANY v. CITY OF LOS ANGELES, (1923)

61 Cal. App. 232
214 Pac. 667

"A certificate issued by a title insurance and trust company which is directly limited to the condition of the record title, and wherein the company states that after a careful examination of the official record of the county, in relation to the title to the real property in question, it 'hereby guarantees that the title to said property as it appears from said records' is vested in a designated person, is a contract of insurance, upon which a liability will accrue if the title is not as represented."

"A certificate wherein the company issuing it states that 'after a careful examination of the official records . . . in relation to the title of that certain real property hereinafter described, the . . .

Company, a corporation, . . . hereby guarantees that the title to said property as it appears from said records is vested in . . .,' is a contract of indemnity; and being in writing, a consideration is implied."

"Section 1213 of the Civil Code, which provides that 'every conveyance of real property acknowledged or proved and certified and recorded as prescribed by law from the time it is filed with the recorder for record is constructive notice of the contents thereof to subsequent purchasers and mortgagees," exists for the protection of those who acquire interests in real property by virtue of duly recorded instruments, and it does not prevent the record title from being the subject of insurance."

"The fact that the form of guaranty certificate issued by a title insurance company does not specify all the facts set forth in section 2587 of the Civil Code does not deprive such certificate of its character as an insurance contract."

TRENTON POTTERIES COMPANY v. TITLE GUARANTY & TRUST COMPANY (1903)

176 N. Y. 65
68 N. E. 132

"Where a title insurance policy was issued on certain property, but not until seven months after the date of the deeds of the property to the insured, the insurer was not liable for an assessment for a street opening which became a lien on one of the parcels three months after the insured had taken title thereto, it being the intent of the parties that the policy should only cover incumbrances existing at the time of the taking of title."

UNION TRUST COMPANY v. REAL ESTATE TITLE INSURANCE & TRUST COMPANY OF PHILA. (1898)

27 (Pa) County Ct. Rep. 187
11 D. R. 70

"A loss occasioned by innocent and mistaken representations of the insured in a policy of title insurance falls upon the insured and not upon the insurer."

VAUGHN v. UNITED STATES TITLE GUARANTY & INDEMNITY COMPANY (1910)

122 N. Y. S. 393
137 App. Div. 623

In an action recovering indemnity on a policy for defects in the title, it is error to direct a verdict for insured, when it is shown that he knew of certain defects which he did not disclose to the company.

WHEELER v. EQUITABLE TRUST COMPANY, (1903)

206 Pa. 428
55 A 1065

Insurance — Title insurance — Indemnity — Guaranty.

In an action upon a policy of title insurance which by its terms was a general contract of indemnity against loss from defects or unmarketability of title, but which contained in a note to a schedule a guaranty to complete certain buildings according to plans and specifications mentioned, the court will construe the whole contact to be one of indemnity, and will not permit the plaintiff to prove that the houses were not built in accordance with the plans and specifications, unless there is prior proof that the plaintiff suffered actual loss.

The note in such a case is intended to signify that if the buildings should not be completed in accordance with the specifications, then, if any loss be sustained thereby by plaintiff, such loss should come under the indemnification covenant of the policy. The contract is not intended by its terms to be severed into two, one to indemnify against loss from defects of title, and one to guarantee that the building shall be finished in accordance with the plans and specifications.

WHEELER v. REAL-ESTATE INSURANCE & TRUST COMPANY, (1894)

160 Pa. 408
28 Atl. 849

34 Wkly. Notes Co. 325

A title insurance company issued a policy upon a mortgage and covenanted to indemnify the holder against "all loss by reason of defects or unmarketableness of the title to the estate or interest insured or because of liens or incumbrances, charging the same at the date of this policy, saving the defects, liens or incumbrances excepted in Schedule B" Schedule B set forth the "estates, defects, or objections to title and liens, charges and incumbrances thereon, which do or may now exist and against which the company does not agree to insure or indemnify. (1) Unmarketability by reason of the possibility of mechanics' and municipal liens is excepted from this insurance, but actual losses by reason of such liens or by reason of the noncompletion of the building now in process of erection on the premises, unless said building should happen to be destroyed by fire, are hereby insured against." Three years after the date of the policy, municipal work was done for which claims were filed. HELD, that such claims were neither a charge on the property at the date of the policy, nor became so within the period provided for in Schedule B; and that they were not within the policy, and created no cause of action under it.

WHITEMAN v. MERION TITLE & TRUST COMPANY, (1904)

25 Pa. Super. Ct. 320

Where, by a policy of title insurance on a mortgage, an insurance company agrees to indemnify, keep harmless, and insure the insured, from all loss or damage, not exceeding $1,500 which the said insured shall sustain by reason of defects or unmarketability of the title of the insured to the estate, mortgage or interest described in a schedule annexed, or because of any liens on it, or incumbrances, "charging the same at the date of this policy," and there is a total loss to the insured by reason of the sale of the property mortgaged under a prior mortgage in existence at the date of the policy, the insurance company is liable only for the actual value of the land, and not for the amount of the mortgage insured.

WHITAKER v. TITLE INSURANCE & TRUST COMPANY, (1921)

199 P. 528
186 Cal. 432

"A title insurance company cannot be held liable for failure of title under a certificate guaranteeing the title subject to the validity of certain legal proceedings set forth in the certificate which had been determined in favor of the insured, by the mere statement in the certificate at the end of such recital that the proceedings were valid in the opinion of the attorneys of the insurance company."

WILSON v. BRYN MAWR TRUST COMPANY, (1908)

24 Montgomery County Law Rep. (Pa) 202

"In an action for damages on a policy of title insurance, the plaintiff can obtain nothing beyond the face of his policy and his damages are confined to the actual loss sustained."

Report of Committee on Co-operation

By Paul D. Jones, Cleveland, O., Chairman

THE PRESIDENT: The next report is the report of the Committee on Cooperation, by Paul D. Jones, Vice-President of the Guarantee Title & Trust Co., of Cleveland, O.

MR. JONES: Our Committee started on its job at Atlantic City. Many of you people were there. You know that a number of the present Committee on Cooperation were cooperating at Atlantic City very extensively, and then at the mid-winter conference at Kansas City likewise.

I really do believe that our Committee put in a reasonable report at that meeting, which a number of you probably read in the Bulletins that were given of that meeting. Of course we haven't been able to meet together because we were too widely scattered. I don't think there is another member here with the exception of Mr. Dall of Chicago, and I don't think he is in the room at the present time. I think he is out playing golf with Hank Smith of Kansas City, to whom I loaned my golf sticks this afternoon.

The word "Cooperation" is a very big word and covers an awful lot of ground. I just want to repeat the definition as I gave it at the mid-winter conference. That was that cooperation covers a multitude of virtues. Cooperation seems to me to start more with an individual than it does with collective bodies or association or societies. In other words, I would think that each one ought to study first how to cooperate with himself before he tries to cooperate with anybody else. That is my viewpoint of cooperation, and when one can master himself, when he can cooperate with himself, he will have no trouble in cooperating with anybody else—socially, professionally or in any other way.

In the early days of the Association and during its formative period, those who perfected the details of its organization showed rare forethought and insight into the future. We find that at the very beginning provisions had been made in the national title association for a Committee on Cooperation. This was originally planned to promote understanding and mutual cooperation between those engaged in our business and those kindred and allied activities which constitute a great percentage of clients and patrons of title service offices.

At first this Committee was to do whatever good it could in a general way. About midway in its history, or the half-way mark between its founding and this particular convention to be exact, a certain expansion and growth of things was becoming very evident in the business life of the country. This was anticipated a few years by the again farsightedness and anticipation of development by those framing various revisions and permanent plans for the Association's conduct and a direct statement was made of the work this Committee was to do.

It was then that the Federal Land Bank System was inaugurated, building and loan associations sprang up by the hundreds over night; the life insurance companies extended their lending fields, entered new territories, included city loans, and there was a general increase of business for the title companies from this source. The use of abstracts and title policies became country-wide and universal. Examiners came to be recognized as a class of specialists and there were many questions that arose relative to the evidencing of titles all over the country, all of which occasioned questions and problems that could only be solved by mutual endeavor and cooperative helpfulness.

The real estate men showed themselves alert to changing business conditions and local and state associations were rapidly formed. These are now represented in a great and forceful national association.

Within the past ten years all of these various businesses and activities which, in one way or another, deal in real estate either by the evidencing of title, transfer or sale, and the financing of it, have developed strong and nation-wide associations which at the present time are active in the conduct of pretentious programs. Real estate having become an article of universal usage with rapid and frequent turnover, it was necessary to make the real property laws modern and flexible so as to meet current conditions and we now find another national body also giving attention to its welfare. The American Bar Association began the study of real property reforms and advocated their accomplishment.

The titleman was directly interested in all of these things and the title association constitution providing for the creation of this Committee, specifically refers to these things and states that it is for the purpose of working with these various bodies to the end that there may be a security of land titles and the greater facility of their transfer.

It is well that we have such a Committee. There seems to be necessity for it and the work it might do in years to come. One might think that as all businesses have developed and are directed more or less in their progress by these strong associations representing them, there might be a saturation point reached where nothing more needed to be done or it would be accomplished automatically. On the contrary, there is an even greater need today than ever before and the faculty of the means only increases the possibility of greater accomplishments.

As reported by your Committee at the Mid-Winter Meeting in February, there is a great field for cooperation in arriving at mutual understanding. Probably the greatest means for promoting the interest of the title business generally; for making and establishing most friendly and profitable understandings with these kindred businesses, of raising the prestige of the title business and those in it; of protecting it from adverse criticisms and actually defined attacks at its existence, and creating a general nation-wide atmosphere of appreciation and respect of its true proportions in the business and commercial life of the country, is the actual existence of its executive office. The moral weight of being an established nation-wide institution with every facility at hand to conduct anything for its advancement, improvement and efficiency, as well as making an entire industry heard upon a moment's notice in case of emergency, is a thing of weight and profit such as probably none in the business realize who have not had occasion to use it or become closely acquainted with the work that it does. Few people know the things the executive office is called upon to do for others not in the title business and the services it renders, particularly to these associations and various agencies in other lines. Our executive secretary is constantly on the alert to establish contacts of all kinds. Some of the most profitable reactions come from the travels and visits of this officer in the trips that he makes in the course of his year's work. During the past year he has been called upon many times to attend meetings of various kinds and to participate in the endeavors of other national organizations. Some very effective work has been done and these things can, of course, only bring appreciation from these bodies and a better understanding and higher respect for the title business.

We also find that the development of business of the past few years, bringing with it these associations, various luncheon and civic clubs, and other group activities, have drawn the titlemen into active contact and cooperation with leaders in other lines. Titlemen are taking prominent parts in their local, state and national Real Estate Boards, Mortgage Bankers Associations, Building & Loan organizations, and others. One of our most interested members is the president of the Mortgage Bankers Association. One of our officials has been responsible for a great deal of the growth and activity of the United States League of Building & Loan Associations.

In our Examiners Section we are being given most admirable support

and responsible participation by many of these attorneys who are creating a splendid spirit of understanding and helpfulness in the mortgage, life insurance, and other companies. Many titlemen in the past year have addressed local, state and national conventions, and many speakers representing other businesses have appeared on the state and national title programs. All in all, there is getting to be that long anticipated atmosphere of mutual helpfulness, cooperation and appreciation.

There is no question but what there is a strong demand for some standardization of forms and practices. The title business is slowly but surely making progress in this and we find that many of these kindred businesses not only look to us to accomplish some stability in our own business but are eager to help and assist in any way possible. In some cities uniform policies of title insurance as well as uniform business practices have been adopted. Other states have similar action under way, and a movement is even started for a uniform mortgagees policy for use throughout the country. In all of these cases, these activities have not only been accepted by Realtors, examiners and other users of title insurance, but they have rendered actual assistance in their accomplishment.

There is a real need for simplification in the land laws and we are beginning to take an active part. During the past year the Executive Secretary took a prominent part in a nation-wide work of analysis and research in the matter of Home Financing. The National Association of Real Estate Boards and the American Bar Association have shown a keen interest in our fifteen proposals for uniform laws. They have given them their endorsement and are incorporating them in their plans for needed legal improvements.

Chas. C. White has been called upon many times during the past year to attend various conferences and meetings of the Bar Association and its branches in their study of real property matters and at the time of this meeting he is attending, by special request, the conference of that organization in its study of a Uniform Mechanics' Lien Law.

Through the cooperation of the abstracters, loan companies and the examiners, many states during the past year have adopted uniform certificates and other forms. Many states have admitted examiners to membership and in one of them wonderful progress has been made in bringing about a cordial and friendly relation between the abstracters and examiners, and it has reached such a proportion that these examiners are now considering some plan for uniformity in the examination of titles.

Much good is being deprived too from the advertising and other publicity programs engaged in by the various title companies of the country, particularly those in the larger cities. The high character of advertising used by these companies is increasing the dignity and prestige of the entire title business.

We want to emphasize one point that was mentioned in the report given at the Mid-Winter Meeting. This is the development of the field afforded by the various law schools of the country. Most of these schools are located in cities or communities where it is possible to secure the service of some titleman of ability to lecture before the classes in real property. Several of our most prominent and active titlemen are now on the faculties of law schools, either as instructors or lecturers. This is to be encouraged because the legal profession demands a great deal of consideration from the title fraternity and these future lawyers of the various communities can profitably be taught not only the practical title things they should know but also be instilled with a kindly feeling and one of respect for the title business.

Your Committee closes its report with a real appreciation of the pleasure it has had in its existence and service to you during the past year, with a desire to emphasize the importance of this division of the Association and especially the great field of opportunity therein, and closes with the closing paragraph of the Mid-Winter Meeting report, which stated—"We might make numerous other suggestions upon particular subjects, but if we can do something as a body to cooperate along the lines herein outlined, that is: First, with other organizations now functioning; second, in the standardization of forms and practices; third, in uniform laws; fourth, in uniform advertising; fifth, in educating those within our ranks, and sixth, educating the public, we will have done something to bring about the good will and efficiency so much desired."

THE PRESIDENT: I don't believe there is anyone in the Association, unless it is a past President or a past Secretary, who appreciates just how much good there is to be done by a Committee on Cooperation. I felt that Paul Jones could handle that work as well as anybody in the Association, and he showed us all at Kansas City that he had us lined out in advance by beginning his cooperation work at Kansas City, even before he knew he was to be appointed as Chairman of the Committee.

President's Annual Report

By J. W. Woodford, Seattle, Wash.

The time on the program has come for the Annual Affliction on the part of the presiding officer. Necessarily, after the reports of the Executive Secretary, the Treasurer, the Committee on Cooperation, the Membership Committee and various other committees that have been given to you, it must appear to you that the presiding officer has very little to do except to comment on some of the year's activities and in that he must be careful not to overlap too much on the reports already given.

However, it seems a penalty that must be paid by the presiding officer for the honor that has been bestowed upon him and if you can stand it, I will try to get through with a few desultory comments on things that I have noted since I have come here and since the reports have been read.

The most important activity, to my mind, during the past year has been in the abstracters' section. I am not going to attempt to tell you what has been done in that section but I want to admonish you that whether you are interested in abstracting or not, you should attend the abstracters' section meeting. It might give you an idea of some activities which could be very well followed in other sections. I don't mean the other sections of the country, but other sections of our organization.

This Association last year elected Jim Johns of Pendleton, Oregon, Chairman of the Abstracters' Section. I certainly did not know and I don't believe many folks outside the State of Oregon knew of the dynamo that they were bringing into the American Title family. I made a promise that I would not say what he has done but I want to repeat that you should hear him during the abstracters' section meeting.

The Membership Committee has had a very hard row to hoe during the past year. About all of the members that were obtainable had been obtained for the Association. To my mind the membership campaigns and the trophies that are given for increase in membership should be discontinued. There should be something about the American Title Association, primarily the membership in the State Associations, which would have an appeal to the individual title folks throughout the country—not necessarily bolstered up by a high powered campaign by the Secretary of a State Association. I had much rather see the succeeding officers give prizes for the greatest mile-

age accumulated by those attending a national convention than to see a continued hammering on membership, trying to get people to get into something that ordinary intelligence would dictate they should be in without any outside pressure.

The Executive Secretary's office at Kansas City is not in the condition it should be in. He works with insufficient force, office force. He has too many demands upon his time to properly serve the large body as he should serve it. We have been handicapped in the past by insufficient funds—funds which should be amplified to the extent that somebody could be brought up through the organization to help take the burden of a mass of detail off of the Executive Secretary's shoulders. We should be training someone in the Executive Secretary's office to take his place some time.

I doubt if there is a company represented here which does not have in its organization someone who is being trained to take executive positions, and certainly we should exercise the same business foresight in the office of the Executive Secretary as we exercise in our own offices at home.

One or two changes have taken place in the Association in the last few years that have not heretofore been commented upon. Those who have attended regularly for the last ten years realize that it wasn't very many years ago that it was almost necessary to appoint a committee to determine who should be saddled with handling the next convention. At this convention the importance of the Association meeting to the various cities has grown to such an extent that invitations will be extended for 1928, 1929 and 1930, and you folks who were in attendance at Nashville and Kansas City and at Des Moines can look back with a good deal of wonderment as to just what caused the change.

The change has been caused by a reorganization of the American Title Association, principally through the efforts of Frank Doherty. Frank always takes a whack at me every time he gets a chance and I always pay him the compliment of being the man responsible for the present organization of the American Title Association.

I conceived the idea that for the interest of the Association we ought to get away from the old idea of having the abstracters' section on the program the first day, the title insurance the second day and the local examiner playing out the frayed end of the program. So we have changed this year and placed the examiners first, the abstracters second and the title insurance third. My idea in that was that in order to hold interest to the last we should retain to the last what most people consider the most interesting part of our program.

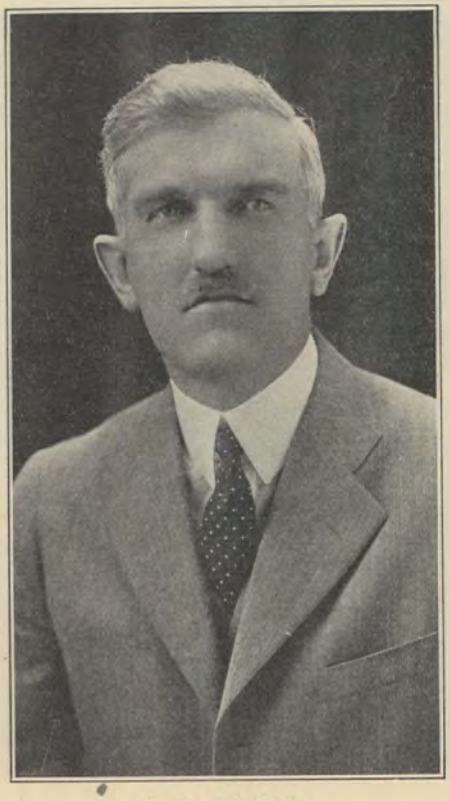
That is not said with any slam at the abstracters at all, but there isn't an abstracter in the United States who is not interested to some extent in title insurance. Practically all examiners are interested in title insurance so that I feel sure the holding over of the title insurance section until the last day will sustain an interest which heretofore has been allowed to lag.

It has been quite hard during the past year to get the proper amount of cooperation from State officials, and I want to tell the Presidents and Secretaries of State Associations who are present today that unless they can at least answer the inquiries which go from the Executive Officers of the American Association, they cannot expect any help from the American Association. The American Association officers are not mind readers, they can't tell what your troubles are unless you let them know.

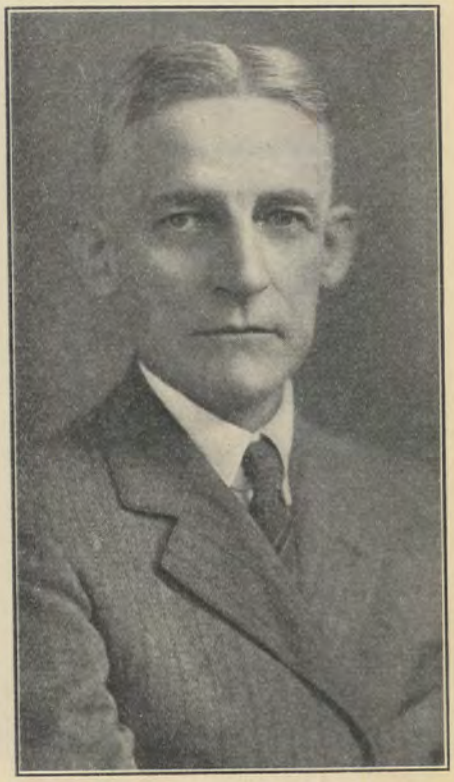
I hope that this meeting at Detroit will be the last one at which a sustaining fund appeal will be made. The Executive Committee at the present time has under consideration steps which will practically eliminate that two year appeal. We must be on a basis which will provide not only running expenses but which will provide a reserve such as every title company should have. In other words, we should have our organization running somewhere nearly on the same business

Officials, Title Examiners' Section

JOHN F. SCOTT
Chairman
St. Paul, Minn.



O. D. ROATS
Vice Chairman
Springfield, Mass.



GUY P. LONG
Secretary
Memphis, Tenn.

scale that the individual companies composing the membership are run.

There is another suggestion I want to make, and that is this: Representatives to State Associations should be carefully picked so that men of undoubted ability in title insurance matters will be sent to states largely dominated by the title insurance service and that title insurance men should not be sent to the strictly abstract states unless they are able to give to those strictly abstract states something which will help them in their problems.

Personally I believe that title insurance is the coming nation-wide system for the transfer of real estate, but until you can offer the abstracter in the sparsely settled sections of the United States some way out toward title insurance, there isn't any use of telling him what the glories of title insurance are. He knows that. He knows it's a great system but what he wants to know is how he can avail himself of the benefits of title insurance.

One of the things that has taken a great deal of money this year in the Association is the development of TITLE NEWS. It used to be pretty hard to get articles for TITLE NEWS. To show you what a change has taken place in that respect, in June of this year I procured an article for TITLE NEWS by a man of nation-wide note, famed for his ability along certain lines. That article has not yet appeared in TITLE NEWS because in the natural rotation, in using the material on hand, it hasn't reached publication. That is a little in line with the change that has come over the public at large with respect to having this convention.

From time to time during the meetings of the convention I may feel called upon to make a few remarks. The suggestions I have made today are purely personal in their nature. It may be, as our eminent Indian Senator from Oklahoma, Robert L. Owen, said once "You can take them if you wish, or you can go further and do worse,—and you probably will."

Report of Chairman, Executive Committee

By Walter M. Daly, Portland, Ore.

In order that the officers of the National Association and State Associations could become familiar with the workings of the office of the Executive Committee, the mid-winter meeting of the Executive Committee was held in Kansas City last February.

The chairmen of all standing committees and officers of the State Associations were invited to be present. Sixty registered from nineteen states. The meeting was in fact a miniature national convention. The program consisted of papers covering the activities of the State Associations, the problems of officers of State Associations, how the American Association could increase its usefulness to the individual members, and the reports of the chairmen of the various sections and all of the standing committees. Great interest was taken in the discussions which were carried on at length, and I believe that the officers of the State Associations who were present gained a better idea of their duties and went home with the solution of many of their problems.

The value of regional meetings was discussed and since February several states have organized their States into districts and regional meetings have been held. Other states are now planning to hold similar meetings. As these meetings should confine themselves to the practical problems confronting local abstracters and title insurance companies such as standardization of forms, standardization of rates, better quality of work produced, rebates and commissions, friendly cooperation instead of unfair competition, a great deal of practical good can be obtained, and I believe that these meetings will produce a closer contact between the individual members and the American Association.

The papers presented at the February meeting were reported in full in the March issue of the TITLE NEWS, and should be read by every member of this Association, so I shall not comment on it in detail.

The second day of this meeting was devoted to the business of the Executive Committee. A committee was appointed by your president to see if a uniform title insurance policy could be agreed upon, and with the suggestion that the committee report at the conference. It seemed to be the sense of the meeting while perhaps the owner's form could not be agreed upon because of lack of uniform laws throughout the States, a mortgagee's form might be agreed upon.

Another committee was suggested to work with the American Bar Association, National Association of Real Estate Boards, The Conference Commissioners on Uniform Laws, building and supply dealers and others, with the purpose of having passed by the State Legislatures uniform mechanics' lien laws. This committee was not appointed, but the Executive Secretary was instructed to investigate and report at this meeting. Mr. Hall corresponded with the Secretary of the various organizations and found that a uniform act had been drafted and that it had been approved by the United States Department of Commerce and would be reported at the Convention of the American Bar Association which is now being held at Buffalo. Mr. Charles White, title officer of the Land Title Abstract and Trust Company, of Cleveland, Ohio, is present at this meeting and will rep-

FRANK P. DOHERTY
Executive Committee, Examiners Section

V. E. PHILLIPS
Executive Committee, Examiners Section

resent the American Title Association in the discussion of the proposed act.

While many of the departments of the United States Government will use title insurance policies when presented, other departments require abstracts of title. In order to put title insurance upon a parity with abstracts, the Executive Secretary was instructed to gather the necessary data and take the matter up with the various departments of the Government to obtain a ruling that title insurance policies from qualified title insurance companies would be accepted when presented in lieu of abstracts of title.

Another important committee was one to consider the advisability of establishing a Board of Actuaries for title insurance companies. This committee will report at this meeting.

I wish to thank all of the members of the Executive Committee, the members of the standing committees, the Executive Secretary and the officers of the state associations for their wonderful cooperation in preparing the program for the Kansas City meeting, and for their attendance and enthusiastic support.

Report of Legislative Committee

By Wayne P. Rambo, Philadelphia, Pa., Chairman

MR. PFEIFER (Philadelphia): Mr. President, I am pleased to submit the report of Wayne P. Rambo, General Chairman of the Legislative Committee. As this entire report will appear in the printed notes of the convention, I think it unnecessary to read the acts of the various states at this time.

I might say, however, that there are ten states not heard from.

There has been great activity in the various Legislatures throughout the Country during the past year. The Committee in making the Report, has endeavored to set forth the new Laws passed by the several Legislative Bodies which would be interesting to this Convention.

It is interesting to note the general tendency throughout the Country to improve the laws relating to real estate titles, and Title insurance Companies. The work done by the Officers and Members of this Association, in the various States, shows that we are introducing legislation which is to the improvement and benefit of all interested in our business.

In making the Report the States have been arranged in alphabetical order and a brief mention of each Act presented.

Alabama.

No legislation suggested for introduction which in any way affect land titles or title insurance companies.

Arkansas.

Act No. 175.

An act regulating the business of abstracting the title to land in Arkansas, permits Title Companies and Abstracters to have free access to records upon furnishing a small bond.

Arizona.

It is interesting to note that this state held four special sessions of its legislature besides the regular session.

SYNOPSIS OF BILLS ENACTED BY THE LEGISLATURE OF THE STATE OF ARIZONA IN 1927 AFFECTING REAL ESTATE OR TITLE BUSINESS.

SESSION LAWS 1927.

Chapter 4. House Bill No. 4.

Amends Paragraph 788, Chapter III, Title 6, Revised Statutes of Arizona, 1913, Civil Code, regarding executors, administrators, etc. Amended to read as follows: "Of several persons claiming and equally entitled to administer relatives of the whole blood must be preferred of those of the half blood."

Chapter 10. Senate Bill No. 12.

Uniform Declaratory Judgments Act. Enactment by the State of Arizona of the Uniform Declaratory Judgments Act providing for an interpretation by the Court of the effect of contrasts, trusts, etc.

Chapter 27. Senate Bill No. 29.

An act authorizing incorporated cities and towns to adopt zoning ordinances and amending Section 1, Chapter 80, Session Laws of Arizona, 1925.

Chapter 41. Senate Bill No. 49.

Proposal to amend the Constitution of the State of Arizona providing for exemption from taxation of property of certain classes of institutions and individuals. NOTE—This must be voted on by the people before becoming finally effective.

Chapter 83. Senate Bill No. 124.

Provides for acceptance of the provisions of the Act of Congress approved January 25th, 1927, entitled an Act confirming in states and territories title to lands granted by the United States in the aid of common or public schools.

Chapter 92. House Bill No. 148.

Amending portions of Chapter 31, Session Laws of 1922, Pertains to banks and banking; the original Act being commonly referred to as The Banking Code. This amendment changes certain features of the State Banking Law, the particular item of interest to title men being part of Section 19 dealing with loans, persons, corporations, etc., and reading in part as follows:

———— "In all cases where loans are secured by mortgage on real estate, the borrowers shall furnish a written application for the loan, a financial statement, a written appraisal of the security made by competent appraisers and complete abstract of title, together with the written opinion of the title by a qualified attorney based upon an examination of the abstract, or, in lieu of the abstract of title and certificate of attorney, a title policy issued by a responsible company insuring the title of said real estate. Such papers in connection with the loan shall be on file with the bank and at all times open to inspection of the Superintendent of Banks.————."

Chapter 94. House Bill No. 97.

Amends method of collection of delinquent taxes. The Act is too lengthy to attempt to quote, but its effect if to make collection of delinquent taxes more speedy.

Chapter 98. House Bill No. 85.

Amends Section 3671, Chapter LV, Title 29, Revised Statutes of Arizona, 1913, Civil Code, concerning lien of landlord so as to provide that the liens shall not secure the payment of rent after the death or bankruptcy of lessee, or after date of assignment for the benefit of creditors of lessee.

Chapter 107. House Bill No. 191.

Provides a system for the issuance by municipal corporations of improvement bonds to represent special assessments for public improvements, and providing for the issuance of improvement bonds to be a lien on the real property in special assessment districts created.

California.

BILLS PASSED AT THE 1927 SESSION OF THE CALIFORNIA LEGISLATURE AFFECTING TITLE INSURANCE COMPANIES.

Chapter No. 46. Senate Bill No. 205.

Is an act to cure defects in maps or plats filed for record prior to January 15, 1927, and in deeds and conveyances referring to such maps. It provides that maps or plats recorded or filed with the County Recorder of the county in which the lands shown on the map or plat are situated, prior to the 15th day of January, 1927, shall for all purposes be deemed to have been properly recorded or filed, and to comply with all requirements of the laws in force at the time it was so recorded or filed notwithstanding any defect, omission or informality in its preparation or execution or in the execution of affidavits, certificates, acknowledgments or other matters required to be thereon by any law in force at the time of such recording or filing. It further validates all sales of land made by reference to such maps or plats and the recordation of deeds and conveyances referring to such maps or plats.

Chapter No. 154. Senate Bill 78.

Adds new section to be numbered

1624 to the Political Code authorizing boards of school trustees, high school boards, city boards of education, and junior college boards constituting the governing body of an elementary district, a high school district and a junior college district or any two of such districts to sell, or lease for a term not to exceed 99 years, any real property belonging to one of their respective districts to another district governed by them, and outlining the procedure for such sale or leasing.

Chapter No. 221. Assembly Bill 1263.

Amends "An act prescribing terms and conditions upon which corporations may transact business in this state and providing penalties and forfeitures for noncompliance" by repealing sections 1, 2, 3, 4, 5, 6, 9, 15, 16, 18 and 19. The sections repealed are those requiring the payment of a license tax by domestic and foreign corporations, and those prescribing the terms upon which foreign corporations may transact business, in the state.

Chapter No. 222. Assembly Bill 1264.

Restores to the Civil Code sections 405, 406, 408 and 409. These sections deal with the matters covered by the sections repealed by Chapter 221.

Section 405 provides that foreign corporations doing business in this state shall file in the office of the Secretary of State the documents required heretofore by Sec. 1 of Act 1743 above repealed, and provides a filing fee therefor of $100, with the exception of foreign corporations organized for educational, religious, scientific or charitable purposes and having no capital stock, and foreign non-profit corporations, which shall pay a fee of $5.

Chapter No. 222. Assembly Bill 1264.

Sec. 406 restores the requirement for process. Sec. 406 deals with the right the designation by foreign corporations of a resident agent for service of of foreign corporations to sue and be sued upon compliance with requirements of the right to do business in the state and Sec. 409 imposes upon foreign corporations a fine of not less than $500 for failure to comply with the provisions of sec. 405 above, and renders invalid contracts made by such corporations on their own behalf, but permits such contracts to be enforced *against* such corporations.

In effect the last two chapters 221 and 222 continue the present law in effect except to repeal entirely the license tax on domestic corporations, and substitute a flat tax of $100 or $5 as the case may be on foreign corporations.

Chapter No. 265. Senate Bill 596.

Adds to the Civil Code a new section numbered 161a, providing that "The respective interests of the husband and wife in community property during continuance of the marriage relation are present, existing and equal interests under the management and control of the husband as provided in sections 172 and 172a C. C. This section construed to define the respective interests of both in community property.

Chapter No. 322. Assembly Bill 492.

Amends section 900 of the C. C. P. relating to liens of Judgments rendered in the justices' court, by providing that upon the filing of an abstract in the office of the county clerk of the county in which the lands of the defendant are situated, such judgment lien shall continue for five years. (The former law required the filing of an abstract again at the end of two years, which continued the lien for another two year period, and specified a five year limit in any event).

Chapter No. 331. Assembly Bill 828.

Adds a new section to be numbered 606 to the C. C. providing that with the approval of the Commissioner of corporations and the attorney general first had as provided therein, 25 or more persons may organize a non-profit corporation for the purpose of receiving, acquiring, holding, managing, etc., property and funds for charitable and eleemosynary purposes, including the assistance and support of charitable and eleemosynary institutions. To such corporations are granted the powers without the necessity of obtaining any order of court of authorization, approval or confirmation, to act as trustee under charitable trusts and expend property and funds in accordance with such trusts; to borrow money and give mortgages, etc., therefor, to hold real and personal property with all the powers of control and disposal incident to the absolute ownership of property by private individual.

Chapter No. 488. Assembly Bill 519.

Amends Section 172a of the C. C. relating to the management of community real property by permitting the wife to join with her husband in conveyances or leases for more than 1 year, *either personally or by duly authorized agent.* It further provides "No action to avoid any instrument mentioned in this section, affecting any property standing of record in the name of the husband alone, executed by the husband alone, shall be commenced after the expiration of one year from the filing for record of such instrument", and "No action to avoid any instrument mentioned in this section affecting any property standing of record in the name of the husband alone, which was executed by the husband alone and filed for record prior to the time this act takes effect, in the recorder's office in the county in which the land is situated, shall be commenced after the expiration of one year from the date on which this act takes effect".

Chapter No. 489. Assembly Bill 520.

Amends section 1207 of the C. C. to provide that any instrument affecting title to real property, one year after the same has been copied into the proper book of record imparts notice of its contents to subsequent purchasers and encumbrancers, notwithstanding any defect, omission or informality the execution of the instrument or the certificate of acknowledgment, or the absence of such certificate. Duly certified copies of the record of such instruments may be read in evidence with like effect as copies of documents properly acknowledged and recorded provided when such copying in the proper book of record occurred within *five* years prior to the trial of the action, it is first shown that the original instrument was genuine. (The previous enactment required proof of the genuineness of the original, where recorded within *fifteen* years prior to the trial).

Chapter No. 493. Assembly Bill 524.

Amends section 674 of the C. C. P. relating to the recording of copy of judgments, providing for the lien thereof and the extent of such lien by providing that "An abstract of the judgment or decree of any court of record of this state, or of the United States, the enforcement of which has not been stayed on appeal, certified by the clerk of the court in which the judgment was rendered, may be filed with the recorder of any county and from the date of such recording becomes a lien on all real property of the judgment debtor in the county, not exempt from execution, owned by him at the time, or which he may thereafter and before the lien expires, acquire. The lien to continue for five years from the entry of judgment unless stayed by undertaking on appeal, in which case the lien of the judgment and any lien existing or hereafter created by virtue of an attachment levied or issued in said action, ceases. The abstract shall contain the title of court and cause and number of the action; date of entry of judgment or decree; names of the judgment debtor and judgment creditor; amount of the judgment or decree and where entered in judgment book.

Chapter No. 622. Senate Bill 691.

Adds new section to the Civil Code numbered 410, relating to foreign corporations, and providing that "No corporation having the name of an existing corporation formed under the laws of this state or the name of a corporation organized under the laws of another state, territory or of a foreign country, which is authorized to transact intrastate business in this state or having a name so similar to that of any such corporation as to tend to deceive, shall be entitled to comply with the provisions of section 405 and 406 of this code until it obtains an order from the court of competent jurisdiction permanently restraining the other corporation from doing business in this state under such name and unless it files with the secretary of state a copy of such order of court, duly certified by the clerk of said court".

Chapter No. 715. Senate Bill 705.

Amends section 1691 C. C. P. relating to the assignment for distribution of estate to non-resident persons, by permitting in cases where the distributee is a non-resident minor, insane or incompetent person who has a guardian of his estate legally appointed under the laws of any foreign jurisdiction, the distribution of such distributee's share to such guardian.

Chapter No. 725. Assembly Bill 516.

Is an act approving, confirming, ratifying and validating sales and conveyances of real property made by school districts or high school districts or by boards of education or boards of trustees or other governing bodies thereof, or by the board of education of any city, and approving, confirming, ratifying and validating instruments executed or delivered in connection with or as a part of any such sales. It applies to all such sales made after July 30, 1917 and before the passage of this act, provided the property was sold at public sale following proper notice posted or published five days at least before the sale.

California.

Chapter Nos. 755, 756, 757. Assembly Bill 525, 526, 527.

These bills amend sections 752, 763, 781 of the C. C. P. respectively, and provide the means by which property which is tied up by contingent remainders may be partitioned or sold in the same manner that property may be partitioned by co-tenants, such proceedings to be maintainable by either remainder-men or the life tenant.

Chapter No. 486. Assembly Bill 515.

Amends section 688 of the C. C. P. relating to the levying of execution in civil actions, by providing that no levy shall bind any property for a longer period than one year from the date of the *issuance* of the execution, provided, however, that an alias execution may be issued on said judgment and levied on any property not exempt from execution.

Chapter No. 661. Senate Bill 428.

Amends section 25 of the C. C. to change the age of majority to 21 years for females, except that the amendment shall not affect the provisions of the code relating to marriage, and providing also that when a female is lawfully married between the ages of 18 and 21, she shall then be deemed an adult person for the purpose of entering into any engagement or transaction respecting property or any contract, the same as if such person was over 21 years of age.

Colorado.

House Bill No. 360, clarifying the present law on adoption of children.

Senate Bill No. 281, approved Feb. 23, 1927, amended the present law, permitting holders of certificates of purchase to deposit with the sheriff, or public trustee, receipts for taxes paid and insurance premiums; the new law also permits the holder of a certificate of purchase to pay interest on sums due on prior encumbrances and file receipts therefor, so that if a redemption is made, the holder of the certificate of purchase may be reimbursed for all expenditures so made.

Senate Bill No. 84, approved Mar. 12, 1927, permits a foreclosure of one or more past due installments, in the case of an installment mortgage or trust deed, without affecting the validity of the remaining unpaid installments.

Senate Bill No. 274 is by far the most important piece of legislation in regard to real estate titles enacted by the last Legislature. This law was approved Mar. 28, 1927. It is a very long act and its intention is to codify to a certain extent the law in regard to real estate titles.

Senate Bill No. 5, approved Feb. 19, 1927, concerns the issuance of tax deeds on certificates originally made to the county and assigned by the Board of County Commissioners, and corrects a defect in the law with reference to the assignments of such certificates, and affects principally the larger communities.

Senate Bill No. 87 concerns service of summons and makes various changes which clarify the former law. This law affects particularly quiet title suits. It was approved Mar. 14, 1927.

Senate Bill No. 56, approved Feb. 26, 1927, concerns gifts by will for charity purposes and broadens the scope of the present law.

Senate Bill No. 343, approved Mar. 18, 1927, is in regard to wills and clears up a conflict in the existing law with respect to the rights of the widow. No material changes made.

House Bill No. 321, approved Mar. 26, 1927, changes the law with respect to the determination of the heirs of an estate, by permitting the petition to be signed by any person in interest instead of limiting it to an heir at law.

Senate Bill No. 45, approved April 27, 1927, relates to the collection of special assessment taxes for local improvements and provides a statutory method for foreclosure of the lien of such special taxes. It provides substantially that the taxing authority institute a proceeding in the District Court, publish certain notice, and have a public sale, so that the property may be bid in and absolute title acquired.

FRANK P. EWING
Executive Committee, Examiners Section

House Bill No. 351, an act to establish and impose a Tax on Transfers of property by inheritance and intestate laws of the state, by will, or gift, or instrument made in contemplation of death or intended to take effect in possession or enjoyment at or after the death of the maker thereof, providing for the collection of such Tax.

House Bill No. 192, an act to enable owners of Land in irrigation districts to drain and reclaim them and to provide for the enlargement and extension of same.

Florida.

District Chairman reports: During recent session of the Florida Legislature several bills were introduced effecting Title Insurance but none were passed.

Iowa.

No legislation passed which would effect Title Insurance.

Three bills were introduced but failed to pass: House Bill No. 198, 356 and 188. The last bill was an act to provide for the examination of titles to real estate by the secretary of state or by attorneys in each county of the state, the issuance of certificate thereon, making the state liable for all losses sustained by reliance on such certificate, and to provide a guaranty fund for the payment of such losses, and to provide for an appropriation for the original land title guarantee fund.

This bill was in all appearances more vicious than the Torrens Bill.

Kansas.

Chapter 149 allows school district boards in cities of third class, having school grounds consisting of more than five acres, to lease such grounds for the drilling of oil and gas.

Chapter 228, allows married insane persons having real property in her or his own right or name, his or her guardian, with the approval of Probate Court, may jointly with the husband or wife or such person, sell, convey or mortgage any real estate, but that no guardians deed shall be valid unless such husband or wife, as the case may be, shall join in the deed as one of the grantors.

Chapter 231, provides that no insurance company, organized under Kansas laws shall purchase, hold or convey real estate, except, that it shall be requisite for its convenient accommodation in the transaction of its business, or, such as shall have been mortgaged to it in good faith, by way of Security for loans or money due; or, such as shall have been conveyed to it in satisfaction of debts previously contracted in their legitimate business; or, such as shall have been purchased at sales upon judgment decrees or mortgages obtained or made for such debts, and all such real estate as may be thus acquired, and which shall not be necessary for the accommodation of such company in the transaction of its business, shall be sold and disposed of within five years after such Com-

pany shall have acquired title.

Chapter 323, provides that all real property liable to assessment and taxation shall be assessed as of Mar. 1, in the year 1930, and of Mar. 1, every fourth year after 1930.

Chapter 341, provides that whenever the channel or any part of any navigable stream has heretofore been or shall hereafter be suddenly changed or altered by such stream establishing a new channel by flood or avulsion, the State shall purchase the title in fee for such channel between the banks at high water mark and shall sell the land in the corresponding abandoned channel.

Chapter 135, provides that all property heretofore or hereafter acquired by any municipal university in a city of the first class, shall be taken and held in the name of the municipal university, and may be conveyed by them.

Two bills introduced affecting abstracting of land titles, but both were defeated.

Missouri.

Title Insurance Act requiring corporations to have paid up Capital Stock of $100,000.00 and deposit $50,000.00 out of Capital Stock or surplus, which funds shall be known as Title Insurance Funds and invested in Legal security for Law Suits.

Nebraska.

Mr. Albert L. Hanson advises that there was some agitation to amend the Torrens Law of that State but he thought there was no possibility of the law being changed.

Nevada.

Chapter No. 36. Senate Bill 15.

Uniform inter-party agreement act, providing that a conveyance, release or sale may be made to or by two or more persons acting jointly, and one or more but not less than all of these persons acting either by himself or themselves or with other persons; and a contract may be made between such parties.

Chapter No. 76. Assembly Bill 62.

An act authorizing the filing of notices of liens for taxes payable to the United States of America and certificates discharging such liens, and to make uniform the law relating thereto.

Chapter No. 109. Assembly Bill 130.

An act relating to mortgages on real and personal property, providing that certain agreements, covenants, obligations, rights and remedies thereunder may be adopted by reference, and prescribing certain covenants which may be so adopted.

Chapter No. 173. Assembly Bill 131.

An act relating to transfers in trust of estates in real property to secure the performance of an obligation or the payment of a debt and to provide that certain covenants, agreements, obligations, rights and remedies thereunder may be adopted by reference, and prescribing certain covenants which may be so adopted.

Chapter No. 180, Assembly Bill 191.

An act creating the office of commissioned abstractor; providing for the appointment of commissioned abstractors; fixing their term of office; defining the territory within which they may act; providing for fees to be paid for commission, manner of qualifying thereunder; and matter of record of such qualification; providing for an official seal; defining their powers and authorities; and the matter of fees for services rendered; and providing for liability and punishment in cases of wilfull violation or neglect. The act provides for appointment of commissioned abstractors by the commission for a term of four years affective in the county where the abstractor resides. A fee of $10.00 is required and a bond of $2,000. Commissioned abstractors are granted authority to search all public records, compile abstracts, and certify the same under their official title and seal. They may charge reasonable fees.

New Jersey.

Chapter 146, P. L. 1927, page 283, provides that the husband and wife may convey directly to each other—whether resident or non-resident, and notwithstanding the non-joinder of either in the deed to the other. This is an amendment of the prior act of 1919, which someone thought it might be construed did not apply to non-residents; and to answer any criticism of the statute requiring the joinder of the husband of a married woman in her conveyance.

Another important matter of legislation is the change of our statute respecting dower and curtesy:

By Chapter 68, Pamphlet Laws 1927, page 124, it is provided that the wife shall have the income from one-half of the property, instead of one-third, as heretofore; but the Act is not effective until Dec. 31, 1928.

By Chapter 71, page 128, the husband shall be entitled to the income of one-half of the property during life instead of the whole of the property for life, as heretofore, but giving him curtesy whether there were children born of the marriage or not. This Act is not effective until Jan. 1, 1929.

There are amendments of other acts respecting proceedings in the matter of dower and curtesy to harmonize with this change in the quantity of interest provided in chapters 69 and 70, pages 126 and 127.

In the matter of dower and curtesy, this is a step forward, and in the matter of curtesy it takes away the provision that there should be children born alive—a relic of the old feudal system respecting which there are yet some statutes that require amendment, as it is high time that any matters relative to real estate, based upon the antequated feudal system, should be eliminated, and I should like to see a statute enacted, not only in New Jersey, but all over the United States, eliminating dower and curtesy, as the question of a husband's or wife's interest is a lurking danger to the easy transmission of the title to real estate, as the question of impersonation of a wife or husband, as has happened, suppression of the fact of marriage and question of divorce (where there is a conflict of statutes between states) would be entirely eliminated, as they should be, as the transmission of the title to real estate should be made as nearly as possible as easy as the transfer of personal property.

Another important statutory enactment is the repeal of the older inheritance tax statutes of 1892 and 1894 and the amendments thereof. These repeals are by chapters 247, 248 and 249 of the same laws, pages 468, 469 and 470, their effect being to release and discharge the liens of all inheritance taxes uncollected under any and all acts prior to 1909, providing, however, there shall not be any refund of payments made under these acts.

An important addition to the mechanics' lien act was passed, but it is not effective, because it does not state what effect the Act has. It provides that where a lien claim is filed, the owner may file with the Clerk of the County, where the lands lie, a bond in favor of the lien claimant, executed by the owner, with a Surety Company authorized to transact business in New Jersey, as surety, in double the amount claimed by said lien claimant, conditioned for the payment of any judgment and costs recovered by the lien claimant against the land and buildings, the bond to be approved by the Judge of the Circuit Court or Court of Common Pleas of the County, but it does not complete the Act by stating that when such bond is filed in accordance with the Act it shall discharge the land from the lien. It is important that an amendment of the Act should be made at the next session of our Legislature. The Act is chapter 240, page 454.

A Supplement to the Riparian Act is chapter 310, page 579, providing for the protection of the riparian proprietor who was not technically the owner of the riparian land when the grant was made.

Chapter 188, page 363, enables the copying of instruments for record and copying the records in the Office of the Clerk, Register of Deeds and Mortgages, Surrogates &c. by photography.

There is also a proposed amendment to the State Constitution enabling Municipalities to adopt zoning ordinances. Many were adopted in different municipalities, and they have been uniformly declared unconstitutional, unless they were for the purpose of maintaining welfare of citizens or only in support of police regulations. Most of the zoning ordinances restricting against stores and apartment houses and such ordinances were declared unconstitutional. The object is to enable municipalities to pass such ordinances.

But the most important legislation is Senate Bill 2183 H. R. 6197 for the purpose of removing the obstacle to obtain a clear title to property where the foreclosure of mortgages is

by proceedings in equity, and the equity of redemption, which may be claimed under Federal liens, cannot be removed because of the impossibility of making the United States of America a party defendant and foreclosing the equity of redemption. This Act requires some considerable consideration to put it in proper shape, and it is of importance that the Title Companies of the United States should act together to get back of the Act and influence their Senators and Congressmen to pass such a bill.

New Mexico.

Chapter 84, Laws '27, pages 256-260, relating to the power of the husband over community property, amends Chapter 84, Laws '15, with this change: "the husband may convey directly to the wife or the wife to the husband without the other joining in the conveyance".

Chapter 76, Laws '27, pages 254-255, relating to the recording of royalties in the production of oil and gas. Insofar as notice to the world is concerned this law places recorded royalties on the same footing as deeds and mortgages. The emergency clause is attached and it became law immediately on its passages and approval.

Chapter 109, Laws '27, page 306, relating to the quieting title to real estate, amends Section 1, Chapter 21, Laws '25, with this change: "any number of tracts of land may be embraced in the same action when they lie in the same county; whether claimed by the same persons or not." The emergency clause is attached and the law became law immediately on its passage and approval.

Chapter 163, Laws '27, pages 424-425, pertains to the succession of community property and separate estate in cases where widow or widower dies without issue.

Chapter 117, Laws '27, page 322, relates to the filing of lien notices with the County Clerk for Federal Taxes. This is the uniform act on this subject—in accordance with the provisions of Section 3186 of the Revised Statutes of the United States, as amended by the Act of Mar. 4, 1913, 37 Statutes at large, page 1016, and any act, acts or parts of acts amendatory thereof.

Chapter 10, Laws '27, page 9, limiting the time within which a power of sale may be exercised under a Mortgage, trust deed or other written instrument of like effect.

Chapter 43, Laws '27, pages 133-134, relates to the assignment of real estate mortgages and the payment of indebtedness secured thereby. The holder of the note and the person to whom the Mortgage is assigned may be different persons; the question arises—to whom is a valid payment? This act covers this very case.

Chapter 125, Laws '27, pages 343-344, granting right of eminent domain to oil and gas pipe lines.

New York.

Chapter 519: This act creates a commission of fifteen members to investigate and recommend as to the advisability of a revision of the Real Property Law, the Personal Property Law the Decedent Estate Law, and other statutes of this state, as the commission may deem advisable for the purpose of modernizing and simplifying the law relating to estates and the systems of descent and distribution of property, the advisability of establishing a unified system for the devolution of real and personal property, and to prepare proposed legislation for such purposes. Surrogate Foley of New York County, in articles and addresses for more than a year past, has urged upon the bar of the state changes in the substantive law of estates. His address in full is found on pages 71 to 74 of the Sixth Annual Report of the New York State Title Association. Henry J. Davenport, president of the association, in speeches to the real estate men and to gatherings of title men throughout the state has earnestly backed up Surrogate Foley's recommendations. Mr. Henry R. Chittick, chairman of the law committee, has expressed his ideas of reform at recent annual conventions of the association. Now the legislature has created a commission and the title men of the state will have an opportunity, of which they ought to take full advantage, to improve present conditions.

The following constitute the Commission to Investigate Defects in the Law of Estates and to recommend legislation:

Louis B. Hart, of Buffalo; George A. Slater, of Port Chester; George A. Wingate, of Brooklyn; James A. Foley, John G. Saxe, Cornelius W. McDougald, Henry R. Chittick, of New York City, named by the Governor.

Senators Homer E. A. Dick, of Rochester; George R. Fearon, of Syracuse; Leonard R. Lipowicz, of Buffalo; Thomas I. Sheridan, of New York City, named by Majority Leader John Knight, of the Senate.

Assemblyman Edmund B. Jenks, of Whitney Point; Herbert B. Shonk, of Scarsdale; Horace M. Stone, of Marcellus; Maurice Bloch, of New York City, named by Speaker Joseph A. McGinnies, of the Assembly.

Chapter 683: This is the so-called partial foreclosure bill. The practice has become quite general, particularly in the case of large mortgages, of calling for annual or semi-annual amortization payments on account of principal. Under the former law and practice in case a mortgagee wished to foreclose for non-payment of one installment, he had to call the entire mortgage debt and foreclose for the entire amount. This frequently made it impossible for junior mortgagees to protect themselves because of having to raise such a large sum of money to pay off the whole prior debt. Chapter 683 remedies this by giving the court discretion when justice to everyone requires, either to sell the entire property discharged from the entire mortgage debt, or to sell the property to satisfy the installment then due, subject to the continuing lien of the mortgage for the balance not then due. This enables the owner of the equity to redeem before the sale more cheaply than he otherwise could. The act is also beneficial to junior lienors because they can redeem without having to refinance the entire first mortgage. The act also benefits the holders of serial bonds secured by mortgage because the bonds not yet due will not now have to be called in and re-sold.

Chapter 680: This act makes a crime of perjury. As every title man knows in connection with closing affidavits are of necessity taken to establish a fact not a matter of record. For example, that the deponent is unmarried or that judgments against the same name are not against the deponent. Up to date there was no penalty imposed for making such false statements under oath.

Chapter 476: This act re-instates in Section 197 of the Tax Law a clause, inadvertently omitted by a 1926 amendment, making prior mortgage liens superior to subsequent franchise tax liens.

Chapter 128: This act corrects a printer's error made in 1926 and substitutes Jan. 1, 1927 for Jan. 1, 1926 as the date prior to which the record of the conveyances referred to in said section are cured by said section.

Chapter 172: This act eliminates what has been up to date an unnecessary fiction. Section 116 of the Real Property Law formerly provided that where an executor, trustee, guardian or other fiduciary was entitled to receive the proceeds of the sale of real property, he might invest such proceeds of sale in the stock or bonds of a corporation formed or to be formed for the purpose of taking the title. In practice, where the trustee, acting generally in conjunction with competent adult co-owners of the real estate, desired to transfer the real property to a corporation in exchange for its stock and bonds, there was no thought of a sale and there were no proceeds of a sale. All parties interested were determined to convey directly to a corporation and take its stock and bonds. Under the old law this could not be done directly and so the fiction of having a sale and then investing the proceeds was carried all through the proceedings. The present amendment authorizes direct conveyances. All former safe-guards for infants are preserved.

Chapter 173: This act amends Section 298, Real Property Law, by confirming acknowledgments or proofs of conveyances of real property heretofore taken before a clerk, deputy clerk or special deputy clerk of a court not of record.

Chapter 511: This act amends Chapter 516 of the Laws of 1926, regarding what instruments may be recorded in the office of the Queens County register.

Chapter 588: This act brings the Code of Civil Procedure into harmony with the Tax Law in order to cover fully the right to sue the state to establish the liens of the state under vari-

ous corporation and decedent estate transfer taxes.

Chapter 261: This act provides that the franchise tax on banks and trust companies shall be for the calendar year in which it becomes due, except that with respect to corporations of classes heretofore subject to franchise taxes, the tax shall be in lieu thereof and for year for which such franchise taxes were formerly imposed, and making other provisions.

Chapter 420: This act amends Sections 235 and 905 of the Civil Practice Act, by permitting personal service out of the state without order where it appears by affidavit filed in action or as part of judgment roll that warrant of attachment has been levied on property of defendant within state.

Chapter 425: This act adds new sections 15 to 16-i, General Corporation Law, repeals section 110, Stock Corporation Law, relative to foreign corporations. other than moneyed corporations, doing business in state.

Chapter 473: This act amends Section 95, Negotiable Instruments Law, in relation to what constitutes notice of defect.

Chapter 569: A temporary commission is created for the purpose of revising the tenement house law in cities where that law is applicable The commission is to report before Mar. 1, 1928.

Chapter 681: This act amends Section 16, Personal Property Law, by providing a deed or other instrument creating a trust in property, including a policy of life, health, accident or disability insurance, and directs that income shall be applied to payment of premiums, shall not be considered as effecting an accumulation either of income so used or of dividends on policy.

Ohio.

AN ACT TO PROVIDE FOR THE ASSIGNMENT AND PARTIAL RELEASE OF MORTGAGES AND FOR THE RECORD THEREOF.

Section 1. A Mortgage may be assigned or partially released by the holder thereof, by writing such assignment or partial release on the original mortgage, or upon the margin of the record thereof, and signing the same. Such assignment or partial release need not be acknowledged or witnessed, but if written upon the margin of the record the signing thereof must be attested by the county recorder. Such assignment, whether it be upon the mortgage or upon the margin of the record, thereof, or by separate instrument, shall have the effect of transferring not only the lien of such mortgage, but also all interest in the land described therein. For entering such assignment or partial release upon the margin of the record, or attesting the same, the county recorder shall be entitled to the same fee as is provided by Section 8549 of the General Code.

Section 2. A mortgage may also be assigned or partially released by a separate instrument of assignment or partial release, duly acknowledged and witnessed as is provided for deeds and other instruments for the transfer of an interest in real estate. Such separate instrument of assignment or partial release shall be recorded in the book provided by section 8547 of the General Code for the recording of satisfactions of mortgages, and the recorder shall be entitled to charge the same fee for recording such separate instruments of assignment and partial release as is provided by said section 8547 of the General Code.

NOTE: We are informed that the Attorney General has assigned to the above Act sections 8546-3 and 8546-4 of the General Code.

AN ACT TO PROVIDE FOR THE EXECUTION AND RECORDING OF WAIVERS OF PRIORITY OF MORTGAGES.

Section 1. When any mortgagee of property within this state, or the party or parties to whom the same has been properly assigned of record, desire to waive the priority of said mortgage in favor of any other lien or mortgage, the holder thereof in writing on said mortgage, or by a separate instrument duly acknowledged and witnessed in the same manner as is provided for deeds and other instruments for the transfer of an interest in real estate, waive the priority of said mortgage in favor of any other designated mortgage or lien to the extent of the lien of the mortgage so waived, and such waiver when recorded whether upon the margin of the record, or as a separate instrument, shall be constructive notice thereof to all persons dealing with the property described in said mortgage from the date of filing said waiver for record. If said waiver be a separate instrument, it shall be recorded in the book provided by section 8547 of the General Code for the recording of satisfactions of mortgages, and the recorder shall be entitled to the same fees for recording waivers of priority as are charged for cancellations, satisfactions, assignments and releases of mortgages.

NOTE: We are informed that the Attorney General has assigned to the above Act section 8547-1 of the General Code. Effective June 6, 1927.

AN ACT TO AMEND SECTIONS 11656, 11657, 1579-30, 1579-106, 1579-147, 1579-212, 1579-435, 1579-577, 1579-618, 1579-783, 1579-835, AND 1579-886 OF THE GENERAL CODE, RELATIVE TO JUDGMENT LIENS.

Sec. 11656. Such lands and tenements within the county where the judgment is entered shall be bound for its satisfaction from the first day (of the term st) on which (it) such judgment is rendered. (Except that, judgment by confession and judgments rendered at the same term at which the action is begun, shall bind such lands only from the day on which such judgments are rendered.) All other lands, as well as goods and chattles of the debtor shall be bound from the time they are seized in execution.

Sec. 11656. A judgment of the supreme court for money shall bind the lands and tenements of the debtor within the county in which the suit originated, from the (first) day of (the term at) on which (the) such judgment is (entered) rendered, and all other lands, and the goods and chattels of the debtor, from the time they are seized in execution.

Sec. 11657. A Judgment of the supreme court for money shall bind the lands and tenements of the debtor within the county in which the suit originated, from the (first) day of (the term at) on which (the) such judgment is entered (rendered) and all other lands, and the goods and chattels of the debtor, from the time they are seized in execution.

Sec. 1579-30. (Municipal court of Cleveland.) All lands and tenements, including vested legal interests therein, and permanent leasehold estates renewable forever, located within the county of Cuyahoga, shall be bound for the satisfaction of any judgment rendered in the municipal court from the (first) day of (the term at) on which such judgment is rendered. (But judgments by confession and judgments rendered at the same term at which the action is commenced shall bind such lands, tenements, vested interests and permanent leaseholds only from the day on which such judgments are rendered.)

Sec. 1579-618. (Municipal Court of Lorain.) All lands and tenements, including vested legal interests therein, and permanent leasehold estates, renewable forever, located within the townships of Black River or Sheffield, in the county of Lorain, shall be bound for the satisfaction of any judgment rendered in the municipal court from the (first) day (of the term at) on which such judgment is rendered, (but judgments by confession and judgments rendered at the same term at which the action is commenced shall bind such lands, tenements, vested interests and permanent leaseholds, only from the day on which such judgments are rendered).

AN ACT TO AMEND SECTION 3836 OF THE GENERAL CODE, RELATIVE TO IMPROVING STREETS, ALLEYS AND HIGHWAYS UPON PETITION OF PROPERTY OWNERS.

Sec. 3836. When a petition subscribed by three-fourths in interest of the owners, or the owners of sixty per cent of the foot frontage of property abutting upon a street, alley or highway of any description between designated points in a municipal corporation, is regularly presented to the council for that purpose, the entire cost of any improvement of such street, alley, or highway including the cost of intersections and regardless of the limitations of section 3820 of the General Code and without reference to the value of the lands of those who subscribed such petitions, may be assessed and collected in equal annual installments, proportioned to the whole assessment, in a manner which may be fixed by the council. The interest on

any bonds issued by the corporation, together with the annual installments herein provided for, and the costs of such proceedings and assessments, shall be assessed upon the property so improved. When the lot or land of one who did not subscribe the petition is assessed, such assessment shall not exceed thirty-three and one-third per cent. of the actual value of his lot or land after improvement is made. The guardian of infants or insane persons may sign such petition on behalf of their wards only when expressly authorized by the probate court on good cause shown.

AN ACT TO AMEND SECTION 10054 OF THE GENERAL CODE, RELATING TO THE INTER-CONVEYANCE OF PROPERTY.

Sec. 10054. The trustees of a church organization, religious or charitable society or association, or such organization, religious (,) or charitable society or association itself, if incorporated, and all persons holding title to property in trust therefor, may upon a two-thirds vote of the members of the organization connected therewith (if there by such) present and voting at a meeting duly called and held for that purpose, lease, transfer, convey or incumber it to other trustees of the same denomination, or to the trustees of such organization, society or association itself of the same denomination if incorporated under the law of this state. But the lease, transfer, conveyance or incumbrance shall be made only when the property thereof, or the revenue arising from the use thereof, is still to be used for the religious, missionary or church purposes of said denominations, or, if a charitable organization for the specified charitable purpose.

An interesting pamphlet has been prepared and shows cases effecting Title to Real Estate certain amendments to cases, confirmatory cases, which have not been included in the records of the Association.

Oklahoma.

Tax Lien, Chapter 12, Oklahoma Session Laws 1925, repealing the act of foreclosing of Tax certificates by an action in the District Courts.

Chapter 83, Session Laws of 1927, provides that of written consent to making the order of sale is subscribed by all persons interested therein and the next of kin, said order of sale may be made at once without giving the notice provided in this Section. This applies to Guardian sales of Real Property belonging to their Wards. This enactment amends Sec. 1472 of Oklahoma Compiled Statutes 1921.

Chapter 117 Session Laws 1927, is an act to amend Section 708, compiled Statutes of Oklahoma, provides that Lands and Tenements taken or executions shall not be sold until the officer causes notice of the time and place of sale to be given for at least thirty days before the day of sale by advertisement in some newspaper printed in the county, or in case no newspaper be printed in the county, in some newspaper of general circulation therein and by putting up an advertisement upon the Court house door and in five other public places in the County, two of which shall be in the Township where such lands and tenements lie, provided that in Counties having 110,000 or more population according to the last Federal Census, the advertisement shall be published in some newspaper published in the city or township where said lands and tenements lie or if there be no newspaper in such city or township then in same newspaper published in the County.

Chapter 209, Session Laws 1927, is an act amending Section 9666, Compiled Oklahoma Statutes 1921, relating to the assessment of taxable property and providing procedure for such assessments in all Counties in the state having a population of not less than 35,000 and not more than 37,400 according to the Federal Census of 1920.

No enactments were passed affecting abstracts or abstractors fees.

Oregon.

(Laws, 1927)

The Principal bill introduced in the last session, which did not pass, was to repeal Torrens Law. The report on this bill is that it would have gone through except for the fact that it required that all instruments filed under Torrens should be recorded in the regular record by the County Clerk. This brought forth a remonstrance from the County Clerks, for no provision was made for paying their fees. The bill, therefore, died in committee.

Important Changes Affecting Title Insurance.

1. Section 106, Chapter 164, has been amended to include, among investments, notes or bonds of the States of Washington, Idaho, and California.

2. Trust Companies, in case of death of depositor, may pay to surviving spouses, children, etc., amounts on deposit not to exceed $500 (formerly $300). Chapter 164, Section 130.

3. Attorneys' fees may be recovered in an action brought upon any policy of insurance of any kind. (Chapter 184.)

4. The law regarding the collection of taxes, foreclosures, etc., has been in many particulars, important among which is that summons must be mailed in County foreclosures. (Chapter 214, 220 and 243 and 355.)

5. In execution of deeds, witnesses are not required. (Chapter 151.)

6. When husband or wife, owning land, conveys to the other a one-half interest, retaining the other half, and the conveyance contains words indicating an intention to create an estate by the entirety, they shall be deemed to be so held. (Chapter 123.)

7. Service of summons by publication changed to four weeks instead of six. And personal service may be had without the State, without affidavit or order. When publication is against a resident of a territory of the United States, ten weeks shall be required; when of a foreign country, twenty weeks. (Chapter 215.)

8. Contracts after the expiration of five years from the date of maturity of the final payment, shall not be a lien unless suit to foreclose has been instituted, etc. (Chapter 271.)

9. Redemption from sales on execution, etc., date from the *date* of the sale instead of the date of confirmation, unless there is an objection to the sale, when redemption shall date from the confirmation. (Chapter 283.)

10. A general curative act, during defective acknowledgments in deeds, judicial sales, sales by executors, administrators, etc. (Chapter 284.)

11. Courts of record have power to make declaratory judgments and decrees. This includes power to construe wills, contracts, etc. (Chapter 300.)

12. An owner of land may mortgage the rents and profits thereof and the mortgagee may go into possession, but this act does not affect farm lands and homesteads. (Chapter 310.)

13. The act limiting the time within which corporations which have been dissolved may act after dissolution has been changed in many respects. (Chapter 340.)

14. See changes in act relating to descent of homesteads and devises of homesteads. (Chapter 345.)

15. Changes have been made in defining and regulating trust business. (Chapter 417.) Dated May, 1927.

Pennsylvania.

There were three Bills presented known as House Bills No. 780, 818, 828, respecting Title Companies.

House Bill No. 780 was intended to amend the first paragraph of Section 1 of the Act of May 9, 1889, P. L. 159, by extending the provisions of title insurance policies to subsequent owners.

House Bill No. 818 was intended to impose a State tax on the gross premium charges and fees received by corporations doing title insurance business in Pennsylvania.

House Bill No. 828 was designed to regulate the registration, examination, report and reserves of title insurance companies, and conferring powers in connection therewith on the Insurance Commissioner.

Mr. John Potter, of the Pennsylvania Title Association, prepared a circular letter which was sent to the Members of the Legislature from Allegheny County and to others. The Legislative Committee of Pennsylvania and other members of the Association had various meetings with members of the Legislature and were assured at an early date that the Bills would not be passed.

Two bills relating to gasoline tax were introduced, which if passed as originally introduced, would have brought in a new class of persons against whom the Commonwealth would have had a lien, namely: All consumers under certain circumstances. These were House Bills No. 1044 and 1352. House Bill No. 1044 died in Committee. House Bill No. 1352 was considered more dangerous than House Bill No. 1044. Section 12 of this Bill

was amended by Mr. Mark R. Craig and in addition thereto Mr. Craig prepared and caused to be presented an Act known as House Bill No. 1899.

The following bills were presented and passed:

No. 267.

Provides for postponement of lien of a mortgage by Agreement, and bond and lien of another mortgage or mortgages, and bonds, and for recording of the Agreement.

No. 278.

Provides in case of presumption of death from seven years absence method for determination of such presumption.

No. 284.

Provides that mortgages or defeasible deeds in the nature of mortgages shall have priority according to the date of recording the same without regard to time of making, and recorder shall endorse the time when left for record. Mortgages left for record upon the same day shall have priority according to the time they were left. Purchase money mortgages to be a lien from time of making if recorded within thirty days from date of mortgage.

No. 285.

To quiet title to real estate sold by receiver, trustee or assignee under legal procedure where same has been confirmed by court having jurisdiction to confirm sale; or has been sold according to procedure authorized by the statutes of this State and confirmed by competent jurisdiction, the statutory interest, courtesy, tenancy by courtesy, dower, or right of dower to be divested.

No. 361.

Requiring the assignment of mortgages, judgments, recognizances, when due, to the owner of the encumbered property, his agent, attorney or terre tenant upon tender of the amount with interest.

No. 410.

Enabling foreign corporation to take real estate in Pennsylvania by conveyance, devise, lease or otherwise, and convey same or any portion thereof. Provided stockholders have right to inspect books, etc., kept in this State to the same extent as in domestic corporations.

No. 451.

Providing for sale of property held by entireties after tenants by entireties have been divorced.

No. 462.

Giving wife power to dispose of her property, real and personal where husband fails to support wife or family for five years though there be no desertion.

No. 474.

Providing for conveyance to, or by, two or more persons acting jointly, with one or more, or less than all of such persons acting by himself, or themselves, or with other persons.

In addition to the above there were many confirmatory Acts not specifically recited herein, which validated conveyances and quiet titles. These confirmatory Acts are most helpful in reducing the efforts of Title Companies and title men.

House Bill No. 246 repealed Federal Judgment Act of June 24, 1895. This Act, in providing for the entering of transcripts of judgments in Federal Courts, added a proviso that nothing should be construed to require the docketing of a judgment or decree of a United States Court or the filing of a transcript thereof in or within the same county in which the judgment or decree was rendered by such Court. The repeal of this Act leaves the Act of June 5, 1913, P. L. 418, as the governing law and it is no longer necessary to run judgment indexes in the United States Courts, even in the Counties where the United States Courts sit.

Tennessee.

LAWS ENACTED BY THE GENERAL ASSEMBLY OF TENNESSEE AT ITS SESSION IN 1927 IN WHICH TITLE COMPANIES MAY BE INTERESTED.

Chapter 3—Jan. 24, 1927.

Provides that all actions to set aside probate of any will must be brought within seven years from the entry of the order of probate, or be forever barred, except as to persons under 21 years of age, or of unsound mind.

Chapter 13—Mar. 21, 1927.

Provides that where a bequest, devise, conveyance, etc., is made to a class of persons subject to fluctuation by reason of future births or deaths, and the time of distribution is fixed at a subsequent period, and any member of such class shall die before the arrival of the time for distribution leaving issue surviving when such time arrives, such issue shall take the share which the member so dying would take if living, unless a clear intention to the contrary is manifested by the instrument.

Chapter 35—April 21, 1927.

Enlarges Mechanics' liens so as to give such lien to Mechanics and Furnishers whether employed by the original contractor or sub-contractor, and extends the time within which such lien may be asserted from 30 days to 90 days after completion of the work.

Chapter 56—April 27, 1927.

Provides for the filing with the Register of Deeds of notices for liens for taxes payable to the United States of America and Certificates of discharge of such liens, in accord with the provisions of Section 3186 of Revised Statutes of United States, and Acts amendatory thereof: to make uniform the laws of those States on this matter.

Chapter 61—April 20, 1927.

Provides that in all Counties where there is no Entry Taker, the Registers of said Counties are authorized to act as such.

Chapter 78—April 26, 1927.

Regulates procedure in Attachment cases, and provides in Section 5 that a substantial description of the property proposed to be attached together with its approximate value shall be set forth in the Bill or affidavit praying for the attachment.

Texas.

S. B. No. 29.

An Act to amend Article 7257 of the Revised Civil Statutes of 1925 relating to collection of Taxes.

An act to amend Article 5949 of the Revised Civil Statutes of 1925, relative to appointments of Notaries Public.

House B. No. 155.

An act designed to quiet title to real property after adverse possession and payment of taxes thereon for a period of twenty-two (22) years and declaring an emergency.

H. B. No. 193.

An act providing statement of facts concerning family history, showing who were the legal heirs of any deceased person will be received in any suit as prima facie evidence of the facts therein stated.

H. B. No. 108.

An Act relating to the filing and recording of instruments of writing, heretofore and hereafter recorded, and the effect thereof, and validating defective certificates of acknowledgment.

H. B. No. 210.

An Act to amend Article 4619 of the Revised Civil Statutes of 1925, relative to community property and disposition thereof.

H. J. R. No. 1.

Proposing an amendment to the Constitution so as to authorize the Legislature to make conclusive that taxes have been paid on property where a receipt is issued by the Tax Collector for any particular year.

J. H. R. No. 7.

Proposing to amend Section 26, Article 4 of the Constitution providing that the Governor of the State may appoint notaries public.

H. B. No. 24.

An Act to amend Section 1 of Chapter 155 of the Acts of the 39th Legislature to relinquish, quit claim and grant unto all incorporated cities of a population of over 34,000 inhabitants, all of the beds and channels, also, all of the abandoned beds and channels, rivers, streams and so forth.

H. B. No. 93.

An Act to amend Article 1302 of the Revised Civil Statutes of 1925, providing additional purposes for which private corporations may be formed.

Utah.

SYNOPSIS OF BILLS PASSED AT THE 1927 SESSION OF THE UTAH LEGISLATURE AFFECTING REAL PROPERTY.

Chapter 10. This is the uniform Federal Tax Lien Registration Act, and authorizes the filing of Federal Tax Lien Notices and Certificates of Discharge in the office of the County Recorders of the state within which the

property subject to such lien is situated.

Chapter 23. This act authorized Notaries Public who are stock-holders, officers, or employees of corporations to take acknowledgments of and administer oaths to other stock-holders, officers, or employees, and validating such past official acts of Notaries Public.

Chapter 73. By this act three new sections were added to the existing law relating to actions to quiet title to real property. The three new sections authorize the Plaintiff to include in his complaint, as defendants, all unknown persons who are known to have some claim or cloud on the lands described in the complaint, adverse to the Plaintiff's ownership. These persons may be described as follows: "also all other persons unknown claiming any right, title, estate, lien or interest in the real property described in the complaint, adverse to Plaintiff's ownership, or any cloud upon Plaintiff's title thereto." Service of summons is to be made by publication as in other civil actions. The Plaintiff is required to prove his title by evidence and it is expressly provided that the Court must not enter any judgment by default.

Chapter 74. This chapter provides for the foreclosure by any county of tax liens on real property as an additional means of collecting taxes. It provides that thirty days' notice of intention to commence action be given the owner A six months' redemption period is allowed.

Washington.

First of all, the Recording Act has been amended. (Chapters 187 and 278.) Chapter 187 requires endorsement on the back of the instrument the name and nature thereof, and I believe is intended for the protection of the recording officer in case of doubtful character of the instrument, whether affecting personal or real property, as: bill of sale or deed; chattel mortgage or real estate mortgage. Chapter 287 relates to recording of instruments, and I believe is intended to change the old rule of constructive notice: that the bona fide purchaser who searches the record last prevails without regard to whether or not his conveyance is recorded first, to the rule that the bona fide purchaser whose instrument is first recorded will prevail. It is intended, further, to include instruments postponing the priority of a mortgage or other lien which were not within the old recording act; also that the recording of an executory contract for the purchase of real property, when duly acknowledged, shall be notice to all persons of the rights of the vendee under the contract. This chapter is taken almost literally from the New York recording act, and executory contracts were given the effect of constructive notice in a measure to alleviate the holdings of our Supreme Court that such contracts when forfeitable by reason of the provision that time is of the essence, conveyed no interest in the land, which holdings gave rise to a misunderstanding that they were somewhat a nullity, until the Supreme Court, by recent decisions, emphatically stated they were not nullities but valid contracts not conveying any interest in the real property, simply because they were of an executory and forfeitable nature.

Next in interest is probably the voluminous Chapter 255 (109 pages), a new act concerning Public Lands of the State of Washington. For our purposes, it is to be observed that the power of vacating plats, streets, avenues, and alleys, (whether heretofore or hereafter dedicated), covering state lands, (except capitol building lands) and shore and tide lands, is taken from the County Commissioners and City Councils, and vested in the Commissioner of Public Lands.

Chapter 139 is an amendment of changes in Town Sites and Plats, evidently responsive to the change made by Chapter 255.

Chapter 176 postpones the caveat of a verdict to eight A. M. the day after the entry of such verdict. Undoubtedly it will be held unconstitutional as to pre-existing contracts, in the same manner as the statute of 1897 establishing the six year limitation on judgments was held unconstitutional as to pre-existing contracts.

Chapter 160 amends the law of Descent of Lands held as separate estate by the decedent to include nephews and nieces, though there be no surviving brother or sister of the decedent; and chapter 76 is amended to include such nephews and nieces among the preferred persons entitled to letters of administration.

Chapter 104 amends the provisions of the Probate Code as to homestead to include expressly an adopted child; and Chapter 185 was passed to expressly deny the $3,000.00 award to surviving spouse in cases where the survivor deloniously killed the deceased spouse. This act was, of course, passed to confirm the five to four decision in re Tyler's Estate, 140 Wash., 679, wherein the majority held that in such case, conscience will not permit that the murderer benefit by his terrible act and the minority dissented on the ground that while the majority opinion was a splendid exposition of what exceptions should have been placed in the statute, nevertheless it was not the court's province to supply any exception.

Chapter 170 amends appointment of guardians for insane or mentally incompetent persons to include provision for service of the statutory notice on such person, in addition to the service thereof on the person having care of such person, or if in an institution, on the officer or head of such institution. The previous statute seemed to have expressly waived the personal service on the person under such disability, but was generally held void as not being due process.

Chapter 193 amends the homestead act requiring recording of the declaration before rendition of judgment instead of before sale.

Chapter 216 authorizes action against the state when involving real property, in the county where the real property is situated, instead of in the Superior Court of Thurston County, (the county of the state Capitol, Olympia).

Chapter 275 is a new act directing foreclosure of local improvement assessments by cities alone in a manner analogous to county foreclosure of general taxes under the 1925 revenue act. It repeals the summary method by City Treasurer for private parties, and the mortgage foreclosure method for cities, but leaves an option to the cities to proceed under previous law in cases of assessments created prior to the effective date of this act. Actions to set aside assessment deeds must be brought within three years from date of deed except that such deeds heretofore issued shall be supported by the Statute of Limitations within one year after the passage of this Chapter (March 19, 1927), and saving to minor and insane owners right of redemption for three years only, so expiring with the right of action to cancel such deeds.

Among the actions of general interest I name briefly the following:

Chapter 280, relating to the creation and powers of tax commission.

Chapter 243, relating to irrigation districts assessment.

Chapter 263, giving the power to counties to sell property acquired for taxes on installment plan.

Chapter 290, relating to re-assessment and re-taxation where tax adjudged void.

Chapter 301, relating to county budget.

Chapter 302, on Diking Improvement District bonds.

Chapter 303, on county road and bridge taxes.

Chapter 271, a new act concerning establishment of county roads; and Chapter 312, a new act concerning rights of way over state lands.

Chapter 254, a Reclamation Act (66 pages), and Chapter 246, relating to state public lands and federal reclamation projects.

Chapter 289, concerning powers of directors of school districts of second and third class, particularly as to purchase, lease and sale of real estate and change of school site.

Chapter 180 submits to the voters of the state at the election to be held in November, 1928, an amendment to the state constitution, taking out of it the provision requiring "a uniform and equal rate of assessment and taxation of all property," and leaving with the legislature the power to classify property for the purpose of taxation. The object of the amendment is to subject to a reasonable taxation property now escapint, thereby relieving real estate from some of the disproportionate burden it now carries. The amendment has the support of the organized real estate, farm and educational forces of the state and will have a good chance of passage as only a majority of the votes cast on the measure is required.

Federal Liens.

The Report of the Legislative Committee of the Pennsylvania Title Association, recalled a very able paper read by Charles C. White, of Cleveland.

Mr. Peirce Mecutchen, of The Land Title and Trust Company, has presented and caused to be introduced an Act of Congress which was known as H. R. 12891. This Act, by its title, provides for making the United States a party defendant in certain cases.

Under the Federal Statutes, a mortgagee holding a mortgage which is a first lien, may find on foreclosing that a lien in favor of the United States of America had been entered on record, which would be junior in lien. The foreclosure proceedings, as the law now stands, would not divest the Federal Lien. This was decided in Sherwood vs. the United States 5th Federal Reports, Second Series, 991, and hence the purchaser at the sheriff sale would be required to petition the United States Courts for leave to file a Bill in Equity and if leave were granted, would be required to commence proceedings in which all possible lien creditors would be made parties, and obtain the court's order to make a resale of the property in order to divest the lien of the United States.

Mr. Mecutchen's Act provides in great detail for making the United States a party to the foreclosure proceedings and thus divesting the lien. The Bill was introduced in Congress by the Honorable George S. Graham and while it failed of passage at the previous session of Congress, Mr. Graham assures us of his interest and that he will present it at the next session of Congress.

The Legislative Committee would therefore respectfully suggest that Members of this Association communicate with their respective Senators so that this Bill will be passed at the next Session of Congress.

Lien of Judgments Entered in Favor of Private Litigants in the United States Court.

The judgments of private litigants in the United States Court prior to the Act of Congress of August 4, 1888, were liens upon the land within the territorial limits of the jurisdiction of the Court.

Bayard vs. Lombard 50 U. S. 528 and in re McGill 6 Pa. 504.

The Act of Congress of August 1st, 1888, c 729, Sections 1 and 2, 25 Statutes 357, made judgments in a circuit or district court of the United States within any State, liens on property throughout such State in the same manner as though rendered by a Court of general jurisdiction of such state, provided that whenever the laws of any State require a judgment or decree of a state court to be registered, recorded, docketed, indexed or any other thing to be done in a particular manner or in a certain office or county or parish in the State of Louisiana before a lien shall attach, this Act shall be applicable therein whenever and only whenever the laws of such state shall authorize the judgments and decrees of the United States Courts to be registered, recorded, docketed, indexed or otherwise conformed to the rules and requirements relating to the judgments and decrees of the Courts of the State.

Act of August 1, 1888, (citation as above), and also Barnes Federal Code 1919, page 311.

The Pennsylvania Act of June 24, 1895, P. L. 247, which provided for the docketing of judgments in the Federal Courts, added a proviso that nothing should require the docketing of the same within the County in which the judgment or decree is rendered by the United States Court.

The Act of June 5, 1913, P. L. 418, provided for the docketing of Federal judgments, omitting the proviso, but it was held in Seventeenth Street Land Company vs. Hustead 263 Pa. 342, that the Act of 1913 did not repeal the Act of 1895. The Act of 1895 has now been repealed by the Act of April 27, 1927, which sets at rest the vexed question as to where to search for the judgments of private litigants entered in the Federal Courts.

Lien of Federal Taxes.

Federal Taxes are made a lien in favor of the United States from the time the assessment list was received by the Collector, provided, however, that such lien shall not be valid as against any mortgagee, purchaser or judgment creditor until notice shall be filed by the Collector in the Office of the Clerk of the District Court of the district within which the property is situated.

The Act of Congress further provides that when any State authorizes the filing of such notice, the lien shall not be good in that state as against a mortgagee, purchaser or judgment creditor unless recorded as required by the State law.

Revised Statutes 3186, Act of May 4, 1913, c 166-37 Statute 1016.

The Uniform Federal Tax lien Registration Act was passed in pursuance of the authority conferred by the proviso in the Act of Congress of March 4, 1913.

MR. FEEHAN: For the purpose of standardizing some of the legislation affecting title to real property, I would suggest that the Presidents and Secretaries of each State Title Association at the time of the introduction of legislation in their respective states or before the passage of legislation affecting real property, communicate such matters to the Chairman of the Legislative Committee, sending a copy of such legislation, that the Legislative Chairman of the Committee then present it to the Legislative Committee so that they may compare it with similar legislation pending in other states and in that way standardize all legislation that may be introduced from now on.

THE PRESIDENT: That suggestion will be taken into consideration by the Executive Committee as early as we can get suggestions and have them fully considered. I hope it may be considered before we leave Detroit so that it won't have to go over to the mid-winter meeting, because I think there is a considerable amount of good in that suggestion, Mr. Feehan.

Mutuality of Interests

By Clarence C. Hieatt, Louisville, Ky.

THE PRESIDENT: The place of honor on the program of the Association this year goes to the President of the National Association of Real Estate Boards. It is a pleasure to me to extend the courtesy of introducing that gentleman to Mr. Leonard P. Rehm of the city of Detroit, a former President of the Detroit Realty Board, a member of the Executive Committee of the National Association of Real Estate Boards, executive Vice-President and General Manager of Patterson Brothers & Company of Detroit, and naturally you'd judge from that recitation that he is a realtor of nation-wide popularity and importance. Mr. Leonard P. Rehm.

MR. REHM: Mr. President, Ladies and Gentlemen: I was wondering who he was talking about for quite a while.

I consider it a real pleasure to come here this afternoon and say a few words to you, because as I have listened to the words that have been spoken and the subjects that you have under consideration, I am rather convinced that you, too, have a few troubles with your business and, of course, needless to say, in the real estate business we don't have any more than a couple of dozen troubles every day.

These organizations, of which you are one, are the dominant factors in American business today. Instead of passing all of the regulations to our Government, the business men of this country have thought wise to get together and form their own standards of business and to agree to cooperate in order to protect their business from within and from without. I am always very happy to see organizations of this kind and to see the fine work that is being done, because, after all, the

question of title is one of the very fundamentals of the real estate business.

I believe thoroughly in title insurance. Of course I also believe that there are some good titles that don't need insurance. While I don't want to give you an exclusive contract to all the titles in the country, yet I believe that you serve a very wonderful purpose and will help greatly in liquidifying the real estate holdings of this country.

My function here is to say a few words about a gentleman whom you probably do not know as well as we do —a typical American who started out selling newspapers and ended up by owning practically all the real estate in his city and who operates the greatest company there. You no doubt will be interested to know that he is a Director of the Louisville Trust Company, of the National Bank of Louisville, and I wouldn't be a bit surprised, if he were to speak frankly, that he probably owns most of the title company there as well, so he doesn't mind taking out title insurance!

Ladies and Gentlemen, I am very proud and very happy to have the pleasure of presenting to you at this time a very good friend, a most distinguished gentleman and one of America's leading realtors, the President of the National Association of Real Estate Boards, Clarence C. Hieatt of Louisville, Ky.

MR. HIEATT: I always hate to have to make an apology when I go to talk, but I am laboring right now under two very serious handicaps. One of them is the introduction to which I have been subjected by my over-zealous friend. I felt just a little ashamed for him, because, you know, we believe that the modern realtor is just like George Washington—he can't tell a lie. When he said all those nice things about me, I was a little ashamed because there are some folks from Louisville in the audience and they will be able to judge just how big a story-teller he is. That is the first handicap.

The second one is that on my return from our own national convention at Seattle and the post-convention trip to Alaska, after surviving thirty days of travel with perfect success, coming in to Chicago I took a cold and I am still laboring under it.

It is a great pleasure for me to be here today and to speak to the subject which your Chairman has assigned me, "Mutuality of Interest." As Mr. Rehm told you, I am interested in your work. I am interested in it because in my own town we have three title insurance companies, two of which have been in business for over forty years, and I do not hesitate to pay tribute to them and to say that they have been a very important factor in clearing up and perfecting the title situation in Louisville and in a large part of Kentucky, so that we do not have the old title troubles to which we used to be subjected.

I know that you gentlemen know what a tremendous value you can be to the real estate interests of the country in doing that thing all over the country.

I am interested always in seeing groups like this assembled together for the study of their own particular problems, for the perfection of their own methods, because I know when men and women like you get together you are not going to stop at merely the selfish solution of your own problems, but that you are bound, out of meetings like this, to have before you the question of "How can I do my job in such a way as to help on the great work of civilization?"

I think that the progress of this country, certainly the outstanding thing in the last twenty years, has been the development of business organizations such as yours and such as mine. It is a curious coincidence, Mr. President, that the National Association of Real Estate Boards was organized in 1908 and, I believe, your organization in 1907, or thereabouts. This last twenty years has been the era of business organizations, so that today in America there are two thousand business organizations like yours, representing particular industries, particular businesses.

Men have gotten away from the old idea of competition under which we used to live, when every man thought that the only way he could get any business was by getting it from some competitor, and we have learned the greater lesson—that the best business, the most productive business, the most fertile field in which to develop any business is the creation of new business by proper methods. We have learned that from these organizations and from getting together and from the spirit of good will and cooperation which has been engendered.

Under the old order a man would spend half his life trying to learn something about his business from the mistakes he made; he had no place else to go. He couldn't go across the street and ask a merchant in the same business what to do under certain circumstances because he knew he wouldn't be told, so he stumbled along and picked up what he could, profiting by the mistakes he made and at middle age he had arrived at a fair mastery of his business. When he had once mastered the business, then he spent the rest of his life guarding the secrets which he had learned with such toil and trying to keep his competitors from finding out anything about them. It was a foolish system but it persisted for many years.

But with this age in which we live, this age of business organization, men have gotten together and have found that it is good to get together. They have not only derived many fine social rewards, made many new friendships that have been lasting, deep and worth while, but they have learned the tremendous value to each individual of bringing together and pooling the common experiences of all men in the same business, testing them out by close analysis and by comparisons and by discussions and finally arriving at the best method of doing a certain thing.

A British commission was appointed a few years ago by the industrialists of Great Britain and sent to this country for the one purpose of finding out the secret of the tremendous industrial success of America. They went back, and the keynote of their report was that they were amazed to find in America that all men in the same line of endeavor were bound together in business organizations and that they were willing to pool all of their resources of knowledge and experience for the common good and put their money behind the exploitation of the busines as a whole. It was to that they attributed the supremacy of America.

As I said a while ago, there are two thousand organizations like this now in America. Over one hundred of them have adopted codes of ethics for the government of the members of their Association in order to secure proper standards of conscientious effort in their organization.

Out of this group endeavor, or concomitant with it, has developed a new type of competition in the world. Instead of competition being between individuals, the competition today is between groups. It is a mass competition. We hear a lot about mass production and we are now living in an age of mass competition. These vast business groups are competing one with another. They all know that the American people's income in the aggregate is seventy billions of dollars and every year that income is either going to be spent or invested in something.

So these great business organizations have set about to secure for their own particular business as much of that seventy billion dollars of income as possible. We find that the flour people are organized, the lumber people are organized the sour kraut people are organized and the milk dealers and pickle packers and the undertakers are organized. They don't call themselves undertakers; they call themselves the Associated Selected Morticians of America, but it means just the same thing—and their job is to try to exploit finer coffins, to sell a higher priced coffin when you die, so as to get more of your income.

These groups are not going about this thing in any wild or mad way or blind way, but they are going about it with great care. They are studying their business, and out of it is coming not only great good to the organization, but out of it is coming, I think, a greater good to the consuming public, because these studies which these groups are making, this pooling of experience and knowledge, is enabling them to perform their obligation to the public in a better fashion and to deliver a better product at a lower cost.

They are making these studies very deeply and they then set about to push their own product forward as rapidly as possible, so as to get as much for themselves as they can. That is all

right. It is an interested selfishness that moves the world onward.

The dairymen of America have set about to see to it that every man, woman and child in America uses a quart of milk every day. That is their goal. They are going to keep hammering and advertising and exploiting the value of milk as a food product until they get every man, woman and child using a quart of milk a day and, when they do this, they are going to have more business than all the dairymen and dealers in the United States can take care of.

So the butter manufacturers have studied their problem. They have made studies not only in this country, but world-wide. They find that the people of Australia eat ten pounds more butter per annum than the people in America, so they are starting out to increase the consumption of butter in America to the point where they can sell ten pounds more butter. (Of course I figure that they will have to count on selling most of it to the men!)

The lumber dealers have a competition with celotex, and with steel, and with concrete, and they see this lumber business that they have controlled in the past slipping away from them and they have set about now to raise a great fund of five million dollars to spend in order to bring lumber back to the predominant position which it occupied a few years ago and to combat these new types of substitutes, as they call them, for lumber.

So we find the ice people engaged in the same sort of a warfare with electric refrigeration. They apprehend that this new style of electric refrigeration is going to cut into their preserves and they have made some intensive studies of the ice business. They have found out that there are twice as many people in America that have telephones as have ice boxes. They didn't know that before, until they got the spur of competition from electric refrigeration. They banded together and they are putting in community advertisements to get people to use ice and, in spite of electric refrigerator competition, in spite of a very short summer season last year, they increased the sale of ice in America 12%. That shows you what they can do when you get that combined effort.

Things like this are happening; out of the researches that are being made in these organizations, we have results like this: The paving brick manufacturers used to make seventy-six styles of paving bricks. After they got together they began standardizing and got the number down and now there are only eight styles. That is a good thing for the buyer because it is less confusing. They found they could eliminate a lot of the waste effort that used to go into making different types of bricks.

Then they decided to make a narrower, thinner brick and they cut the thickness of the brick from two and a half inches to an inch and three-quarters and they built a road a number of miles out of Washington and they subjected that to the severest tests, over six months of time. They put it to tests that would equal fifteen years of wear, and found out that the road held up. That meant a saving of not only about thirty per cent in the material that went into the brick but it meant a saving of at least that much in the freight, which is a big charge on brick purchase price. They save that much freight in shipping the brick.

The point I am making by this illustration is that these group investigations and these group activities, if they are properly conducted, not only redound tremendously to the benefit of the men who are behind them and who are interested in that particular business but, ultimately, out of it ought to come something that is tremendously worth while to the people as a whole, because, whenever you work out a fundamental economy, the blessings of it are bound to be spread out all over the country.

I want to just give you that picture because I think it is one of the things we have to have in front of us all the time today.

We apprehend in our own business that the Realtors of America are in the same type of combat with automobiles and picture shows and theatres and pianos and radios and all of the other alluring things that are being offered to the public. We are in combat with them—not with the idea of keeping people from buying automobiles, or radios, or anything else that they want, but with the idea of impressing upon the people that the first important. the most important thing in their life, is a proper and comfortable home. It is our business, not only from the standpoint of our own selfish interests but from the standpoint of the development of a proper civilization in America, to see to it that that is put forward as cleverly and as forcefully as we can, so that people will set aside the proper proportion of their income for home purchase and not be persuaded by alluring advertisements to devote too large a portion of it to something else.

We all know what disaster results when a man with a salary of one hundred fifty dollars a month undertakes to buy a three thousand dollar automobile and operate it. We know he can't do it, without neglecting his family. There is a type of automobile that he can support and he ought to go to that type and not beyond. So we are making these studies in our own organization with the idea of putting forward the desirability of home ownership as the great, fundamental thing in America.

I don't think I need tell you men and women that you are just as much interested in that as we are, that you are just as much interested in making real estate a desirable thing for purchase, either for use in home, or business, or for investment, as we are, because if we don't sell any real estate you are not going to get many titles to examine. We are just locked hand in glove in that proposition.

So, in all the major activities of our work which will tend to popularize real estate and to increase the respect with which people look upon it, I think you are just as much interested as we are. So I want to talk to you just a little about some of the things that our organization is doing along that line.

I know that we are all apt to get lost in the business that we are doing and think we are doing it just as well as it can be done, until we begin to study it. Then we find out how backward we are. I am not offering any particular criticisms of title companies or title insurance people, abstracters or anybody else, but I do know that out of close study and application you, just like we, can find tremendous improvements in methods, and that is what we are setting about to do.

I often think of a story told down in Kentucky just after the Great War. One of our colored soldiers who came back from the war is cited by one of the Generals in this fashion: In the battle of Chateau Thierry, he was riding along back of the lines when he came upon this negro soldier sitting under a tree fanning himself with his hat. The General said to him, "What regiment do you belong to?"

The negro told him.

"Why, your regiment is right up at the front, on the firing line!"

"Boss, you-all don't know that any better than I does."

"What are you doing back here?"

"Well, boss, it was jes' like this: I was up there right in the front, too, and after the battle got to going pretty good it got so noisy and so confusin' and there was so much smoke my head began to ache. I couldn't think what I was doin'. So I jes' concluded I'd come back here where I could get a little fresh air and clear myself up and find out what is goin' on."

The General was disgusted and said, "Get up from there and go back where you belong. You, a soldier with an American uniform on, back here at the back of the line. Get up there where you belong!"

The negro got himself up and said, "Bos, would you min' tellin' me who you might be, anyway?"

"I am the General commanding this Division."

"Well, 'fo' God, Boss, I didn't know I was that far back!"

So when we begin to analyze our problems, we sometimes don't realize how far back we are.

The National Association of Real Estate Boards is an organization that embraces not only the United States but Canada as well. We have a very thriving Board in Honolulu. We have a membership now of 671 Boards, with an active membership of 26,000 realtors and an associate membership of 19,000, an affiliated membership (salesmen, subsidiary membership) of 19,-

000, an aggregate membership of 45,000 men who are bound together under our code of ethics for the one great purpose of studying our business, learning more about it, learning how to do it more proficiently, learning how to render a better service, both from the standpoint of knowledge of the thing that we are dealing with and from the conscientious methods we put into it.

In your organization you have three sections. We have nine divisions—the brokers, the property management, the subdivisions, home building, cooperative apartments, appraisals, industrial property, etc. It is all subdivided, and men interested in those specialties meet in those subdivisions and discuss those particular problems.

I have a folder headed Officers, Committees and Divisional Research Topics for 1927. I just took occasion to note here the topics that have been assigned to each of these divisions for study. The brokers' division has 113 subjects to which they are devoting their attention this year—separate topics. The cooperative apartment section has 77 topics. The home building and subdividing division has 114 topics. The industrial property divison has 88. The farm land dvision has 60. The mortgage and finance division, which is very closely affiliated with you, has 67 topics and the property management division has 121 topics.

I give you that merely to show you how thoroughly our organization is going through the analysis and actual solution of the many problems involved in the matter of real estate development. I am not going to touch on how intricate or complex this thing is, starting with the naked ground, its development, the laying out of the property, the matter of city planning, parks, recreation facilities, their relation to the development of real estate and the actual construction features, the proper location of a building, seeing that a building isn't put on the wrong location and all those intricate and delicate things that have to be solved. There are just hundreds of problems of that kind to which we are devoting a very conscientious and earnest effort with an idea of arriving as near as may be at the actual truth.

There is one thing that we have devoted particular attention to this year, to which I'd like to call your attention. That is the appraisal business. As you all know, there was a time this year when the whole real estate fabric of the country was threatened somewhat by the failure of some of our mortgage bond houses, because of things they had done that they ought not to have done, because they had predicated their loans upon appraisals that were not properly made and were made on false assumptions as to values, earnings, etc. It only shows how closely we are all tied together in this, because however free we may have been from those methods, the minute that those things began to happen we felt gradual tightening up on the part of investors and skepticism with respect to real estate securities all over the country—a thing that hadn't happened before.

So we apprehend, just like I know you realize, that it is the duty of our organization as the protectors of the real estate business of America, to see to it that every phase of this thing goes along by proper and honest methods.

We set about a study of appraisal methods and our Appraisal Committee has developed an appraisal blank for business property in which a clear analysis is made first of the cost of the property, second an analysis of the income, the stabilized income, an analysis as to the probable future income of the property, a reconciled valuation based on those factors, with a requirement that every question in them shall be answered.

I am merely citing that as one of the things that we are going into with great care, and we hope to produce a series of appraisal blanks that will tell the whole story with respect to appraisal. I know that you who conduct mortgage bond businesses in connection with your insurance businesses will find these tremendously helpful.

I might say, particularly, that I was struck with your legislative report and I am very glad to say to you that our organization has gone on record as being in favor of your proposals for a number of uniform state laws, such as a uniform mortgage act, a uniform Federal Tax Lien Registration Act, a uniform acknowledgement act. I think we ought to have a uniform conveyance act. It seems to me, sometimes, when I survey the intricate, foolish differences that run through our state laws with respect to a lot of these things, that we are like babes in the woods—just feeling about and afraid to venture out. It is a foolish attitude to take when it is so simple, it seems to me, to agree on a thing that, put into practice, standardized, means the abolition of so much difficult and complex material.

I heard somebody suggest a while ago that you could get up a uniform title policy for mortgages, but you couldn't for the owner on account of the difficulty of a state law. We can't get into too big a hurry about this, and we are not going to bring this about next year; but if we are right about it, if the thing ought to be uniform, if there ought to be a uniform inheritance tax law all over the United States and men like you who are interested in the subject set your minds to the problem and make up your minds, it's going to come about, you can rest assured it will come about.

A few weeks ago I read a statement like this in one of the papers: "People that break speed records are very rarely going anywhere." It struck me with a lot of force. I don't know whether you ever thought about it or not. I get impatient at accomplishment. I want to see things done. I say, "This is right. It ought to be put over," and I become impatient because we can't put it over this year, but the world doesn't move that way and there isn't any use in getting impatient because you can't get it over now. There is less use in giving up your idea because you can't get it over now. If your idea is right and you keep the pressure on and you just keep forcing the issue, it is going to come about.

So I want to say to you in all those matters of uniform laws which you are so tremendously and intimately interested in, that you can count a hundred per cent on the cooperation of our organization in helping you put them over. We are with you. We want to do everything we can and we conceive that to be our highest duty—to make real estate not only soundly developed, properly planned, honestly built, squarely sold, the most satisfactory purchase any man can make, —but you are interested in that, too, because your future profits, your future increase in profits, depends on the increase of volume and turnover in the products we are manufacturing and selling.

A lot of us are not only brokers but we are manufacturers of real estate. We take raw material and make it up into a salable commodity, and it behooves us, if we want this commodity to endure and meet this tremendous competition that is coming from other sources, to improve the quality of it and at the same time do everything we can to hold down the price.

When I have studied the growth of the automobile industry in this country, which centers here in Detroit, I have always been struck that with the tremendous growth of it, the tremendous expansion in volume every year, that every year the automobile manufacturers have produced a better and more dependable product. They have gotten away from punctures; we never hear of them any more. They have a product now that you can absolutely count on giving service and delivering the goods. With it all has come a gradual reduction in the price as the years have gone on. It is no wonder that the automobile industry is the outstanding manufacturing industry of the country, because they are sound in principle and that is what I conceive to be our job as the protectors and developers and champions of real estate in America.

I don't think we have any illusions about it, but I do think we are making a very consistent and steady progress. By adhering to those principles, by making these careful, close analyses of the fundamental problems involved in our business, every year real estate is going to be more popular, a better thing to own than it was the year before. I don't think I am in danger of being disbelieved about it, although some people may say we have gone through the best period we could ever have in real estate. Sometimes things that seem a little doubtful are actually true and the average man could be expected to believe them.

I remember hearing a story about

Henry Ford and Thomas A. Edison and Harvey Firestone and John Burroughs. They were taking a tour up to Henry's old home in New England. They had trouble with a tire and one of the lights went bad. They stopped at a little shop on the wayside and Mr. Ford went in to make a purchase. He asked the dealer what kind of tires they had in the shop. The dealer said, "I handle the Firestone tire."

"That's a very good tire. I will take two of them." Mr. Ford told him the size and said, "I want one put on the car and the other put on the rack." The dealer was very much pleased with the order. Mr. Ford said, "By the way, Mr. Firestone, the man who makes these tires, is riding out here in the automobile with me."

The dealer said, "Is that so?"

Mr. Ford said, "Yes, he's right there. What kind of lamps have you?"

"I handle the Edison light."

"Give me a couple. That is a very good light. You probably would be interested to know that Mr. Edison is in the car with me, too."

The dealer looked at him and said nothing.

As Mr. Ford started out the door he said, "I guess it won't do any harm to tell you who I am. I am Henry Ford."

The dealer said, "The hell you are!"

He went on out and started to put the tire on the rack and while he was working there old man Burroughs stuck his head out the window and the dealer, seeing him, raised up his wrench threateningly and said, "If you tell me you are Santa Claus I will brain you with this wrench."

Ford was telling this fellow the actual truth but it looked too good to be true.

I like to take that picture of my business, and I hope you like to take that picture of your business. We are in a wonderful business, I think the most important business for the future development of American civilization. I don't think there is anything that touches it, that comes as near to standardizing the progress of the world, as this business we are engaged in.

BRUCE B. CAULDER

Secretary, Arkansas Title Association, whose work won the President's Cup in the 1927 Membership Campaign for his state association, for largest gain, and who also won First Individual Prize for greatest percentage of increase.

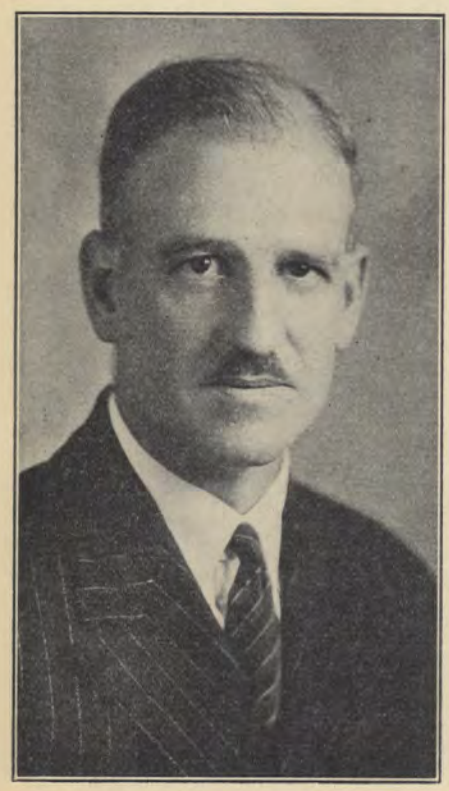
Mr. Caulder will be Chairman of the Membership Committee for 1928.

Statistics of the Department of Labor show that two-thirds of the homes in this country are not really fit for the people that live in them, they are not up to standard, haven't the comforts that people are entitled to—two-thirds of them! The President of the Standard Sanitary Manufacturing Company, a big plumbing house, told me that less than 33 per cent of the houses in America have plumbing facilities in them. Less than 35 per cent of the houses in America have electric lights. I know there are a lot of people in the world who think the job is just about done, there isn't much more to do, everything is pretty nice now. But they are mistaken. The world isn't finished and particularly in the matter of real estate development we haven't begun yet.

We have just come back from a trip out through the Pacific Northwest and we went out through Canada. I am happy to say that up around Winnipeg and Calgary and out in that country those people say they have the best prospects they have had in five years and the same thing obtains in the Dakotas and Minnesota, at St. Paul and Minneapolis. They say, "We are looking for prosperity," and the outlook in the Northwest, which has suffered so tremendously from crop failures, bank failures, prices, etc., is hopeful. I think if prosperity comes to that country it will come to the whole country.

I think we have the greatest period ahead of us for the proper development of our resources that we have ever had in this country. I think it is largely attributable to the fact that groups of men like you and like our group are giving serious and earnest consideration to the problems of our business. I don't think there is any height to which we can't achieve. I think every man, woman and child in the coming generation is going to have a comfortable home. I think farmers' wives are going to have all the conveniences that the city housewife has. That is my dream.

I am reminded of another story told of one of our Kentucky boys across the sea. A lot of our good women went from America over there to



F. E. RAYMOND

Secretary, Washington Title Association

Winner, Second Individual Prize, Membership Campaign

J. W. BANKER

Secretary, Oklahoma Title Association

Winner, Third Individual Prize, Membership Campaign

nurse and entertain these boys. When the war was over and the Armistice was declared and these boys were permitted to come back home, they had a big dance in Paris one night. Our Kentucky boys are right forward, you know. They step right out.

This boy picked out one of the most handsome, charming women there and gave her a big rush, danced pretty nearly every dance with her. When the dance was breaking up he said, "I'm going back to America tomorrow. I don't know how long before you come back but I'll give you my name anyway and I hope I'll meet up with you when we get back there. My name is Richard Thrilkill and I live in Paducah."

She said, "My name is Mrs. W. K. Vanderbilt, and I live in New York."

He said, "That's right, Chicken; fly high!"

So let's take the optimistic view. Let's make up our minds that the world lies ahead of us, that it belongs to us, that all we have to do is to master it, to be able to handle it and take care of it, and we can carry it on.

I was struck with a story told me some years ago about the pioneers who went out to California away back in '49. They had picked up, lock, stock and barrel, family, household effects and implements and put them in a covered wagon and started out to follow an unbeaten trail with the idea of founding a new empire on the Pacific Coast and the magnificent civilization that exists there today.

Those people were not unmindful of the people who came behind, so we are told that the first pioneers sunk a plow into the earth and drove a furrow down their path so deep that those who came behind would have an easier way and a trail charted out for them and wouldn't have the difficulties of the pioneers. I am told that even today, after all these years, you can see traces of that plow line because they sank the furrow so deep.

Let us, in looking into the face of the future civilization of America, make up our minds that we, although we are not pioneers, are in the early stages of the full fruition of this great flower of civilization that is growing on this western hemisphere—let us make up our minds that we are going to play a real part in it, we are going to put everything we have of blood and life and conscience into our work to the end that those who come on behind us will have an easier and better and more comfortable life than we have.

Thank you.

Program of Title Examiners Section

WEDNESDAY MORNING SESSION.

The convention was called to order by President Woodford, and announcements regarding entertainment, auto trip, etc., were made.

THE PRESIDENT: I take pleasure in turning this meeting over to Mr. John F. Scott of St. Paul, Chairman of the Title Examiners Section of our Association. Mr. Scott.

THE CHAIRMAN: Members of the American Title Association: I feel that the Title Examiners' Section is being honored this year by having the first day of the program. I felt so until I noticed one of the up-to-date announcements where a rubber stamp was used and I find that the Title Examiners Section is working this year under a very severe handicap. That is, that the men who are here attending this convention this morning are sitting through the talks conscious of the fact that, if they brought their wives along, those women are out shopping. If a man can keep interested when he knows his wife is out spending whatever money he hoped he'd be able to make by reason of his increased acumen and experience gained by attending this convention—I'll leave it to you, I think our case is more or less hopeless.

I notice that the committee has obliged by allowing as much as twenty minutes for a Chairman's address. Frankly, I have no address to make. If there is any windjamming to be done on my part, it will be done at the banquet tomorrow evening.

I do want to report that this Section increased its membership this last year over fifty per cent. I have not the sworn statement, but the verbal statement of Dick Hall that the Title Examiners Section increased in membership over fifty per cent during the last year.

I don't believe the time is ripe for the Resolutions Committee to report the resolution at this time anent the wonderful showing made by the Title Examiners Section, for which Messrs. Long and myself very humbly take all the credit. I take it that such a resolution will come in after the meeting.

It is my great pleasure at this time to introduce to you the first speaker on the program, Prof. Ralph W. Aigler of Ann Arbor, who has been known for years as an authority in the field of real property law. One hears speakers introduced so often as authorities on this, that and the other thing so we may feel that the word "authority" is more or less overworked.

It was my great good fortune to have attended the law school at the University of Michigan, and while there to have basked in the sunshine of real property law as radiated from Prof. Aigler's presence. I was very happy indeed when he consented to appear on the program this morning because I know that his offering will be indeed a remarkably good one. It is my pleasure at this time to introduce Prof. Aigler.

Title by Estoppel

By Professor Ralph W. Aigler, Ann Arbor, Mich.

PROF. AIGLER: I feel after that introduction that a word of explanation as to the character of this paper may seem somewhat strained, but I think in all honesty I ought to say to you or at least remind you that any paper dealing with any technical phase of law, particularly real property law, ordinarily ought to be read rather than listened to.

I find it exceedingly difficult to write a paper on any such subject as I have taken here, that may be readily followed by even a selected audience. My only excuse for attempting the sort of thing I have is that you men are peculiarly trained and interested in this line of work.

I ought to say, also, that in covering the subject of "Title by Estoppel," it is almost a hopeless task to attempt to do it in twenty-five or thirty minutes. Needless to say, I am not going to cover the whole subject. Various phases of this topic which I am going to discuss might furnish material for lengthy papers in themselves, and so I want you to appreciate that this is a general survey, not an attempt to go into the details, particularly into the technical details, of any particular phase of the subject of "Title by Estoppel."

While a conveyor may and frequently does convey less than his then interest, it is an unusual situation calling for special explanation when the conveyee gets *more* than the conveyor then has. It is trite learning that a stream does not flow higher than its source. So it is with the stream of title—without artificial means it does not rise above its origin. It is my purpose in this paper to consider not

in detail but in general outline one of these unusual situations, one that intrigues students of the law of titles and is certainly not without importance from a practical title man's point of view. But first let me refer very briefly to a few other instances in which the title stream, so to speak, rises.

Under the operation of the Recording Acts we find one of the most conspicuous instances of a better ownership in the conveyee. Although A has divested himself completely of his interest in a tract of land by a deed effectively executed in favor of B, it is perfectly possible for A, if B has neglected to take the steps required by the statute to protect himself against such an act by A, for A, who in no real sense of the word is an owner, to confer ownership upon X. This result obviously depends upon the force of the Recording Act which by providing in substance that an unrecorded deed is void as against a subsequent innocent purchaser, in legal effect invests A in the case supposed with a power to divest B's ownership in favor of X.

Another class of situation not so common but with the same general result also dependent upon the operation of a statute is that of a transfer in fraud of creditors or subsequent purchasers.[1] Here under the first statute we have a transaction perfectly effective to work a change in ownership from the transferor to the transferee. Yet a purchaser at execution sale upon a judgment against the transferor may acquire an ownership free of the claims of the fraudulent transferee. And under the second, a bona fide purchaser from the fraudulent grantor acquires a perfect ownership.

Then quite independently of the operation of any statute we have the familiar instance of the bona fide purchaser from one holding the legal title taking free of equities.

The typical and simplest sort of case involving application of the doctrine of estoppel with which this paper is concerned is that of a deed by A of land then belonging to X in favor of B with convenants for title; A thereafter acquires the ownership from X. It is said that such after acquired interest inures to the benefit of B by virtue of an estoppel based upon the convenants. Courts and writers have been puzzled and have disagreed as to the real basis of the estoppel, as to what facts will give rise to the estoppel and as to what the status of the title is after the estoppel admittedly has arisen. It is hoped that there may be some interest in a consideration of these problems.

In the operation of the ancient warranty, an obligation imposed upon the lord in favor of his tenant under the early tenurial system of land holding, in a way an exchange for the tenant becoming the lord's man, one finds what is probably the germ of the doctrine of inurement of after acquired interests to the benefit of the conveyee. There is much intricate learning regarding warranties, but for our present purpose we need do no more than to observe that thereby the warrantor was primarily obligated to defend "the tenant in his possession 'against all men who can live and die.'" [2] In case of ejection of the tenant it was the duty of the warrantor to give a tenement equal in value to the one lost. In case of legal proceedings against the tenant by one claiming the land, the warrantor might be called in, or "vouched," to defend the action which, if it resulted in favor of the defendant, called for a judgment against the vouchee in favor of the tenant for other lands of equal value. But for our purpose there was a far more important operation of the warranty. Coke says that the purchaser was armed "not only with a sword by voucher to get the victory of recompense by recovery in value, but with a shield to defend a man's freehold and inheritance by way of rebuttal." [3] Pollock & Maitland [4] thus describe the rebutting effect of the warranty:

> "Alan alienates land to William. Alan declares that he and his heirs will warrant that land to William and his heirs. Alan being dead, Baldwin, who is his son and heir, brings suit against William, urging that Alan was not the owner of the land, but that it really belonged to Alan's wife and Baldwin's mother, or urging that Alan was a mere tenant for life and that Baldwin was the remainderman. William meets the claim thus: 'See here the charter of Alan your father, whose heir you are. He undertook that he and his heirs would warrant this land to me and mine. If a stranger impleaded me, you would be the very person whom I should vouch to warrant me. With what face then can you claim the land?'"

Littleton said: [5] "For if there be father and son, and the father be disseised, and the son (living his father) releaseth by his deed to the disseisor all the right which he hath or may have in the same tenements without clause of warrantie, etc., and after the father dieth, etc., the son may lawfully enter upon the possession of the disseisor, for that he had no right in the land in his father's life." In Coke's comment upon this passage [6] we find the following explanation of the operation of the warranty:

> "For if there be a warrantie annexed to the release, then the son shall be barred. For albeit the release cannot bar the right for the cause aforesaid, yet the warrantie may rebut, and bar him and his heirs of a future right which was not in him at that time; and the reason (which in all cases is to be sought out) wherefore a warrantie being a covenant real should bar a future right, is for avoiding of circuity of action (which is not favoured in law); as he that made the warrantie should recover the land against the ter-tenant, and be by force of the warrantie to have as much in value against the same person."

Very frequently it has been said and occasionally it has been held that unless there is a circuity of action thereby to be avoided there is no title by estoppel if a covenant is the basis thereof. [7] While it is true that in many cases in which an estoppel has been found a circuity of action has been avoided, there are too many decisions recognizing the inurement of an after acquired interest because of a promissory undertaking on which there could be no action to accept this as a satisfactory explanation. Besides there are many instances of inurement based on no convenant or promise, and it would not be surprising if there were to be found to be some common basis for all these types.

When the covenanting grantor is not liable on the covenants because of incapacity or discharge or because any action is barred by lapse of time and yet an estoppel is applied, preventing him from claiming an after acquired interest and when it is held that a grantor may likewise be barred of his claim because he has recited certain things to be true, one is driven to the conclusion that a basis broader than that of avoidance of circuity of action must be found.

The question was tested prettily in a leading case in Massachusetts in 1893. [8] One Waterman had executed a mortgage in favor of the Boston Five Cents Savings Bank; he then made a second mortgage under which by assignment the plaintiff claimed. In this second mortgage Waterman had conveyed the land "subject to a certain right of drainage, a certain easement, and the mortgage hereinafter named." He covenanted that the premises were free and clear of all encumbrances, "except a certain mortgage given by me to the Boston Five Cents Savings Bank," the right of drainage and the aforesaid easement, and that he would "warrant and defend the same against the lawful claims and demands of all persons, except the right of drainage and the easement aforesaid."

After breach of the covenants and after Waterman had received his discharge in bankruptcy the first mortgage was foreclosed and the land was subsequently reconveyed to him. Thereafter Waterman conveyed to the defendant. The action was for the foreclosure of the second mortgage the plaintiff claiming superior rights as against the defendant on the basis of Waterman and, under him, the defendant being barred by estoppel to claim the outstanding interest under the first mortgage reacquired by Waterman. Professor John Chipman Gray was of counsel for the defendant on whose behalf it was argued that plaintiff

[1] According to some authorities the statutes of 13 and 27 Elizabeth, under which such transfers were declared void were merely declaratory of the common law. Whether this view is sound or not is not a matter for consideration here.

[2] 2 Pollock & Maitland, 306.
[3] 10 Co. Ref. Pref.
[4] 2 Pollock & Maitland 312.
[5] Sec. 446.
[6] Co. Litt., 265a.

[7] See, for example, Jackson v. Wright, 14 Johns. 193; Webber v. Webber, 6 Me. 127; Smiley v. Fries, 104 Ill. 416.
[8] Ayer v. Philadelphia & B Face Brick Co., 157 Mass. 57, 159 Mass. 84.

could not prevail no matter which one of the two suggested possibilities as the basis of the operation of such estoppels should be accepted. If the true basis is avoidance of circuity of action then Waterman and those claiming under him could not be estopped because of the discharge in bankruptcy; if, on the other hand, representation is the ground upon which the doctrine rests, then the result here must be the same, for the second mortgage deed, the one upon which the claim rested, showed on its face plainly that there was an outstanding first mortgage to the Bank. The truth clearly appearing, it was argued, there could be no misrepresentation, hence no estoppel.

In an opinion by Mr. Justice Holmes the Massachusetts court rejected this argument. Avoidance of circuity of action was not accepted as the reason for the American doctrine of title by estoppel; representation was declared to be the true ground. But representation in this connection is of two kinds—(1) that which rests upon a covenant, (2) that which arises upon the normal statement of purported fact "The title may be said to inure by way of estoppel," said Holmes, "when explaining the reason why a discharge in bankruptcy does not affect this operation of the warranty; but if so, the existence of the estoppel does not rest on the prevention of fraud or on the fact of a representation actually believed to be true. *It is a technical representation, the extent of which is determined by the scope of the words devoted to making it.*"

In the court's opinion it is further declared:

> "But the scope of the conventional assertion is determined by the scope of the warranty which contains it. Usually the warranty is of what is granted, and therefore the scope of it is determined by the scope of the description. But this is not necessarily so; and when the warranty says that the grantor is to be taken as assuring you that he owns and will defend you in the unencumbered fee, it does not matter that by the same deed he avows the assertion not to be the fact. The warranty is intended to fix the extent of responsibility assumed, and by that the grantor makes himself answerable for the fact being true. In short, if a man by a deed says, I hereby estop myself to deny a fact, it does not matter that he recites as a preliminary that the fact is not true. The difference between a warranty and an ordinary statement in a deed is, that the operation and effect of the latter depends on the whole context of the deed, whereas the warranty is put in for the express purpose of estopping the grantor to the extent of its words. The reason 'why the estoppel should operate, is, that such was the obvious intention of the parties.' Blake v. Tucker, 12 Vt. 39, 45."

In an earlier case in the same state [9] Wilde J., had said: "This principle [estoppel to set up after acquired interests] is founded in equity and justice, as well as the policy of the law. It is just that a party should not be permitted to hold or recover an estate in violation of his own covenant; and it is wise policy to repress litigation and to prevent a circuity of actions, when better or equal justice may be administered in a simple suit."

A covenant of warranty, and the same may be true of other covenants for title, is in effect an affirmation by the covenantor that he has the estate or interest which his covenant, fairly construed, guarantees. As said by the Illinois court in Thornton v. Louch, [10] "Whatever the form or nature of the conveyance, if the grantor recites on the face of the instrument, either by express terms or necessary implication, that he is seized or possessed of a particular estate which the deed purports to convey, the grantor and all persons in privity with him are estopped from afterwards denying it. *** The reason is that the estate thus affirmed to be in the party at the time of the conveyance must necessarily have influenced the grantee in making the purchase, and hence the grantor and those in privity with him, in good faith and fair dealing should be forever thereafter precluded from gainsaying it." In Hannon v. Chirstopher [11] after pointing out that whenever the terms of the deed, or of the covenants therein, clearly show an intent to convey a certain estate or interest, not merely that which the grantor then had, such after acquired interests as may be needed to supply the estate thus purported to be conveyed will be bound and pass to the grantee "whether the warranty which it contains be general or special, and although it may contain no warranty whatever.*** In the language of Mr. Justice Nerson, [12] it is clear that this doctrine is founded upon the highest principles of morality, and recommends itself to the justice and common sense of everyone." [13]

Whatever the nature of the representation, whether by covenant, recital or otherwise, there are bound to arise occasional questions of difficulty as to just what affirmation has been made as to the estate conveyed. In the Philadelphia & Boston Face Brick Co. case, above considered, the covenant against incumbrances expressly excepted the first mortgage; but in the covenant of warranty the covenantor made no exception of this outstanding interest as he did of a certain easement. It is readily understood why the grantor may have felt it necessary to qualify his covenant against incumbrances which would be broken, if at all, as soon as made, and at the same time been quite willing to warrant against the mortgage which could not amount to a breach of that covenant until there was an eviction. The conclusion, then, that the covenant of warranty amounted to a technical representation that there was no such outstanding mortgage, hence the proper basis of an estoppel as to it, seems entirely right. It is, however, occasionally held that qualifications written into one covenant operate to limit the generality of others. [14]

Another aspect of construction of the deed in that case is not so clear. In the granting part of the deed containing the covenant on which the estoppel rested the land was conveyed "subject to" the mortgage. The covenant was to warrant and defend the "aforegranted premises" against the lawful claims, etc. What were the "aforegranted premises"? the land? or the land subject to the mortgage? According to one line of cases of which Drury v. Holden [15] is a fair example, such covenant excluded the mortgage from its opration.

Closely related to this question of construction is the case of a deed with language appropriate to a quit-claim—"I hereby release and forever quit-claim all my right, title and interest in and to Lot one," followed by covenants for title, for example, "I covenant that I will forever warrant and defend the title to the above described premises against the lawful claims of all persons whomsoever." What are the "above described premises"? Does the language refer to Lot one, or to the right, title and interest which the grantor then had in that lot? That the reference ought to be deemed to be to the physical premises rather than the grantor's right, title and interest would seem ordinarily sound, for the latter one of these possible constructions simply makes the covenant necessarily superfluous—a covenant to warrant and defend such interest as the grantor then disposes of; if he has no interest whatever, the situation in which the grantee will find most need for protection under the covenant, it warrants nothing. If it be said, as it frequently is, that under a quit-claim deed only the conveyor's then interest can pass, for that is all he purports to convey, one can effectively reply that a quit-claim deed without covenants is one thing, one with covenants for title may be an entirely different proposition. If one chooses to support one's quit-claim deed with promissory guarantees, there is no particular hardship in holding the promisor to the fairly construed meaning thereof. A reference in the granting clause to definite interests or charges subject to which the conveyance is made may well warrant a construction of a covenant in general terms that it is not a guaranty against the specified interest or charge; there would remain a wide scope for the operation of the covenant. But when the grant is expressed the other way—a conveyance only of that which the grantor has—a like construction seems unreasonable and untenable. [16]

[9] Comstock v. Smith, 13 Pick. 116.

[10] 297 Ill. 204, 212.

[11] 34 N. J. Eq. 459, 465.

[12] In Van Rensselaer v. Kearney, 11 How.

[13] See also Texas Pac. Coal & Oil Co. v. Fox, 228 S. W. 1021, and cases cited.

[14] See Bricker v. Bricker, 11 Oh. St. 240.

[15] 121 Ill. 130.

297.

[16] Many cases involving the meaning and scope of covenants for title contained in deeds purporting to convey the grantor's right, title and interest may be found referred to in Coble

When the representation relied upon as raising an estoppel is not in the form of a covenant but in the nature of a statement or recital of purported facts the entire instrument should be examined to determine the representation. The appearance of the truth in any part of the deed is here sufficient to prevent any estoppel, providing the truth appears in a non-technical, understandable way. A deed may, as in Hannon v. Christopher, [17] contain language which to a skilled lawyer would disclose that the grantor did not really have the estate he recited he had and yet because the statement of the truth was so technical or obscure the estoppel operates.

Our next inquiry is, admitting that the facts present a case for estoppel, what really happens when the estopped grantor gets in the outstanding interest. Does that interest remain in the grantor but rendered lifeless, so to speak, by the estoppel, or does it somehow vest in the grantee? In many instances the litigation results the same way whichever is the correct view. Certainly the language of the courts is commonly to the effect that the after acquired estate passes to the grantee entitled to invoke the estoppel or to those who may have succeeded to his rights.

Several situations should be briefly noticed in which it seems really important to determine whether the after acquired interest becomes automatically the property of the estoppel grantee or his successors in interest.

(1) Suppose the estopped grantor or one claiming in his right through him attempts to recover possession from a *stranger* after the outstanding interest has been gotten in. Such an action against the estoppel grantee, or anyone in privity with him would presumably fail, for the estoppel would be set up in bar of the action. In the case supposed, however, the defendant is a stranger to the whole transaction and the only way in which the estoppel might be useful to him would be as a basis for the position that the plaintiff should fail as against one in possession because such right as he might seem to have under the after-acquired interest is not in him but has passed to his grantee. The defendant, in other words, would seek to prevail not on the strength of his own right—a mere possession—but on the inability of the plaintiff to establish in himself even the slightly better right necessary to be shown in order to oust a mere possessor. Perkins v. Coleman [18] is a nice instance of refusal to allow a recovery by such a plaintiff.

(2) Essentially the same question may arise with a reversal of the parties, at least so far as the stranger is concerned. If the estopped grantor or his privies are in possession after the outstanding interest is acquired, they would not be permitted effectively to resist an action by the grantee or his successors to get possession. The estoppel would be fully operative as between such parties. But suppose it is a stranger who is in possession. He is not bound by the estoppel. Is there nevertheless a better right vested in the plaintiff, a right that has come to him by virtue of the estoppel but the enjoyment and enforcement of which does not depend on the mere estoppel? An English case [19] is a neat example of the strength of the plaintiff's position on such facts. Recovery was allowed.

If in either one of these situations the court approaches a decision committed to the notion that the estoppel has not worked any change in ownership, that the after-acquired interest has remained in the estopped grantor and his successors with the grantee and his privies entitled to set up the estoppel as a bar to any claim or defense that may be made on the other side in respect of the enjoyment of the after-acquired interest, the result would seem almost inevitably different. In Jordan v. Chambers, a Pennsylvania case in 1910 [20] there was a general judgment in favor of the plaintiff in ejectment relying upon a title by adverse possession against the defendant who was able to deduce a clear paper title. To the contention of the defendant that the judgment should not have included recovery of possession of coal because an adverse possessor in plaintiff's chain, before the running of the Statute of Limitations, had executed a warranty deed thereof in favor of a stranger, it was replied by the court that the interest later acquired by operation of the statute had not passed to such stranger by estoppel The court said:

> "In 1886, when title by adverse possession vested in Handel, then in possession of the surface, not only it, but what was beneath it, vested in him; but when the title so vested in him he was in the same position as Robb [the grantor in the warranty deed] would have been in 1886, if still in adverse possession of the property, claiming ownership in it by such possession. Having undertaken to convey the coal when he had no title to it, if confronted by his conveyance of the same at the time of his acquisition of title by adverse possession, he would have been estopped, as against his grantees, from denying their equitable ownership in the coal and could have been compelled to convey to them."

And then quoting from the opinion of Gibson, J., in the case of Chew v. Barnet, [21] the court continued:

> "What is the nature of the estate which Mr. Chew acquired by the conveyance from Judge Wilson? When that conveyance was executed, the legal title was in Jeremiah Parker, by patents from the commonwealth; and Judge Wilson having nothing but an equitable title under the articles, could convey nothing more; his deed, therefore, passed to Mr. Chew only an equitable title. But it is said, the subsequent conveyance from Jeremiah Parker to Judge Wilson inured to the benefit of Mr. Chew. It did so; but only in equity and to entitle him to call for a conveyance from Judge Wilson; and not as vesting the title in him, of itself, as contended by estoppel. The facts presented constitute the ordinary case of a conveyance before the grantor has acquired the title; in which the conveyance operates as an agreement to convey, which, when the title has been subsequently acquired, may be enforced in chancery!"

(3) This leads naturally to the next type of situation in which it seems important to know what really happens to the after-acquired interest. Let us suppose that the estoppel grantor, after getting in the outstanding estate, makes a conveyance of the property to a bona fide purchaser who claims, by reason of his being such purchaser, to be free of the claims of the estoppel grantee. Laying aside for the moment the possible effect of the Recording Act, it seems that if it be considered that the grantor's later acquired interest immediately passed out of him and vested in the grantee, there would be nothing on which the familiar principle of bona fide purchase conferring better rights upon the purchaser than the transferror had to give might operate, for by hypothesis the grantor at the time of the purported conveyance to the innocent purchaser had neither legal nor equitable ownership. However, if on the side of the estoppel claimant there is, as said in the Pennsylvania decision, above referred to, only an equity, it would logically follow that the second grantee taking in good faith and for value from the legal owner takes free of that equity. The cases quite generally conclude in these situations that the estoppel grantee stands better than does even the bona fide purchaser from the estopped grantor. (22) The contrary result is frequently rested in part at least upon the operation of the Recording Acts (23). In Donahue v. Vosper (24), the Michigan court states that the grantor in a warranty deed together with his subsequent grantees with notice are estopped from setting up against the grantee an

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v. Barringer, 171 N. C. 448, L. R. A. 1916 E 901; Mosier v. Carter, 84 Kans. 361, 35 L. R. A. (N. S.) 1182, & note. It is interesting to note that the saving by Littleton and Coke, above quoted, "unless the deed contain a clause of warrantie," was with reference to a deed of release.

[17] 34 N. J. Eq. 459.

[18] 90 Ky. 611.

[19] Doe d. Christmas v. Oliver, 10 B & C. 181. C. 181.

[20] 226 Pa. 573.

[21] 11 Serg. & R. 389.

(22) Powers v. Patten, 71 Me. 583; White v. Patten, 24 Pick. 324; Knight v. Thayer, 125 Mass. 25; Ayer v. Phila. etc. Co., 159 Mass. 84; McCusker v. McEvey, 9 R. I. 528; Jarvis v. Aikens, 25 Vt. 635. "It has been the settled law of this Commonwealth for nearly forty years, that, under a deed with convenants of warranty from one capable of executing it, a title afterwards acquired by the grantor inures by way of estoppel to the grantee, not only as against the grantor, but also as against one holding by descent or grant from him after acquiring the new title.*** We are aware that this rule, especially as applied to subsequent grantees, while followed in some States, has been criticized in others." Knight v. Thayer, supra.

(23) See Wheeler v. Young, 76 Conn. 44; Ford v. Unity Church Soc., 120 Mo. 498; Bingham v. Kirkland, 34 N. J. Eq. 229; Richardson v. Lumber Co., 93 S. Car. 254.

(24) 189 Mich. 78.

after-acquired title, and that American courts have generally held that such later interest "passes by direct operation of law, without the intervention of any court or the aid of a suit in equity or action at law on the covenants to the covenantee." The court then proceeds to examine whether the later grantee in that case took *with notice.*

(4) Finally there may be suggested the case of the broken covenant for title which is claimed to have been healed by the grantor's later acquisition of the outstanding interest upon which the breach of covenant is predicated. May a covenantor defend an action by the covenantee by showing that he has brought in or otherwise acquired the outstanding interest which by estoppel has become vested in the grantee-covenantee? Perhaps the covenantee would prefer not to have the breach remedied that way. Has he any choice? His position in this matter may vary, depending upon whether the later acquired interest has automatically passed out of the estopped grantor or whether it has remained there, subject to the estoppel. ([25])

Now what should be the proper view as to what happens to the after-acquired interest? If it truly passes to the estoppel grantee, how does it get there? Is estoppel in this connection merely a bar, or is it also a means of acquiring a property interest?

In Clark v. Baker ([26]) Chief Justice Field expressed the common opinion that "By the common law there were only two classes of conveyances which were held to operate upon the after-acquired title—those by feoffment, by fine, or by common recovery, and this from their solemnity and publicity, and those by indenture of lease from the implied covenants arising upon such indentures." It may be true that only these conveyances had such operation at common law, but it may be doubted whether at least in the case of the feoffment, fine and recovery the true reason is given. It seems more reasonable to ascribe this result to a feoffment and other title transactions having similar effect, as the fine and recovery, because of the fact that a feoffment operated wrongfully as well as rightly. By the tortious operation of a feoffment the feoffee was invested with the purported estate whether the feoffor had it or not. The case of the lease shows perhaps its contractual origin. Conveyances operating under the Statute of Uses and other "innocent" conveyances are not so readily seen as capable of carrying the later interest from conveyor to conveyee. It is believed that the explanation here must be that the courts have taken an interesting short cut to the result. One can readily understand how, as pointed out by the Pennsylvania court, quoted above, the estoppel grantee may be entitled in equity to call upon the grantor to execute an effective conveyance of the later acquired interest. Some courts, perhaps most of them, are willing to reach a result that in effect amounts to saying that that which can be compelled to be done shall be deemed even at law to have been done. As a matter of pure theory it may be puzzling how an estoppel may be "fed" or how an interest in one may "inure" to another, but from a practical point of view the result seems not undesirable, particularly if in such instances as the action for breach of covenant the estoppel grantee is allowed to exercise a privilege to refuse the estate. That he should be able to do this is not startling, for it is well recognized that an interest vested by conveyance in a conveyee, without his knowledge, may be disclaimed ([27]).

In conclusion some observations as to the effect of the Recording Acts on this general problem seem appropriate. The effect of those statutes is to avoid certain conveyances as to subsequent purchasers, etc., from the same grantor if the registration required by the statute is omitted. Only those conveyances included within the scope of the act, however, are rendered migratory by such omission. A title by adverse possession, for example, is not ordinarily within the statutory requirement, so it is superfluous to consider the possible effect of all record omission thereof. How does a title by estoppel stand in this respect? Since the substance of the recording requirement is usually that "all deeds, mortgages and other conveyances of land," etc., shall be recorded, one may ask whether the title by estoppel which rests upon a representation contained in a deed, mortgage or other conveyance is sufficiently independent in its operation as a means of effectuating a change in ownership of the written document that the requirement of recordation of deeds, etc., has no application. There is some indication that this question should be answered in the affirmative. In Douglas v. Scott, ([28]) Lane, J., said "that the obligation created by estoppel, not only binds the party making it, but all parties privy to him; the legal representatives of the party, those who stand in his situation by act of law, and all who take his estate by contract, stand in his stead, and are subjected to all the consequences, which accrue to him. It adheres to the land, is transmitted with the estate, it becomes a muniment of title, and all who afterwards acquire the title, take it subject to the burden, which the existence of the fact imposes upon it." To this the court in Jarvis v. Aikens, supra, adds: "In this view of the case, our registry system can have no control of the question." ([29]) This view, it is submitted, is untenable. It is true that the operative effect of the estoppel upon the ownership may come years after the execution of the deed; but the existence of the estoppel depends wholly upon the language in the deed, and if under the Recording Act that deed is rendered a nullity, it is difficult to see how there can still be an effective estoppel arising therefrom. It would seem that the statute must be taken to mean what it says—that such deed as a muniment of title is *void.*

The operation of the statute may be important in at least two other points of view. (1) There is good authority for the view that the grantee and his successors under the estoppel deed cannot set up the bar against a subsequent innocent purchaser because a reasonably careful search of the records before taking the deed upon which the claim of the after-acquired interest is made would have disclosed that the grantor was not then in position to convey what he was purporting to transfer. "To carry this doctrine," says the Connecticut Court, ([30]) "to the extent of giving priority to the title of one who from his negligent failure to examine the records has been induced to purchase land of a person having no title, over that of one who without negligence, in good faith and for value, and without knowledge of such prior deed, has purchased, after his grantor has acquired title from one having both the legal and record title, is opposed to the principles of equity and to the spirit of our registry laws." ([31])

(2) If the view that the estoppel grantee has only an equity is recognized and it is inquired whether the later purchaser from his grantor took with or without notice, it may be claimed that the record of the estoppel deed gives such notice. To reach this conclusion it is necessary to say that the searcher of the records must in the case of each grantor in the chain of title examine the records for possible deeds by him executed an indefinite number of years before, according to the actual devolution of title, he had acquired any interest in the premises. This seems to be going too far. Accordingly, it may be incumbent upon the grantee, if he is to rely upon estoppel as against a claimed innocent purchaser to re-record his deed after his grantor has acquired the outstanding interest.

(25) Most courts here allow the covenantee an election, particularly if the outstanding interest is acquired after breach of the covenant sued on.

(26) 14 Cal. 612, 627.

(27) In those jurisdictions which hold that acceptance by the conveyee is not necessary to an effective conveyance but which allow him to divest himself of a tentatively vested ownership by disclaimer we have sufficient precedent for allowing the estoppel grantee to exercise his option to keep the "inured" interest or to sue for breach of the convenant.

(28) 5 Ohio 198.

(29) See also Tefft v. Munson, 57 N. Y. 97.

(30) Wheeler v. Young, 76 Conn. 44.

(31) See also the cases cited in note 23.

THE CHAIRMAN: We wish to thank Prof. Aigler for the very able paper.

At this time I wish to announce the appointment of the following Nominating Committee for officials of the Title Examiners Section for the ensuing year:

Mr. Stephens, of Illinois, Chairman,
Mr. Dougherty, of Omaha,
Mr. White, of Cleveland.

PRESIDENT WOODFORD: I want to receive the report of the Nominating Committee of the general Association at this time, to be given by Tom Scott, Chairman.

MR. T. M. SCOTT (Texas): Mr. Chairman, Ladies and Gentlemen: The Nominating Committee at our meeting this morning makes the following suggestions and recommends for your approval or disapproval,

Mr. Walter Daly for President,
Mr. Ed. Wyckoff for Vice-President,
Mr. J. M. Whitsitt for Treasurer,

and for the two members of the Executive Committee:

Mr. H. B. Baldwin, Corpus Christi, Tex.,
Mr. J. M. Dall, of Chicago.

I move the acceptance of the committee report.

(Motion seconded.)

THE PRESIDENT: You have heard the motion, which automatically (under our laws) carries the election of those named. Are there any nominations to be made from the floor?

Motion to accept report carried.

Mr. Johns, Chairman of the Abstracters' Section, wants to make an announcement.

MR. JOHNS: I'd like to appoint the Nominating Committee for the Abstracters' Section:

Fred Wilkin, of Kansas, Chairman,
Alvin Moody, of Texas,
Cal Hubbard, of Montana,
Miss Wignall, of Oklahoma,
Mr. Pryor, of Minnesota.

I have told Mr. Wilkin that he is to be Chairman and have asked him to announce now when the committee will meet.

MR. WILKIN: The Nominating Committee for the Abstracters' Section will meet tomorrow morning before breakfast at 7:45 at the registration desk in the lobby.

Torrens System of Land Title Registration

By John B. Burke, St. Paul, Minn.

CHAIRMAN SCOTT: At this time we are to be favored by a paper from Mr. John B. Burke, Attorney, from my home town—"A Resume of the Torrens System." I think it is particularly appropriate that a Minnesota spellbinder should attempt to present this resume because of the fact that among other things that Minnesota seems to have started, besides freak senators, is this Torrens System.

Mr. Burke's intention and desire is to have his offering considered as an impartial review of the decisions of the courts of the various states in the Union which have Torrens legislation upon their statute books and not to delve into any phase of the Torrens system other than its purely legal aspect. Mr. Burke.

MR. BURKE: Mr. Chairman, Ladies and Gentlemen: Your Secretary informs me that each of you will find a copy of this paper on your desk within the next few weeks, so I will merely run through it and hit the high spots.

I want to preface my remarks on the Torrens System by stating that I have endeavored to omit all matters of opinion from this paper. I have done so primarily for the purpose of presenting nothing but ultimate facts. Consequently, you will find embodied in this paper statutory matter and decisions of the State Supreme Court and of the United States Supreme Court affecting the Torrens System.

History.

Before delving into a discussion of the system of registration of land titles in use in this country, it may be well to briefly review the history of this system, and the general method of its functioning, in order that we may better appreciate the problems that have arisen pursuant to its adoption.

The Torrens System, so called, is the result of an idea and the work of Sir Robert Richard Torrens, born in Ireland in 1814, educated in Trinity College, Dublin, collector of customs at Adelaide in 1841, and afterwards the first premier of South Australia. His idea was to apply the principles of registration of ownership in ships under the English law known as the "Merchant Shipping Act" to registration of title to lands. That is, to have land ownership conclusively evidenced by certificate and thereby made determinable and transferable quickly, cheaply and safely.

The idea gained favor in Australia, resulting in the framing of what became known as the Torrens Act and the adoption of the system in practically all Australia not later than 1870.

It is frequently said that the system of land title registration was originated by Torrens, but history discloses that this system of registration of title was no new invention. It had been in successful operation for hundreds of years in different parts of Europe. It came into use in Baden in 1809, in Saxony in 1843, in Prussia in 1872, and after having been operative in the several other divisions of the old German empire at different successive dates was finally applied to Alsace-Lorraine in 1891. It is, however, identified in the public mind more generally with Australia, because its adaptation to modern conditions was contrived by Sir Robert Richard Torrens.

The Torrens Law, as originally drawn, has been greatly modified in the statutes enacted in the United States, but the salient feature of registration by certificate has been retained and the law is usually referred to as the Torrens Law wherever a statute providing for registration of title to land has been enacted in this country.

Statutes embodying the basis principles of the Torrens System of title registration by certificate have been enacted in 19 states of the United States. While the principles involved in the statutes of the several States are, in the main, the same, and the objects to be accomplished by them are identical, the stautes differ widely in many respects. As it will serve no useful purpose to enter upon a discussion of the statutory differences in procedure (by this reference is made to the proposition of whether the clerk of the court having jurisdiction of the proceeding to register the title, or the county recorder or some other person, should be the registrar of titles under such law) no attempt will be made in this paper to set out these differences. They are matters of local concern and appear not to affect the validity or practicability of the system.

Purpose.

The obvious purpose of the Torrens Land Act is to establish a merchantable record title to land in the true owner, and to enable the registration of every tract in such a way that all interests therein may be disclosed by the certificate, and wide powers are therein expressly granted to determine collateral issues as preliminary to establishing a title subject to registration. See, Frances Inv. Co. vs. Superior Court in and for Imperial County (Calif. 1922) 208 Pac. 105.

The purpose of the Torrens Act is not only to create and perpetuate a marketable title to land sought to be registered thereunder, but as well to conclusively determine all adverse claims against registered land. See, Guarantee & Trust Co. vs. Griset, (Calif. 1922) 208 Pac. 673.

It is the purpose to allow an action to register good titles and not to cure bad ones. See, Meighan vs. Rohe, (N. Y. 1915) 210 N. E. 165.

The legislature did not establish a method of registering land title as a device to enable one party to acquire the title of others without their knowledge. Upon a plaintiff's failure to establish title in an action brought for that purpose it is the duty of the court to dismiss the complaint irrespective of whether any of the defendants have appeared in the action. See, Barkenthien vs. People, (N. Y. 1915) 107 N. E. 1034.

The object of the title registration provisions of the Real Property Law is to establish, by a judgment of the court, that the applicant has title so that thereafter the records need not be re-examined, but such provision was not intended as a means for curing defects, or clearing title, or giving to the applicant a title he does not have. See, Crabbe vs. Hardy, (N. Y. 1912) 135 N. Y. S. 119.

It may be stated, generally, that the acts in the several states contemplate an action to establish the title; a judicial proceeding which ends in a decree quieting the title against all persons. The plan is that the decree shall serve as a new starting point in determining the title; that it shall declare absolutely the only rights which exist in the land and be conclusive against the whole world.

The owner of an estate in fee simple makes an application in writing to the court of the county wherein the land is situated stating certain facts relative to its ownership, the encumbrances, if any, against it, and the names and addresses of all persons known to have any right, title or interest in it. Thereupon the court has power to inquire into the state of the title and make all decrees necessary to determine it against all persons known or unknown. The application must be filed and docketed in the office of the clerk of court, and a duplicate thereof filed with the register of deeds (who in the majority of the states is ex-officio registrar of titles.) The application is then referred by the court to an examiner of titles who investigates the title, and the truth of the allegations of the application, making particular inquiry as to whether the land is occupied or not, who then makes and files a report of his conclusions with the clerk. Thereupon the clerk issues a summons by order of the court, wherein the applicant is named as plaintiff and the land described, and all persons known to have any interest in or claim to the land and "all other persons known or unknown claiming any interest in the real estate" are named as defendants. The defendants are required to appear and answer within a designated period of time. Service is made upon nonresident defendants, and unknown persons by publication. If no appearance is made the court may enter default. An exception to the general rule that judgment may be entered by default appears in the Mississippi Code, which provides:

> "No judgment in any proceeding under this act shall be given by default, but the court must require an examination of title in every instance, except as respects the rights of parties who by proper pleadings admit the petitioner's claim. If upon the return day of the summons and the day upon which the petition is set down for hearing, no answer be filed, the clerk shall refer the same to the Examiner of Titles, who shall, after notice to the petitioner, proceed to examine the title together with all liens set forth in the petition, and shall examine the records of deeds, mortgages, wills, judgments and other records of the county; he shall then report the condition of the title to the clerk. If title be found in the petitioner the court shall then enter a decree to that effect and the decree shall be filed with the register of deeds of the county."

If the court finds the applicant has title proper for registration a decree confirming the title and ordering registration shall be entered. This decree is intended to bind all persons known and unknown having any interest in the premises. Persons under disability are bound by the decree and unless any party interested in the land exercises his right of appeal within the time allowed by statute, he cannot be heard to deny the title of the registered owner. The laws provide generally for the payment of a certain sum by the applicant to be placed in an "Assurance Fund." This fund is provided for the purpose of indemnifying any one having an interest in the premises who suffers any loss occasioned by the registration proceedings, and in every case a public officer is designated as caretaker of such fund.

CONSTITUTIONALITY.

Due Process of Law.

As the issuance of the certificate is dependent upon the decree of the court, we are at once confronted with the proposition of the constitutionality of this procedure,—does it provide for "due process of law?" It will be well to keep in mind that a statute providing for the quieting of title against all persons must satisfy not only the state court of last resort, but also the United States Supreme Court, for while it is true that, if a state court of last resort declares a statute unconstitutional, there is no right of appeal to the United States Supreme Court; at the same time, if the state court declares a statute constitutional, there remains the right of appeal to the United States Supreme Court on the question of the constitutionality of the law. Under Section 709, Revised Statutes, 1878 the final decree of a state court may be examined into by the United States Supreme Court:

> ***"where is drawn in question the validity of or an authority exercised under a statute of any state on the ground of its being repugnant to the Constitution, treaties, or laws of the United States, and the decision is in favor of its validity." See, Columbia Water Power Co. vs. Street Railway Company, 172 U. S. 475.

If a statute authorizes in any manner a procedure which does not constitute due process of law, it is to that extent unconstitutional.

In Ballard vs. Hunter, 1907, 204 U. S. 241, it is said:

> "A precise definition of "due process of law" has never been attempted. It does not always mean proceedings in court. Its fundamental requirement is an opportunity for a hearing and defense, but no fixed procedure is demanded. The process or proceedings may be adapted to the nature of the case."

The action necessitated demands a suit against all persons. Four classes of persons are affected as defendants and are entitled to due process of law in order that they may be bound by a decree. There are:

1. Known residents of the state.
2. Known residents of the state who cannot be found.
3. Known nonresidents of the state.
4. Unknown persons, whether in being or not, whether residents or nonresidents of the state.

"Due process requires that the court which assumes to determine the rights of parties shall have jurisdiction and that there shall be notice and opportunity for hearing given the parties. Subject to these two fundamental conditions, which seem to be universally prescribed in all systems of law established by civilized countries, this court has, up to this time, sustained all state laws, statutory or judicially declared, relating to procedure, evidence, and methods of trial and held them to be consistent with due process of law." Twining vs. New Jersey (1908) 211 U. S. 78.

In Arndt vs. Griggs, 134 U. S. 316 (1890) the court said:

> "The well being of every community requires that the title to real estate therein shall be secure and that there be convenient and certain methods of determining any unsettled questions respecting it. The duty of accomplishing this is local in its nature; it is not a matter of national concern or vested in the general government; it remains with the state; and as this duty is one of the state, the manner of discharging it must be determined by the state, and no proceeding which it provides can be declared invalid, unless in conflict with some special inhibitions of the Constitution or against natural justice."

It is to be borne in mind that it has been settled, (Griffin vs. Connecticut, 218 U. S. 563, (1910) that the fourteenth amendment does not operate to deprive the states of their lawful power, and the right, in the exercise of such power, to resort to reasonable methods inherently belonging to the power exerted. On the contrary, the provisions of the due process clause only restrain those arbitrary and unreasonable exertions of power which are not really within lawful state power, since they are so unreasonable and unjust as to impair or destroy fundamental rights.

Can the Torrens System constitutionally sweep away a property interest without ever having obtained jurisdiction of the owner, even where it purports to vest the title in a purchaser for value without notice? The California court, in the case of Fol-

lette vs. Pacific Light and Power Corporation, (1922) 208 Pac. 295, answered this question as follows:

> "The provisions of the land title law which purport to entitle the purchaser of a registered title to the premises in the actual possession of another to hold the same superior to the proper rights and interests of such possessor, notwithstanding that such registered title is subject to the infirmities shown to exist in the instant case, are obnoxious to the provision of the federal constitution which provides that persons shall not be deprived of their property without due process of law."

The Supreme Court of Minnesota in the case of Henry vs. White, (1913) 143 N. W. 324, intimated that the ruling laid down by the California court in the case above cited would be followed if that question were before it for determination when it said "It may be correct, though we do not so decide, that a decree that is void and subject to collateral attach would not be validated by a transfer of title to a purchaser though he paid a valuable consideration and had no actual knowledge of the facts which made the decree void."

Service on Occupant.

Of the constitutional questions involving the Torrens System one of the most important and outstanding is the question of the jurisdiction of the court to render a judgment binding on an occupant who has not been personally served with process. Absence of personal service upon one occupying the premises would seem clearly to be in violation of the due process clause. However, a study of the cases sustaining the acts seems to leave it at least doubtful how far the courts in some states have intended to sustain the various acts in this regard. It will be seen that the validity of the acts is grounded more or less by the courts upon the view that the registration proceeding is, as the acts in general provide, a proceeding in rem.

In the case of Pinney vs. Providence Loan & Investment Co. (Wisconsin 1908) 82 N. W. 308, the court discussed the question of whether the seizure of the property alone in a proceeding in rem will give jurisdiction without some other form of notice. Proceedings in rem form an exception to the general principle that notice to the party affected by the judgment of any court is essential to its validity. The seizure of the res was considered sufficient constructive notice in the following cases:

> Stewart vs. Hinds County Bd. of Police, 25 Miss. 479 (1853). New Orleans J. & G. R. Co. vs. Clements, 35 Miss. 17 (1858). Betancourt vs. Eberlin, 71 Ala. 461 (1882). Field vs. Dortch, 34 Ark. 399 (1879). Freeman vs. Thompson, 53 Mo. 183 (1873). Beech vs. Abbott, 6 Vt. 586 (1884). Mulcahey vs. Dow (Calif. 1900) 63 Pac. 158.

It is pointed out in the case of State ex rel Douglas vs. Westfall, (Minn. 1902) 89 N. W. 175, that the statute could not operate to divest the rights of claimants in possession, not personally served with notice of the registration proceedings, and a few years later the Minnesota court held that as long as the title remained in the name of the one guilty of fraud in procuring registration, his decree and certificate might be set aside in an action brought by the defrauded party within a reasonable time. Baart vs. Martin (Minn. 1906) 99 N. W. 204.

There is one notable case where this question of whether an occupant not notified is bound by the decree, and whether such a decree binding him would be due process of law. This case arose in the Philippines and it was held that the occupant was not entitled to open a decree for registration, although he had not been named in the proceedings and the statute required that the applicant should name the occupant. Those applying for registration omitted him because they honestly believed that he occupied the lands simply as their tenant, and that therefore it was unnecessary to name his as a party defendant. See, Grey Alba vs. De la Cruz, 17 Philippine 49.

In the case of Grey Alba vs. De la Cruz, supra, it was held that the occupant was not deprived of his property without due process of law, as the proceeding for registration was one in rem, and the occupant was made a party by publication, the statute particularly providing that the decree should be conclusive against all persons whether mentioned by name or included in the general description, "to all whom it may concern."

Service by Publication.

A state may provide by statute that the title to real estate within its limits shall be settled and determined by a suit in which the defendant, being a nonresident, is brought into court by publication.

The well settled rules, that an action to quiet title is a suit in equity; that equity acts upon the person; and the person is not brought into court by service by publication alone; do not apply when a state has provided by statute for the adjudication of titles to real estate within its limits as against nonresidents, who are brought into court by publication. See, Arndt vs. Griggs, (1890) 134 U. S. 316. Holland vs. Challen, (1894) 110 U. S. 15.

It is an established principle of law, everywhere recognized arising from the necessity of the case, that the disposition of immovable property, whether by deed, descent, or any other mode, is exclusively subject to the government within whose jurisdiction the property is situated. See, United States vs. Fox, (1876) 94 U. S. 315.

In the case of Pennoyer vs. Neff, (1877) 95 U. S. 714, the question of jurisdiction in cases of service by publication was considered at length, and the court, by Mr. Justice Field, stated the law as, "Such service may also be sufficient in cases where the object of the action is to reach and dispose of property in the state, or of some interest therein, by enforcing a contract or lien respecting the same, or to partition it among different owners, or, when the public is a party, to condemn and appropriate it for a public use." In other words, such service may answer in all actions which are substantially proceedings in rem.

In the case of Huling vs. Kaw Valley Railroad, 130 U. S. 559, (1889), it was held that in proceedings commenced under a statute for the condemnation of lands for railroad purposes, publication was sufficient notice to a nonresident. In the opinion, Mr. Justice Miller, speaking for the court says, "Of course, the statute goes upon the presumption that since all parties cannot be served personally with such notice, the publication which is designated to meet the eyes of everybody, is to stand for such notice. The publication itself is as sufficient as if it had been in the form of a personal service upon the party himself within the county. Nor have we any doubt that this form of warning owners of property to appear and defend their interests, where it is subject to demands for public use when authorized by statute, is sufficient to subject the property to the action of the tribunal appointed by the proper authority to determine those matters. The owner of real estate who is a nonresident of the state within which the property lies cannot evade the duties and obligations which the law imposes upon him in regard to such property by his absence from the state. Because he cannot be reached by some process of the courts of the state, which, of course, have no efficacy beyond their own borders, he cannot, therefore, hold his property exempt from the liabilities, duties and obligations which the state has a right to impose on such property; and in such cases some substituted form of notice has always been held to be a sufficient warning to the owner of the proceedings which are being taken under the authority of the state to subject his property to those demands and obligations."

In this connection it is well to bear in mind that by the statutes of the United States, in proceedings to enforce any legal or equitable lien, or to remove a cloud upon the title of real estate, nonresident holders of real estate may be brought in by publication and the validity of this statute and the jurisdiction conferred by publication has been sustained by the court. See, Mellen vs. Moline Iron Works, (1889) 131 U. S. 352.

Service by publication has been held sufficient service on nonresident defendants and persons unknown claiming any right, title or interest in the property.

In Ballard vs. Hunter, (1907) 204 U. S. 241, it was said:

> "It should be kept in mind that the laws of a state come under the prohibition of the fourteenth amendment only when they infringe fundamental rights. A law must be framed and judged of in consideration of the practical affairs of man. The law cannot

give personal notice of its provisions or proceedings to everyone. It charges everyone with knowledge of its provisions; of its proceedings. It must, at times, adopt some form of indirect notice, and indirect notice is usually efficient notice when the proceedings affect real estate. Of what concerns or may concern their real estate, men usually keep informed, and on that probability the law may frame its proceedings; indeed, must frame them, and assume the care of property to be universal if it would give efficiency to many of its exercises. This was pointed out in Huling vs. Kaw Valley Railroad Company, 130 U. S. 559 (1889), where it was declared to be the duty of the owner of real estate who is a nonresident, to take measures that in some way he shall be represented when his property is called into requisition; and if he fails to get notice by the ordinary publications which have been usually required in such cases it is his misfortune, and he must abide the consequences."

In Arndt vs. Griggs, 134 U. S. 316, the court said:

"It (the state) cannot bring the person of a nonresident within its limits, but it may determine the extent of his title to real estate within its limits; and for the purpose of such determination may provided any reasonable method of imparting notice. The various decisions of this court establish that, in its judgment, a state has power by statutes to provide for the adjudication of titles to real estate within its limits as against nonresidents who are brought into court only by publication."

In American Land Company vs. Zeiss, (1911) 219 U. S. 47, the court quoted with approval the following language from Title and Document Restoration Company vs. Kerrigan (Calif. 1906) 88 Pac. 356:

"Applying the principles which have led the courts in cases like Arndt vs. Griggs, (134 U. S. 316) and Perkins vs. Wakeham (Calif. 1890, 25 Pac. 51) to sustain judgments quieting titles against nonresidents upon substituted service, why should not the legislature have power to give similar effect to such judgments against unknown claimants where notice is reasonably full and complete? The validity of such judgments against known residents is based upon the grounds that the state has power to provide for the determination of titles to real estate within its borders, and that, as against nonresident defendants or others, who cannot be served in the state, substituted service is permissible, as being the only service possible. These grounds apply with equal force to unknown claimants. The power of the state as to titles should not be limited to settling them as against persons named. In order to exercise this power to its fullest extent, it is necessary that it should be made to operate on all interests, known and unknown."

In the case of Hoffman vs. Superior Court (Calif. 1907) 90 Pac. 939, where the doctrine of the Kerrigan case was reiterated and applied, the court, after holding that the statute requires the plaintiff in his affidavit to allege in terms "that he does not know and has never been informed of any adverse claimants whom he has not specifically named," pointed out that failure of the plaintiff to make inquiry or to avail himself of knowledge which would be imputed to him because of facts sufficient to put him on inquiry as to the existence of adverse claims would constitute an extraneous fraud; that the decree was subject to attack because the jurisdiction of the court had been obtained upon a false affidavit.

The case of American Land Company vs. Zeiss, 219 U. S. 47, (1910) involved the identical questions presented in all land title registration statutes relating to the power of the state to deal with the subject matter and the sufficiency of the service of notice of the initial proceeding. That case brought into question the validity of a California statute providing for the establishment of titles in cases where the records had been destroyed by fire or earthquake. Notice and service in all respects similar to that under land title registration statutes are provided for in the California statute considered in the American Land Company case. The statute was held to be sufficient in all of its requirements. In the opinion, Mr. Chief Justice White said:

"It is to be observed that the statute not only requires a disclosure by the plaintiff of all known claimants but moreover, at the very outset, contains words of limitation that no one not in actual and peaceable possession of property can maintain the action which it authorizes. No person can, therefore, be deprived of his property under the statute unless he had not only gone out of possession of such property and allowed another to acquire possession, or, if he had a claim to such property, or an interest therein, had so entirely failed to disclose that fact so as to enable a possessor to truthfully make the affidavit which the statute exacts of a want of all knowledge of the existence of other claimants than as disclosed in his affidavit. Besides, it is to be considered that the statute, as construed by the California court imposed upon the one in possession seeking the establishment of an alleged title the duty to make diligent inquiry to ascertain the names of all claimants. Instead, therefore, of the statute amounting to the exertion of a purely unreasonable and arbitrary power, its provisions leave no room for that contention. On the contrary, we think the statute manifests the careful purpose of the legislature to provide every reasonable safeguard for the protection of the rights of unknown claimants, and to give such notice as, under the circumstances, would be reasonably likely to bring the fact of the pendency and the purpose of the proceeding to the attention of those interested."

To argue that the provisions of the statute are repugnant to the due process clause because a case may be conceived where the rights in and to property would be adversely affected without notice being actually conveyed by the proceedings is in effect to deny the power of the state to deal with the subject.

In the Hoffman case (Calif. 1907) 90 Pac. 939) supra, the court said:

"In this connection it is proper to say that, in determining whether or not due process of law is afforded, other statutes applicable to the proceeding may be considered. The provisions of Section 473 of the Code of Civil Procedure apply to such case. Any person interested in the property and having no actual notice of the decree, may come in at any time within one year after its rendition, and by showing that he has not been personally served with process, and stating facts constituting a good defense to the proceeding—that is, facts sufficient to show that he has a valid adverse interest in the property—he may have the decree vacated as to him, and be allowed to answer to the merits."

The right given by Section 473 of the code is an absolute right. See, Holiness Church vs. Metropolitan Church Association, (Calif. 1910) 107 Pac. 633; Gray vs. Lawlor, (Calif. 1907) 90 Pac. 691.

In the case of Tyler vs. Judges, (Mass. 1900) 55 N. E. 812, after denying petitioner's claim as requested, because he had notice of the proceedings, the court said, "Other persons, whether residents or nonresidents, whose rights might be injuriously affected by the decision, might lawfully complain of the unconstitutionality of an act which would deprive them of their property without notice; but it is difficult to see how the petitioner would be affected by it. Indeed, if the act were subsequently declared to be unconstitutional, the proceedings against him would simply go for naught."

The Massachusetts act provides that notice may be served by mail. The acts of all other states require service to be made in the manner provided to apply suits of a similar character, that is, by personal service. The Massachusetts Supreme Court has held that notice given by mail is sufficient (Tyler vs. Judges, 55 N. E. 812.) In the opinion Judge Holmes said:

"It must be remembered that there is no constitutional requirement that the summons, even in a personal action, shall be served by an officer. If the statute is within the power of the legislature, it is not for us to criticize the wisdom or expediency of what the legislature has done."

Statute of Limitations.

The statutory provisions in the several states leading to initial registration seem clearly sufficient to support a decree which becomes conclusive against the whole world upon expiration of the time within which an appeal may be taken, provided the statute has been followed. It does not result, however, that the decrees or the certificates based upon them may be accepted as conclusive, for conclusiveness is entirely dependent upon whether the statute had been followed.

If jurisdictional requisites prescribed by statute are not met, or all persons entitled to actual notice are not properly served with process, the decree cannot be immediately considered final and conclusive. We must therefore look to the statutes of limitation to determine whether the nature

of the defect is such that it can be "cured" by lapse of time.

The several statutes of limitation in states having Torrens Acts are as follows:

California, 1 year.
Colorado, 2 years.
Georgia, 1 year.
Illinois, 2 years.
Massachusetts, 30 days.
Minnesota, 6 months.
Mississippi, 1 year.
Nebraska, 2 years.
New York, 6 months.
North Carolina, 1 year.
North Dakota, 6 months.
Ohio, 30 days.
Oregon, 2 years.
Pennsylvania, 6 months.
South Dakota, 6 months.
Tennessee, 1 year.
Utah, 6 months.
Virginia, 90 days.
Washington, 90 days.

In Tyler vs. Judges, supra, Judge Holmes said:

> "Prescription or a statute of limitations may give a title good against the world, and destroy all manner of outstanding claims without any notice or judicial proceeding at all. Time and the chance which it gives the owner to find out that he is in danger of losing rights are due process of law in that case."

In Turner vs. New York (168 U. S. 90) the decision establishes:

> 1. That statutes of limitations are within the constitutional power of the legislature of the State to enact.
> 2. That a limitation of two years is not unreasonable.

In the opinion Mr. Justice Gray said:

> "It is well recognized that a statute shortening the period of limitation is within the constitutional power of the legislature provided a reasonable time, taking into consideration the nature of the case, is allowed for bringing an action after the passage of the statute and before the bar takes effect. ***The statute now in question relates to land sold and conveyed to the State for nonpayment of taxes; it applies to those cases only in which the conveyance has been of record for two years in the office where all conveyances of land within the county are recorded, and it does not bar any action begun within six months after its passage."

Under a statute of limitations, such as is discussed Saranac Land & Timber Co. vs. Roberts, 177 U. S. 318, and in American Land Co. vs. Zeiss, supra, the original decree of registration becomes absolutely conclusive against jurisdictional and other substantial matters as to which irregularity exists by the running of a statute of limitations after entry. From the former case it appears that there is no doubt as to the propriety or force of such a statute, and from the latter case it appears that one year is a reasonable period of time for such when the fullness of the notice provided by the statute is taken into consideration.

Does Act Devolve Executive Duties on Court?

The act is not unconstitutional as committing to the judicial department of the state functions not judicial in character, but purely administrative and executive, contrary to a provision of the State Constitution prohibiting one department of the state from exercising functions belonging to another.

Robinson vs. Kerrigan, supra.
People ex rel Smith vs. Crissman (Colo. 1907) 92 Pac. 949. State ex rel Douglas vs. Westfall, supra.

Does Act Give Judicial Power to Registrar?

The Illinois act of 1895 was held unconstitutional on this ground. People ex rel Kern vs. Chase, (Ill. 1896) 46 N. E. 454.

The principal powers conferred upon the registrar are to take proof after notice to the holder that a mortgage has been discharged, and after a hearing to enter a discharge; to make an entry that a lien has become inoperative in law by reason of limitation of time when application has been made therefor, the persons interested notified, and that he is satisfied that such is the fact; to correct memorials made or issued by mistake, if the rights of bona fide holders for value have not intervened. These objections were upheld in State ex rel Monnett vs. Guilbert, (Ohio) 47 N. E. 551.

The act does not make registrars judicial officers where it provides that their acts shall be performed under the rules and instructions established and given by the court.

State ex rel Douglas vs. Westfall, supra.
Tyler vs. Judges, supra.

In the case of Drake vs. Fraser, (Neb. 1920) 179 N. 393, the court said:

> "It is urged that the Torrens Law is unconstitutional since it confers judicial powers upon the registrar. The act provides that, where a person files a mortgage or instrument to create a charge upon land, and it appears to the registrar that the person intending to create the charge has the title and right to do so, and is entitled to have the same registered, the registrar shall then register the instrument, and it is further provided that, when it is made to appear to the registrar that a person desiring to transfer property which has been registered has the right or interest proposed to be transferred, and is entitled to the conveyance, and that the transferee has the right to have such estate transferred to him, the registrar shall make out a new certificate. The mere fact that the registrar is required in these instances to exercise his judgment as to the rights of parties to file such instruments and have them registered does not mean that he is to act as a tribunal for the adjudication of disputes, but the judgment he is intended to exercise is purely incidental to his ministerial duties, and, though his act may be called quasi judicial in character, such duties given him are not imposed in violation of the constitution." See also, People vs. Simon, supra.

Does Act Create Office Illegally?

An act making the county clerk, registrar of titles under it does not transgress the provisions of the constitution in creating a new county office which was neither filled by election nor appointment. People ex rel Smith vs. Crissman (Colo. 1907) 92 Pac. 949.

An act is not unconstitutional on the ground that the office of examiner created by it is a county office, which under the constitution must be filled by public election, as such examiners are not county officers within the meaning of the constitutional provisions. State ex rel Douglas vs. Westfall, supra.

In the case of Drake vs. Fraser, (Neb. 1920) 179 N. W. 393, the court referring to the question of creating an office illegally said:

> "Another contention is that the act creates a new office by bestowing new duties upon an officer already in existence, and does not provide for the election of such officer. There is nothing in our constitution limiting the power of the Legislature in that regard as to the office of the Register of Deeds, and the argument is untenable."

Does Act Infringe Right of Trial by Jury?

It has been held that a constitutional provision that "the right of trial by jury shall remain inviolate, and shall extend to all cases of law without regard to the amount in controversy," does not apply to a proceeding to register a land title. Peters vs. Duluth, (Minn. 1912) 137 N. W. 390.

But a constitutional provision that there shall be a right to trial by jury "in all controversies concerning property" requires that there be a right to a jury trial in registration proceedings. Weeks vs. Brooks, (Mass. 1910) 92 N. E. 45.

Jury trial may be waived by parties, Hamlin vs. People, (N. Y. 1913) 140 N. Y. S. 643.

Does Act Deny Defendants Affirmative Relief?

A Torrens act is not subject to the objections that it is not in accord with due process of law because a defendant cannot obtain affirmative relief, whatever showing he may make, as the Legislature may limit affirmative relief to the person who brings the proceeding.

People ex rel Smith vs. Crissman (Colo. 1907) 92 Pac. 949.
Peters vs. Duluth (Minn. 1912) 137 N. W. 390.

Defendants in a registration proceeding under the Torrens act are not denied the right of affirmative relief, and, even were such right denied, the act would not be rendered unconstitutional on that ground, as the state may control the manner in which remedies shall be allowed in its courts. Drake vs. Fraser (Neb. 1920) 179 N. W. 393. In this case the court said:

> "Again it is contended that the act does not provide affirmative relief for defendants. Provision is made, however, for filing cross-petition by defendants, and affirmative relief is thus afforded. But it is not necessary in order to meet the requirements of the constitution that affirmative relief be granted to a defendant in a suit, as the state has full control over that subject and may determine in what manner remedies shall be provided through its courts."

Assurance Fund.

The assurance fund is, in general, for the indemnity of those who lose their property through fraud or error, and who are without other means of redress.

A purchaser in good faith, for a valuable consideration from the owner of the registered title, who has registered his transfer and taken out a certificate of title in himself without notice or knowledge of any defect, has a cause of action against the county treasurer for the value of the land, where his grantor's title rested upon a tax title based on taxes assessed against the land when it belonged to the United States under the statute providing that "any person who, without negligence on his part, sustains any loss or damage by reason of the omission, mistake or misfeasance of the registrar or his deputy, or of any examiner, or of any clerk of court, under this law *** may institute an action in the District Court to recover compensation out of the assurance fund for such loss or damage." See, Shevlin Mathieu Lumber Co. vs. Fogarty, (Minn. 1915) 153 N. W. 871.

It was argued in this case that the statute did not undertake to insure the title against rights arising or existing under the laws or Constitution of the United States, but the court held that a subsequent purchaser has the right to rely upon the certificate as an assurance that the court which decreed its issuance had jurisdiction of the subject matter of the title, and that the holder thereof possesses a title which the law authorized to be registered.

In Mountain Timber Co. vs. State of Washington, (1917) 243 U. S. 219, it is said:

> "In Noble State Bank vs. Haskell, (1911) 219 U. S. 104, this court sustained an Oklahoma statute which levied upon every bank existing under the laws of the state an assessment of a percentage of the bank's average deposits, for the purpose of creating a guaranty fund to make good the losses of depositors in insolvent banks. There, as here, the collection and distribution of the funds were made a matter of public administration and the fund was created not by general taxation but by a special imposition in the nature of an occupation tax upon all banks existing under the laws of the state. In Hendrick vs. Maryland (1911), 235 U. S. 610, and Kane vs. New Jersey, 242 U. S. 160, we sustained laws, of a kind now familiar, imposing license fees upon motor vehicles, graduated according to horsepower, so as to secure compensation for the use of improved roadways from a class of users for whose needs they are essential and whose operations over them are peculiarly injurious. Many of the states have laws protecting the sheep industry by imposing a tax upon dogs in order to create a fund for the remuneration of sheep owners for losses suffered by the killing of their sheep by dogs. And the tax is imposed upon all dog owners, without regard to whether their particular dogs are responsible for the loss of sheep. Statutes of this character have been sustained by the state courts against attacks based on constitutional grounds."

In Bradbury on Workmen's Compensation, 3d edition, page 70, it is said:

> "The meaning of the term "State insurance," or State insurance fund" as applied in the workmen's compensation acts of New York, Ohio, Oregon, Washington, West Virginia, and other states is somewhat of a misnomer. In each instance it is a "State fund" by virtue of the fact it is supervised by state officials instead of private individuals. The state in no case guarantees the compensation payments."

In the case of State ex rel Monnett vs. Guilbert, (Ohio 1897) 47 N. E. 551, declaring the 1896 Torrens Law unconstitutional the court observed, "that the fund is to be raised to indemnify those whose lands had been wrongfully wrested from them, under the earlier provisions of the act, without due process of law" and stated that this scheme was both inadequate and forbidden under the Ohio Constitution, as then framed. The court further stated that:

> "The functions of the state are governmental only. Its powers are embraced within the three familiar divisions of legislative, judicial, and executive. He who affirms the existence of the power in question must be able to find it embraced in one of these divisions. And since the insuring of titles does not essentially differ from any other insurance, nor indeed from any other business or occupation, he must find authority in whose exercise the state may become the competitor of the citizen in every vocation."

LEO S. WERNER
Chairman, Advertising Committee for 1928
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However, subsequently, the Constitution of Ohio, Art. 2, Par. 40, adopted September 3, 1912, included the following:

> "Laws may be passed providing for a system of registering, transferring, insuring and guaranteeing land titles by the state or by the counties thereof, and for settling and determining adverse or other claims to and interests in, lands the titles to which are so registered, insured, or guaranteed, and for the creation and collection of guaranty funds by fees to be assessed against lands, the titles to which are registered; and judicial powers with the right of appeal may by law be conferred upon county recorders or other officers in matters arising under the operaof such system."

Constitutional provisions in regard to registration of titles have also been adopted in Pennsylvania and Virginia.

It is necessary that the conservative view of the insurance feature be adopted and purchasers and encumbrances accept responsibility for examination of records pending the running of the statute of limitations, as the assurance fund in their particular county may prove insufficient in amount to provide indemnification. In other words, a man may be damaged to the extent of $10,000.00 and then discover that the assurance fund contains but $2,000.00.

Who May Apply to Register the Title to Land?

All acts permit any party in possession to apply for registration of the title to land who is the owner or who has the power of appointing or disposing in fee simple of the legal estate.

A receiver may have such title as admits of registration, Teninga vs. Glos, (Ill. 1914) 107 N. E. 126.

An administrator may not register the land of his intestate. Soriano vs. Talens, 20 Philippine 257.

The owner of land is entitled to have it registered whether he be the owner of record or not. It is not confined to owner of record. National Bond & Security Co. vs. Anderson (Minn. 1906) 108 N. W. 861.

What May Be Registered?

Life estates are not subject to registration unless the fee title is first registered.

> Baxter vs. Bickford, (Mass. 1909) 88 N. E. 7.
> Cowman vs. Glos, (Ill. 1912) 99 N. E. 586.

Title by adverse possession may be registered.

> O'Loughlin vs. Covell (Ill. 1906) 78 N. E. 59.
> Tobias vs. Kaspzyk, (Ill. 1910) 93 N. E. 52.

Title acquired by tax deed may be registered, but some acts have conditions precedent to be fulfilled in case of tax titles. The Minnesota State Supreme Court has held that the owner of a tax title who cannot claim fifteen years adverse possession, or whose tax title has not been adjudged valid, is not entitled, under the Torrens act to apply for a certificate of registration and the cancellation of an

existing certificate of title. In Re Jamieson (Minn. 1927) 211 N. W. 686. See also, Hendricks vs. Hess, (Minn. 1910) 127 N. W. 995.

Title gained by prescription may be registered under the Torrens law.

Eben S. S. Keith vs. John Kennard, (Mass. 1916) 110 N. E. 1030.
Carino vs. Philippine Islands, (1909) 212 U. S. 449.
Glos vs. Wheeler, (1907) 229 Ill. 272.
Hamlin vs. People, (1913) 140 N. Y. S. 644.
Luce vs. Parsons, (Mass. 1906) 77 N. E. 1032.
Crowell vs. Druley, 19 Ill. App. 509.
Sharon vs. Tucker, (1892) 144 U. S. 533.
O'Connor vs. Huggins, (N. Y. 1889) 21 N. E. 184.
In re Cox (Calif. 1923) 218 Pac. 441.

Though the Torrens Land Act provides that no estate less than a fee simple shall be registered unless the fee is first registered, it is not essential to give the court jurisdiction to register a title that the applicant for such registration be the owner of the fee, but it is sufficient if the facts pleaded are such that when determined by the decree of the court, they establish title in fee in some one or other of the claimants. Frances Inv. Co. vs. Superior Court, supra.

To entitle land to registration under the Torrens act it must be established that the United States has parted with its original title thereto. Shevlin-Mathieu Lumber Co. vs. Fogarty, (Minn. 1911) 132 N. W. 263.

A person, having possesison of improved and inclosed property under claim of color of title for seven years and having paid all taxes legally assessed during that time, is entitled to have his title registered. Tobias vs. Kaspzyk, (Ill. 1010) 93 N. E. 52.

A title which may be registered in such action is one which is marketable and free from reasonable doubts; in other words, such title as a court of equity would compel an unwilling purchaser to accept in a suit for specific performance. Meighan vs. Rohe, (N. Y. 1915) 110 N. E. 165.

Parties Defendant.

The Torrens act, by its provisions that the holder of an encumbrance is a necessary and proper party recognizes the fact that he possesses certain right for the protection of which he is entitled to appear. Title Guarantee & Trust Co. vs. Griset, (Calif. 1922) 208 Pac. 673.

All persons having or claiming any estate or interest in land must be made parties to the application. Beneficiaries of trusts are necessary parties. Ambos vs. Glos, (Ill. 1924) 145 N. E. 639.

The State is a necessary party when it has tax liens. National Bond & Sec. Co. vs. Hopkins, (Minn. 1905) 104 N. W. 678.

Effect of Decree in General.

All statutes contain in terms exceptions to conclusiveness of certificates. All are at least as broad as the following section, quoted from the Virginia law. (Sec. 73):

> Every registered owner of any estate or interest in land brought under this act shall hold the land free from any and all adverse claims, rights, or encumbrances not noted on the certificate of title except,—
>
> 1st. Liens, claims, or rights arising or existing under the laws or Constitution of the United States which the statutes of this State can not require to appear of record under registry laws.
>
> 2nd. Taxes and levies assessed thereon but not delinquent.
>
> 3rd. Any lease for a term not exceeding one year under which the land is actually occupied.

Other statutes make exceptions in conformity with the Minnesota law, which provides:

> Every person receiving a certificate of title pursuant to a decree of registration, and every subsequent purchaser of registered land who receives a certificate of title in good faith and for a valuable consideration, shall hold the same free from all encumbrances, and adverse claims, excepting only such estates, mortgages, liens, charges and interests as may be noted in the last certificate of title in the office of the registrar, and also excepting any of the following rights or encumbrances subsisting against the same, if any, namely:
>
> 1. Liens, claims, or rights arising or existing under the laws or the Constitution of the United States, which this State can not require to appear of record.
>
> 2. The lien of any tax or special assessment for which the land has not been sold at the date of the certificate of title.
>
> 3. Any lease for a period not exceeding three years when there is actual occupation of the premises thereunder.
>
> 4. All rights in public highways upon the land.
>
> 5. Such right of appeal, or right to appear and contest the application, as is allowed by this act.

In addition to the exceptions stated in terms in the statutes the authorities show that an initial decree of registration can not be immediately conclusive against all persons in any case (1) wherein the court has not acquired jurisdiction; (2) wherein the court has acquired jurisdiction, but due process of law is lacking with respect to persons entitled, under the statute, to actual notice; (3) that no subsequent transfer of title passing through judicial proceedings can be made immediately conclusive upon registry of decree, but is subject to irregularity and lack of jurisdiction in such proceedings.

The authorities also agree that, while registrars have the power to make entries upon the registrar of titles, such entries are not conclusive and can not be made immediately conclusive by statutory enactment, but only by the running of a statute of limitations. Consequently exceptions must be made for such contingencies pending the running of such statutes of limitation.

The Supreme Court of Minnesota, said in Baart vs. Martin (Minn. 1906) 108 N. W. 945:

> "A certificate of title, therefore, though properly registered and authenticated, is only conclusive until it is shown to fall within one of the recognized exceptions."

It is a general theory that a title is created by the decree and the certificate of registration. It has been held in Illinois that the court at a subsequent term has no power to vacate and set aside a decree registering title although it was argued that, as it appeared from the cross-petition filed on the motion that the applicant was not the owner of the premises sought to be registered, therefore the court did not have jurisdiction to make the first decree, and therefore the decree was void and might be attacked by cross-petition or otherwise at a subsequent term. Mooney vs. Valentynovicz (Ill. 1912) 99 N. E. 344.

The judgment in proceedings by H the owner of a lot to have it registered under the Torrens act, adjudging H the owner of an estate in fee simple therein subject, however, to "conditions, restrictions and reservations in favor of A" *** contained in a prior deed of the lot from A to another, does not purport to extend the force of the restrictive clause in A's deed, so as to make it a covenant running with the land, but merely establishes the existence of such clause and subjects the title to whatever operative force it may have. Maple vs. Canady, (Calif. 1922) 208 Pac. 280.

It has been held in Colorado that a decree would be conclusive against a railroad company as an unknown owner where the applicant had no reason to suppose it claimed any interest in the land. Mills vs. Denver & R. G. Railroad Co. (1912) 198 Fed. 137.

In Oregon it has been said that the court has power to set the decree aside on reasonable grounds. Lewis vs. Chamberlain, (Ore. 1914) 139 Pac. 371.

In Minnesota it has been held that a decree is void as against those not included as parties against the instructions of the examiner, and their privies. Dewey vs. Kimball, (Minn. 1903) 96 N. W. 704.

It has been held in Federal Court in Massachusetts that an assignee in bankruptcy who has been notified of the registration proceedings and makes no objection to the registration of title is not estopped thereafter, on discovering that he has rights in the land to bring a bill as soon as possible after he makes discovery of these rights, seeking a conveyance of the land as against a party who was not a holder for value and in good faith. Morris vs. Small, (1908) 160 Fed. 142.

Where adjoining owner was notified of proceedings to register the title to land in which right to use private way partly on adjoining land, was registered, he was bound by the decree, no matter what induced him to refrain from contesting the petition or Land Court's construction of the deeds. Studley vs. Kip, (Mass. 1923) 139 E. 485.

The Torrens Land Title law will not be construed to overturn the universal rule that a purchaser of land is

charged with notice of the title and claims of those who are in possession of the land at the time of purchase, unless such intention is made clearly to appear by express declaration or by necessary implication. Follette vs. Pacific Light & Power Corp. (Calif. 1922) 208 Pac. 295.

Effect of Fraud.

After the expiration of the period fixed by the statute a duly registered title is indefeasible, unless the registration was obtained by fraud. Doyle vs. Wagner, (Minn. 1909) 122 N. W. 316.

Where in proceedings under the Torrens act to register title, the applicant fails to disclose to the court the names of persons known to him to have an interest in or lien upon the property, and such persons are not named as parties to the proceeding or served with summons, and do not have actual notice of the proceeding, a judgment rendered therein is not binding upon such persons. Riley vs. Pearson (Minn. 1913) 139 N. W. 36. In this case the court said:

> "If this were not a Torrens law proceeding, if it were an action to quiet title, or to determine adverse claims, it would not for a moment be contended that the owner of a known lien or interest that appeared of record would be bound by a judgment unless he was made a party and served with the summons. But it is claimed that this is so under the Torrens law, or at least that such judgment binds everybody after the 60 days within which a person having an interest in the land and who has not been actually served with process may appear and file an answer. We agree with this contention except as we are asked to apply the rule to cases where the applicant has knowledge of the title, interest, or lien existing in another, and fails in his application or petition for summons, or otherwise, to disclose such knowledge. In the absence of fraud, actual or constructive, it is the law, as declared by the act itself and the decisions, that a decree of registration binds all the world. Those not specifically named as defendants are parties to the proceeding under the designation 'all other persons or parties unknown claiming any right, title, interest, or lien in the real estate described in the application herein,' and served by publication." This is the effect of Baart vs. Martin, supra, Doyle vs. Wagner (Minn. 1909) 122 N. W. 316, and American Land Co. vs. Zeiss (1911) U. S. 47.

In the case of Riley vs. Pearson, supra, the court in speaking about failure to include parties known to have an interest in the premises, said:

> "We fully agree that a Torrens certificate based upon a decree in a proceeding in which the law as to naming and serving known claimants is complied with, gives, in the absence of fraud, an indefeasible title, and is not merely evidence of the title which the applicant had before the decree. All claimants unknown to the applicant, and not named in the examiner's report are parties to the proceeding as 'unknown parties,' but where it affirmatively appears that claimants known to the applicant or named by the examiner are not made parties, the decree is not binding on such claimants, and may be attacked collaterally. Any other conclusion would go far to remove the safeguards which make the law constitutional. It would make a strong argument for holding that the act was invalid, because the proceedings provided do not constitute due process of law. In its last analysis the case reduced itself to the plain proposition that no man can be deprived of his property without notice and an opportunity to be heard."
>
> See also, Arnold vs. Smith (Minn. 1913) 140 N. W. 478.
>
> D'Autremont vs. Anderson Iron Co. (Minn. 1908) 116 N. W. 357.
>
> Clary vs. O'Shea (Minn. 1898) 75 N. W. 115.

Where a judgment is procured by fraud on the part of the applicant in failing to name as parties or serve claimants known to him, it is not binding upon such omitted claimants.

If the want of jurisdiction due to the failure to serve known claimants appears from the judgment roll itself, the judgment is void as against such claimants and may be attacked collaterally. Where such want of jurisdiction does not appear from the judgment roll itself, the judgment is not subject to collateral attack, though the applicant fraudulently concealed the existence of a known claimant.

Where the existence of such claimant does not appear from the judgment roll itself, or the proceedings, and where such proceedings are absolutely regular on their face, one who purchases from the registered owner for a valuable consideration in reliance upon the judgment and without notice or anything to put him on inquiry, takes the title free from all encumbrances and adverse claims except those noted on the certificate. Henry vs. White (Minn. 1913) 143 N. W. 324.

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Philadelphia, Pa.

In the case of Henry vs. White, supra, the court said:

> "It may be correct though we do not so decide, that a decree that is void and subject to collateral attack would not be validated by a transfer of the title to a purchaser, though he paid a valuable consideration and had no actual notice of the facts which made the decree void. But where, as in the instance case, the fraud or want of jurisdiction does not appear from the judgment or the proceedings, and where such proceedings are absolutely regular on their face, one who, in reliance upon the judgment and without notice or anything to put him on inquiry, takes the title free from all encumbrances, and adverse claims, excepting only such estates, mortgages, liens, charges and interests as may be noted on the last certificate of title in the office of the registrar."

When the registration is secured by fraud, and the owner is not notified, as required by the statute, the decree and the certificate of registration issued thereunder may be vacated and set aside, unless an innocent purchaser for value has obtained rights on the faith of the record. As long as the title remains registered in the name of the person guilty of the fraud the decree and certificate of registration may be act aside, in an action brought by the defrauded party within a reasonable time after notice of the fraud. The mere fact that the statute does not in express words except fraud does not deprive a court of equity of the general jurisdiction to protect parties from the consequences of fraud. Baart vs. Martin (Minn. 1906) 108 N. W. 945.

Assume B the owner of Blackacre has resided upon this plot of ground for many years, and has occupied the same as his homestead. Assume that B temporarily moves his family to distant lands, and leaves the place unoccupied. While he is away A forges B's name to a deed, has the same recorded, procures an abstract, and has the title to Blackacre registered in his name. The examiner of titles reports the title good in A, free and clear of all encumbrance, and a certificate of title is issued in A's name. A then assigns his interest in the premises to C, who is an innocent purchaser in good faith and for value, who immediately takes up his occupation upon the premises. B is not made a party defendant to the proceedings, and upon his return he finds the home occupied by C. The statute of limitations has run, and B cannot ask to have the decree vacated. What are the respective rights of the parties? The time for appealing from the decree has elapsed, the property is in the hands of an innocent purchaser, for value, and without notice, who purchased from A in reliance upon the certificate of title. The law says that C, who has lived upon the property for a very short period, can continue to occupy the same to the exclusion of B

who prior to the registration proceedings had occupied the premises as his homestead for many years. B, on the other hand, is permitted to resort to the Assurance Fund for his consolation. See Baart vs. Martin, supra.

A purchaser for value relying on the certificate gets a good title. White vs. Ainsworth, (Colo. 1917) 163 Pac. 959.

An application to vacate the decree, directing the registration of land and the cancellation of the certificate of registration issued thereunder, on the ground that it was obtained by the fraud of the applicant for registration, is governed by general equitable considerations. The Torrens statute makes the provisions of the general statutes, relating to the vacating and opening of ordinary judgments, inapplicable. A person who seeks equitable relief must, therefore, proceed promptly after notice of the fraud, and is, of course, subject to all restrictions in equity. The sixty day limitation contained in the statute when these transactions occurred (now six months in Minnesota) had no application to the case at bar. If the defrauded party is not guilty of laches, he may attack the decree on the ground that it was obtained by fraud, so long as the land stands registered in the name of the party who was guilty of the fraud. No public policy requires that such a title be indefeasible, or that so tempting a reward be offered for the stealing of land under the forms of law. Baart vs. Martin, supra.

When the name of a claimant is known to an applicant either from the report of the examiner as in Dewey vs. Kimball, (Minn. 1903) 95 N. W. 317, or from other sources the summons cannot be served on such claimant by publication unless his name appears in the summons. As he is not an "unknown party" the concealment of his claim is a fraud on the court, and the decree therein entered is as to him of no force and effect.

Where in proceedings under the Torrens act to register a title, a judgment is procured through fraud on the part of the applicant in failing to name as parties or serve claimants known to him, it is not binding upon such omitted claimants.

The owner of land in making application to register his title, fraudulently omits to disclose the existence of an unrecorded mortgage or to make the mortgagee a party. The proceedings are in all respects regular, and a decree is entered that makes no mention of the mortgage. The owner then conveys the land for a valuable consideration to a purchaser who relies on the registration proceedings and who has no notice or knowledge that there is a mortgage on the property. The question is: Does the purchaser take the title free from the lien of the mortgage. The question must be answered in the affirmative. To hold otherwise would not only wholly destroy the indefeasible character of the Torrens title, but also give an unrecorded conveyance priority as against a subsequent purchaser in good faith and for a valuable consideration whose conveyance is first duly recorded.

The basic principle of the system is the registration of the title to land instead of registering only the evidence of such title. A title is created by the certificate of registration.

State ex rel Douglas vs. Westfall, (Minn. 1902) 89 N. W. 175.
Baart vs. Martin, (Minn. 1906) 108 N. W. 945.

The statute of limitations has no effect if the land is held by the party guilty of the fraud and the owner might attack the decree at any time. Baart vs. Martin, supra.

When application is based on deed which to applicant's knowledge is forged she is guilty of such fraud as authorizes the true owner to institute equitable action to set aside the certificate Rock Run Iron Co. vs. Miller (Ga. 1923) 118 S. E. 670.

Under Land Registration Act, actions thereunder are proceedings in rem and judgments therein decreeing registration of title are conclusive on all adverse claimants, except in cases of fraud or forgery as to which Sec. 63 permits suit within seven years to set aside the decree and certificate. Rock Run Iron Co. vs. Miller, supra.

Assume A is the owner of Blackacre, and has had his title registered. He mortgages it to B, but neglects to entrust B with his duplicate certificate of title and B is unable to obtain a memorial of the mortgage on A's certificate filed with the registrar of titles. But until this mortgage is entered as a memorial upon A's certificate the mortgage operates only as a contract between the parties and does not in any way affect the land, for it is the act of registration that the law says shall be operative to convey or affect the land. A later deeds to C, who pays full value for the land, but knows of B's mortgage. C nevertheless obtains A's duplicate certificate of title and with the aid of it procures a new certificate in his own name as owner in fee. Under the old recording acts, of course, inasmuch as C is not a bona fide purchaser, he would hold the title subject to B's mortgage. The Torrens acts, however, usually provide that unless a certificate is obtained by fraud, it is conclusive of the holder's rights, and it has been generally held that obtaining title with mere knowledge of the existence of an unregistered interest is not fraud, although conduct amounting to dishonesty in obtaining a deed and registering it for the express purpose of shutting out unregistered interest may be. Most of the Torrens acts, particularly in this country, expressly declare that actual or constructive notice of any unregistered interest shall not "of itself" be imputed as fraud. (Sec. 84 Ch. 30, G. S. 1921 Ill.) Where such a statute is in force a certificate of registration obtained with knowledge of interests not apparent on the face of the certificate of the vendor cannot be questioned on that score alone.

Bjornberg vs. Meyers et al (1918) 212 Ill. App. 257.
Brace vs. Superior Land Co. et al (Wn. 1911) 118 Pac. 910.
Gauder vs. Dassenaike et al, 66 L. J. P. C. 103.

Under some circumstances registration so as to exclude interests may amount to fraud, as where there is collusion with the vendor. Turner vs. Clark, 2 Sask. L. R. 200.

In some states, however, one acquiring title to registered property with notice of outstanding unregistered interests would take the same subject thereto. The Minnesota statute provides:

"Every person receiving a certificate of title pursuant to a decree of registration, and every subsequent purchaser of registered land who receives a certificate of title in good faith and for a valuable consideration shall hold the same free from al encumbrances and adverse claims." ***G. S. Minn. 1913 Sec. 8918.

In Minnesota, a purchaser from a registered owner would not be protected if he had notice, actual or constructive, at the time he made his purchase that an unregistered interest was outstanding. He is not permitted to shut his eyes and rely on the vendor's certificate alone. From analogy to decisions under the recording acts, it would seem to follow that notice of prior unregistered interests obtained after completion of the purchase but before registering, would prevent the purchaser from being bona fide, since under the Torrens statute he does not obtain any title at all until he registers.

Minor vs. Willoughby, 3 Minn. 225.
Marsh vs. Armstrong, 20 Minn. 81 (66).

But even in jurisdictions where the Minnesota statute is not followed the purchaser of registered land is not permitted to rely conclusively on the owner's certificate under all circumstances. Where this certificate has been procured by fraud, all the Torrens acts apparently require the presence of a bona fide purchaser to remove the stigma. For example: A procures registration of Blackacre, defrauding B. A then deeds to C, who obtains a new certificate in his own name. In order that C's title be indefeasible, C must not merely be a purchaser free from fraud, but bona fide as well. C must have no notice of B, actual or constructive; he cannot shut his eyes and rely on A's certificate.

In the case of Follette vs. Pacific Light & Power Corp. (Calif. 1922) 208 Pac. 295, the following situation was presented: B purchased an easement over A's land and erected a power transmission line on it. A obtained registration of his land as owner in fee without mention of the easement, and fraudulently prevented notice of the registration proceedings from being served on B. A then sold the land to C, who had no notice of B, and relied on A's certificate. It was held that B's easement was still valid, even as against C. The court held

that C had constructive notice of B's rights by virtue of B's possession. Adverse possession is always constructive notice. See, Hauger vs. J. P. Rodgers Land Company, (Minn. 1923) 194 N. W. 95.

The fraud which must be proved in order to invalidate the title of a registered purchaser for value is actual fraud, dishonesty of some sort, mala fides, the shutting of his eyes to what he might have seen if he had been willing to look. It must be brought home to the person whose registered title it is sought to impeach, or to his agent. Fraud by persons from whom he claims does not affect him unless he or his agent had notice of it.

Lack of Jurisdiction and Fraud.

Lack of jurisdiction and fraud are two possible defects that may prevent a Torrens certificate from being conclusive. The system was not intended to make bad titles good, but unfortunately the act has been advertised and is being advertised by some attorneys seeking employment as a means of making bad titles good. Petition of Sherman (N. Y. 1919) 125 N. E. 546.

Lack of jurisdiction might arise in a given case where a known claimant residing within the State was not personally served with summons. In this case fraud might not enter into the question but if a known claimant in possession is not served he is not concluded by the decree from questioning the title of the registered owner so long as an innocent purchaser does not come into the picture.

Where decree described more land, through error, than was sought to be registered, the certificate could hardly be conclusive. Petition of Furness et al, (Calif. 1923) 218 Pac. 61. Hay vs. Solling, 16 N. S. L. 60.

Fraud and want of jurisdiction usually appear together, if at all, in the original proceedings. Assume for the purpose of the discussion, A desires to register his title to Blackacre and knows B, a resident claimant, has a superior title, and he wants to prevent B from being made a party defendant in the action. No service is made on B, and he has no knowledge of the proceeding. A gets his certificate, can B attack the proceedings? It is clear that he may have A's title vacated if he acts within a reasonable time.

Follette v. Pacific Light & Power Corp. supra.
Rock Run Iron Co. v. Miller (Ga. 1923) 118 S. E. 670.
Dewey v. Kimball, (Minn. 1903) 95 N. W. 317.
Baart v. Martin, (Minn. 1906) 108 N. W. 945.
Riley v. Pearson, (Minn. 1913) 139 N. W. 361.
Arnold v. Pearson, (Minn. 1913) 140 N. W. 748.
Henry v. White, (Minn. 1919) 143 N. W. 324.
Hawes v. Clark, (1913) 144 N. Y. S. 11.
Kirk v. Mullen, (Ore. 1921) 197 Pac. 300.

Case of fraud where A owns Blackacre and desires to register his title. B also has an interest in this property, but A persuades him not to appear, although he is served, and A promises to see to it that B's interest appears on the certificate of registration. A forgets about B, and the certificate is obtained naming him as the feeowner. This is obvious fraud and A cannot rely upon his certificate of title as indefeasible as against B.

Hamel v. Feigh, (Minn. 1919) 173 N. W. 570.
Henry v. White, (Minn. 1913) 143 N. W. 324.

On the other hand if there is jurisdiction of B, and B loses his rights in the land because of his own negligence, A's title is indefeasible.

Cooper v. Buxton, (Calif. 1921) 199 Pac. 6.
Mooney v. Valentynovicz, (Ill. 1912) 99 N. E. 344.
Rasch vs. Rasch, (Ill. 1917) 115 N. E. 871.
Studley v. Kip, (Mass. 1923) 139 N. E. 485.
Doyle vs. Wagner, (Minn. 1909) 122 N. W. 316.
State ex rel Colburn v. Ries, (Minn. 1913) 143 N. W. 981.

Notice of Contents of Instruments Not Shown on Certificate.

While, according to the scheme of the Torrens system, a bona fide purchaser for value is not charged with notice of the contents of instruments constituting the devolution of the title, he is charged with notice of the contents of all mortgages, leases, and other instruments which are noted on the certificate as burdens on the title. The memorials and notations of instruments on the face of the register, derogatory to the title, do not assume to set forth in detail the burdens to which the title is subject; they are mere notes of reference, and the purchaser at his peril must examine such instruments and ascertain the contents of them. He must take notice of the terms and conditions of a registered mortgage, lease, decree of court or other instrument noted on the certificate. He must take notice of every possible right which a tenant may have in the land under his lease, whether it be a right of renewal or an option to purchase the land. In case of a variance between the memorial and the original instrument, the latter prevails. Niblack, paragraph 86, page 143.

An unregistered restrictive covenant is of no effect against one without notice of it. Brown vs. Wellington & M. R. Co., 17 N. Z. 471.

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Effect of Decree as Regards Persons under Disability.

The statutes in the several States contemplate a decree that shall be binding upon all persons. Is it within the legislative power to include minors and others under disability so as to make the decree binding upon them as if the disability did not exist?

In the case of Vance vs. Vance, (1883) 108 U. S. 514, it is said:

> "It is urged that because the plaintiff in error was a minor when this law went into operation, it cannot affect her rights. But the constitution of the United States, to which appeal is made in this case, gives to minors no special rights beyond others, and it was within the legislative competency of the State of Louisiana to make exceptions in their favor or not. The exemptions from the operation of statutes of limitation, usually accorded to infants and married women, do not rest upon any general doctrine of the law that they cannot be subjected to their action, but in every instance upon express language in those statutes giving them time after majority, or after cessation of coverture to assert their rights."

In the light of this decision there appears no ground for reasonable doubt as to the validity of the proceeding for registration of title, and the conclusiveness of the decree upon "all persons," provided all persons entitled to actual notice have been served.

In the case of Drake vs. Fraser, (Neb. 1920) 179 N. W. 393, which case involved the rights of unborn remaindermen, the court held that the doctrine of virtual representation applied and that the unborn remaindermen were virtually represented in the proceedings by the remaindermen in existence, and hence were bound by the decree. The court in deciding that the decree in the registration proceeding rendered against remaindermen before they came into being was conclusive upon them, so as to bar them from at any time asserting their claims in future litigation, said:

> "The statute requires the issuance and service of summons upon all known defendants, residents of the states whose names and addresses can with care and diligence be ascertained, as is required in civil cases generally. It further provides for publication of

notice addressed to all known defendants by name, and "to all whom it may concern" thus providing so far as can be done with reasonable certainity, constructive notice to all persons in interest whose names or addresses cannot be ascertained, or who may be nonresidents. It is also further provided that a copy of this published notice shall be mailed to each defendant whose name and address is known and who is not served with process.

These provisions for notice are as full and broad as the legislature could reasonably be expected to devise as to all living persons, due process of law as that term is used both in the State and Federal Constitution.

The state has full control over the subject and manner of establishing title to real property within its boundaries, and the Torrens Law provides a special proceeding in that regard, based upon well recognized principles. The proceeding is substantially in rem to fix the status of land, to declare the nature of the titles therein, and to determine to what persons such titles and interests belong. The power of the state is not limited to the settlement of present controversies over title, but it may look to the future, and in a present proceeding determine anticipated controversies, and thus forestall and prevent future litigation and make titles marketable for present generations.

Proceedings involving this principle are not new; for decrees probating wills and quieting titles to real estate against unknown heirs have been repeatedly held to be conclusive for all time and against all persons. Statues involving the Torrens System of land title registration have been sustained where like objections were raised as to the sufficiency of the notice and conclusiveness of the decree, by courts in carefully considered opinions in Illinois, from which our statute was virtually taken, and in other states." See also—

People vs. Simon (Ill. 1898) 52 N. E. 910.

White vs. Ainsworth (Colo. 1917) 163 Pac. 959.

Robinson vs. Kerrigan (Calif. 1907) 90 Pac. 129.

Tyler v. Judges (Mass. 1900) 55 N. E. 812.

State vs. Westfall (Minn. 1902) 89 N. W. 175.

Though it is fundamental that the rights of a person may not be adjudicated in a proceeding to which he is not a party, nevertheless the Legislature may provide, in the interest of justice, that a person's rights in real estate may be determined in proceedings where he is represented, though he is not in person an actual party to the suit. If that could not be done, then property interests under a will in the nature of contingent remainders in favor of unborn persons, as in the case of Drake vs. Fraser, supra, could not be passed upon by the courts, nor the status of title determined until all such persons having future interests should come into being. This would tie up real estate indefinitely.

Gavin vs. Curtin (Ill. 1898) 49 N. E. 523.

Ridley vs. Halliday (Tenn. 1901) 61 S. W. 1025.

Mathews vs. Lightner (Minn. 1902) 88 N. W. 992.

Registry as Transfer.

The act of registration is the operative act to convey title. Tyler vs. Judges, (Mass. 1900) 55 N. E. 812.

After the title has been registered a deed or mortgage by the owner does not pass the title, which is only passed by the act of registration itself; consequently the giving of a deed or mortgage by the registered owner will be of no effect if subsequently he gives another mortgage to a third party, which is duly registered before the mortgage or deed first given. Brace vs. Superior Land Co. (Wn. 1911) 118 Pac. 910.

It has been held in the Philippines that an attachment duly entered upon the register against the grantor of a deed after the deed was given, but before it was registered was prior to the deed as it was the act of registration which passed the title. Buzon vs. Licanco, 13 Philippine 354, (1909).

Defects, Amendment and Correction.

A deed not showing when it was signed, and proved before the deputy clerk of court by affidavit of the vendee the same day a correction was made by the deputy clerk in another recorded deed, had no tendency to prove that the vendor was present when the correction was made.

A clerk of court or his deputy has no authority to correct a recorded deed in his custody. Evidence held insufficient to show that a correction in a recorded deed by a deputy clerk of the court as to the property conveyed was authorized by the vendors.

No presumption arose that a correction in a recorded deed by a deputy clerk of court was authorized from the fact that it was made by a public officer on a record in his custody, where it was made several years after the deed was recorded and was not authorized by law. See—Nelson, Curtis & Nelson vs. Bridgeman, (La. 1922) 92 So. 855. In this case the deputy amended the deed to include land not contained therein when executed and the court held the amendment of no value and void.

Opening Decree.

Any person having any right, title or interest in or lien upon the land upon when the summons has not been actually served, and who had no notice or knowledge of the filing of the application or of the pendency of such proceeding prior to the entry of the decree therein, may at any time within sixty days after the entry of such decree and not afterwards, file his duly verified petition for leave to answer. Court will proceed to hear the case de novo.

Doyle vs. Wagner, (Minn. 1909) 122 N. W. 316.

Brown vs. Hagadorn, (Minn. 1912) 138 N. W. 941.

Reed vs. Siddall, (Minn. 1903) 95 N. W. 303.

Appeal.

No appeal lies from order denying defendant's motion to dismiss the application. Peters vs. Duluth, (Minn. 1912) 137 N. W. 390.

No appeal from denial of application for jury trial. Brown v. Hagadorn, (Minn. 1912) 138 N. W. 941.

The acts provide for the taking of an appeal upon like notice and like conditions as are provided for the taking of appeals in other civil actions, tried in the same court; the time, however, within which an appeal may be taken is not in all acts made to conform to that applicable to other civil actions. Most statutes contain, in addition to the right of appeal, a provision similar to the Minnesota statute which is as follows: "No decree of registration hereafter entered, and no original certificate of title hereafter issued pursuant thereto, shall be adjudged invalid or set aside, unless the action in which the validity of such decree, or of the original certificate of title issued pursuant thereto, is called in question, be commenced, or the defense alleging the invalidity thereof be interposed, within six (6) months from the date of such decree."

The time specified in the foregoing provision varies in the several states from thirty days (Massachusetts) to two years (Illinois).

Adverse Possession.

Generally speaking it is not possible to acquire title to registered property by adverse possession. Most of the states have enacted statutes denying this right. The section of the Minnesota code having application to this question is as follows: ***No title to registered land in derogation of that of the registered owner shall be acquired by prescription or adverse possession. (Sec. 8248 G. S. Minn., 1923.)

The Nebraska act now expressly provides that ten years' adverse possession will deprive a registered owner of his title. Nebr. G. S. 1922 Sec. 5735.

Mechanics Liens.

It has been held that where a title had been registered in the applicant, the decree stating that the premises were in possession of another under contract of purchase, and lienors were allowed under the sixty day statute to come in and claim mechanics liens, that the person in possession could not appeal from an order of the court denying him leave to contest the liens. Reed v. Siddall (Minn. 1903) 95 N. W. 303.

Persons desiring to file a mechanics lien on property which is afterwards registered but who, by mistake, file on other property and who are not named in the registration proceedings, are bound by the decree of registration in favor of an applicant, who knew nothing of the alleged lien, and consequently they cannot take advantage of a statute excluding persons "bound by the decree." Doyle v. Wagner (Minn. 1909) 122 N. W. 316.

A purchaser during the time within which a lien may be filed would probably take subject to the lien. Hacken v. Isenberg (Ill. 1918) App. 120.

A subcontractor who has complied with the mechanics lien law, regarding

time in which notice of claim must be served on the owner, and the time for bringing suit thereon, and the Torrens Act requiring filing of Lis Pendens notice of such suit in the office of the Registrar of Titles, is entitled to a lien against a purchaser who acquired title to the real estate within the time within which a sub-contractor may file suit to foreclose the lien, and the lien attached as of the date of the sub-contract. Chicago & Riverdale Lumber Co. v. Gellenga (Ill.) 137 N. E. 212.

Court cannot foreclose mechanics liens in registration proceedings. The filing of an answer asking such foreclosure is not equivalent to commencing an action to foreclose. Reed v. Siddall (Minn. 1905) 102 N. W. 453; Sander v. Stenger (Minn. 1912) 136 N. W. 4.

Judgments State Courts.

It may be stated as a general proposition that a judgment secured in a State court is not a lien against registered property until filed with the Registrar of Titles.

Illinois has a law similar to the general law relating to judgments, which requires the filing of the judgment with the Registrar of Titles before becoming a valid lien against the torrens property. Held in the case of Evans v. The Chicago Title & Trust Co. (1925) 317 Ill. 11, that a judgment, execution and levy, did not affect the title to registered land or constitute any lien upon the premises unless the certificates and a certificate of the judgment are filed with the registrar, and memorials of the proceedings entered upon the register of the last certificate of title. Also held the provisions of the Torrens law as to when a judgment is a lien on registered land do not violate Sec. 29, Art. 6 of the Constitution requiring that all laws relating to courts shall be uniform.

Judgments, Federal Courts.

The Federal statute provides:

> "Judgments and decrees rendered in a Circuit or District Court of the United States, within any State, shall be liens on property through such State, in the same manner, and to the same extent, and under the same condition, only as if such judgments and decrees had been rendered by a court of general jurisdiction of such State."

The Minnesota statute, which is in terms similar to the laws in the several states with reference to the lien of judgments provides:

> "From the time of such docketing the judgment shall be a lien to the amount unpaid thereon upon all real property in the county then or thereafter owned by the judgment debtor."

The Torrens Act provides:

> "No judgment requiring the payment of money shall be a lien upon registered land except as herein provided. Any person claiming such lien shall file with the Registrar a certified copy of such judgment together with a written statement containing a description of each parcel of land upon which the lien is claimed, and a proper reference to the certificate or certificates of title to such land. Upon filing such copy and statement, the registrar shall enter a memorial of such judgment upon each certificate designated in such statement, and the judgment shall thereupon become a lien upon the land described in such certificate or certificates."

It would seem to follow that a judgment rendered in a Federal court would not be a lien upon registered land, except upon the same conditions under which the judgment of a State court would become a lien; that is, by filing a certified copy and statement with the Registrar.

Taxes and Assessments.

Unpaid taxes and assessments do not appear on the face of the certificate; they survive registration. The registrar cannot voluntarily enter memorials of taxes and assessments due on the certificate, and memorials so entered may be expurged. Curtis v. Haas (Ill. 1921) 131 N. E. 701.

The law of the State of Mississippi (Cha. 128, Laws 1917) is contrary to the general trend of opinion in regard to unpaid taxes against registered property. As above stated, the lien of any tax or special assessment for which the land has not been sold at the date of the certificate of title need not appear upon the certificate, and the purchaser takes title subject thereto. The Mississippi code states in substance that it shall be the duty of the Sheriff or tax collector of each county on the first Monday in April in each year to file an exact memorandum of the delinquency, if any, of any registered land for the non-payment of taxes thereon. If such officer fails to perform said duty and there shall be subsequent to such date a transfer of the property, the grantee shall acquire good title free from any lien for such taxes and such sheriff or other tax collector shall be liable for the payment of such taxes.

Cancellation or Surrender of Records.

Where an executory land sale contract is improperly recorded as a mortgage an action under Real Property Law, Paragraph 329, can be maintained to have it declared void and cancelled upon the record. Puglisi v. Belsky (N. Y. 1922) 193 N. Y. S. 357.

MARK R. CRAIG
Chairman Legislative Committee for the coming year
Pittsburgh, Pa.

Who May Enter Judgment.

Generally speaking, judgments in actions commenced for the purpose of registering the title to real property are entered by the court having jurisdiction of the premises. In some cases, however, judgment may be entered on the decision of a referee where issues have been referred to him "to hear and determine." Jamieson Bond Co. v. Reynolds (N. Y. 1915) 154 N. Y. S. 836, App. Div. 107.

Conclusion.

To sum up briefly, the Torrens system of registration does not violate any of the provisions of the State and Federal Constitutions in that provision is made thereby for:

1. Due process of law.
2. Sufficient service on all claimants, known and unknown.
3. Valid statutes of limitation.
4. Affirmative relief for defendants.
5. Does not devolve executive duties on the court.
6. Does not confer judicial duties on the registrar.
7. Does not create a new county office illegally.
8. Does not infringe upon the right of trial by jury.

The assurance fund provided for affords an opportunity for remuneration to those whose lands have been wrongfully wrested from them.

The owner of a fee simple estate in lands may apply for registration.

All persons known to have an interest in the property must be joined as parties defendant.

The decree of the court is conclusive, if the proceedings are regular, and binds all persons, known and unknown, and the certificate of title issued pursuant thereto conveys absolute title, free and clear of all encumbrances, except:

1. Those noted on the certificate itself.
2. General exceptions provided for by statute.
3. Rights of occupants.
4. Rights of persons unaffected because of fraud and lack of jurisdiction.

An innocent purchaser for value and without notice secures good title and will be protected where the fraud does not appear from the judgment or proceeding.

The decree is binding on all persons, including persons under disability, the same as if the disability did not exist (f properly served).

The registry of the instrument is the act which passes title, and not the execution and delivery of the deed itself.

By express statutory provision, in many states registered property may not be acquired by adverse possession.

Judgments are liens only from the time they are docketed with the registrar.

Taxes and assessments are liens which do not appear on the certificate

itself, with one exception being noted in the State of Mississippi, where it is incumbent upon the tax collector to list all delinquent taxes on the certificates.

In accepting a torrens certificate alone as evidence of title it is necessarry to assume that the proceedings for the registration thereof were complete and regular in every detail; that all persons known to have an interest in the premises were properly joined as parties defendant, and were duly served with process; that the rights of the occupants were inquired into, and the occupants joined as parties defendant; that jurisdiction was acquired over all defendants, and that fraud did not enter into the transaction.

The necessity for the assumption of the regularity of the proceedings has cast a burden upon the system which may account for the fact that only nineteen states in the Union have placed laws upon their statute books making provision for the registration of titles. Nevertheless, where the proceedings are in fact regular, a purchaser can secure title to the registered property by the mere execution of a deed of conveyance accompanied by the delivery of the owner's duplicate certificate of title, which upon presentment to the registrar is his authority for the issuance of a new certificate to such purchaser.

THE CHAIRMAN: Are there any questions on this subject?

MR. McNEIL (Michigan): I'd like to ask Mr. Burke if he has any note of the amount of guaranty fund held by the Torrens registrars in these various states,—the states that have the Torrens system.

MR. BURKE: I can give you this information on the question: In the southern part of our state there is a ninety dollar claim against the Torrens System, and the holder of the claim is anxiously waiting for the time to come when he can get his ninety dollars.

MR. WHITE (Cleveland): I had occasion to ask the Treasurer of the State of Ohio not long ago about this, and in the State of Ohio we are in pretty good shape, apparently, because they had around a hundred twenty thousand dollars in funds. Of course as to how much property that so-called fund is supposed to be guaranteeing, I don't know.

MR. JACOB SCHAETZEL (Denver): What I'd like to ask of Mr. Burke is, if in the registration of title through the Torrens Act the description is erroneously cited in writing the first registration, how is that corrected?

MR. BURKE: You mean in the initial registration the description in the application is incorrect and the certificate is issued pursuant to that?

MR. SCHAETZEL: Yes, sr.

MR. BURKE: I'd say that the only way to have that corrected would be to go into the court that issued the decree and have it corrected. That would seem to me to be the logical and only way in which it could be done,—go into court, and have the matter corrected and the certificate of form corrected to the proper description.

MR. SCHAETZEL: After the title has been registered, the owner now dies. There is a question of determination of heir-ship arises. How is that property now transferred or registered?

MR. BURKE: After the estate is probated, the heirs go into court, bring the registrar of titles in and the court issues the decree transferring the property to the heirs and orders the issuance of certificates.

MR. SCHAETZEL: In another suit?

MR. BURKE: In the nature of a suit. It isn't contested; it is merely for purposes of record that they go into the district court or the court having jurisdiction with the request that a certificate be issued pursuant to the decree in the county court or probate court.

MR. SCHAETZEL: If title is registered subject to a mortgage and the mortgage is foreclosed, how does that registrar or receiver of that deed know that the foreclosure is correct and the title is now determined by the purchaser of the title, as far as advertising in foreclosure proceedings?

MR. BURKE: He examines the original records.

MR. SCHAETZEL: Does that have to be determined by another court action?

MR. BURKE: You mean if there was an error, or if A buys from B and the chain of title there held a mortgage foreclosure and A got his certificate of title upon the foreclosure of the mortgage he held on the property? Is that your question?

MR. SCHAETZEL: Yes.

MR. BURKE: Then can B take his certificate and rely upon the fact that the foreclosure proceeding is valid? The only way he can absolutely assure himself that it is valid is by checking the original records.

THE CHAIRMAN: I might state, as a pseudo-attorney from Minnesota, that of course we have a number of these certificates, and in all those cases where a mortgage was foreclosed subsequent to the registration of the title, it is necessary for you to bring the matter up before the court in order to show cause and that puts you to more or less expense.

In other words, if you loan money on a Torrens title and it is necessary for you to foreclose the mortgage and the year for redemption goes by, by operation of law your certificate is the sheriff's deed in that state. Then it is necessary for you to bring the matter up on an order to show cause, directed against the registrar, which is served upon the mortgagor and the subsequent grantees and whatnot, if any, in another court proceeding before the registrar of deeds will issue a new certificate to you and cancel the old certificate. It is quite an expensive proposition.

The same is true in order to show cause where the registered owner dies and his estate is probated in the probate court and the decree is issued; then you must bring the decree into the district court. The court usually handles those matters in chambers unless there is an appearance, but nevertheless it is an expensive proposition, after the title is once registered, to get these new certificates where title passes by operation of law or death.

MR. GETMAN (Albany, N. Y.): I'd like to ask Mr. Burke this question: Referring to the unconstitutionality of the Torrens Act, were you referring to Federal or State constitution?

MR. BURKE: Both of them.

MR. GETMAN: Any Torrens Act which didn't make any provision for funds is unconstitutional, generally speaking, throughout the United States?

MR. BURKE: I don't think I heard the question. Will you please repeat it?

MR. GETMAN: With regard to any Torrens Act which didn't make adequate provisions for funds is unconstitutional, could that be stated as a general proposition?

MR. BURKE: I don't know that that question was ever presented before the state court or the United States Supreme Court but I do know that in nearly every instance the insurance fund has been provided in the nineteen states that have Torrens statutes.

MR. GETMAN: I know that in New York State the insurance fund is not adequate, not nearly adequate. I don't know whether that is true generally throughout the United States.

MR. BURKE: From the instance I quoted taken from Southern Minnesota, I would assume that the insurance fund was not adequate to cover that one claim.

MR. FURLONG (Milwaukee): I'd like to ask Mr. Burke whether in all the nineteen states which have adopted the Registration Act, the fees are about the same—one-tenth of one per cent. of the amount of value of the property registered.

MR. BURKE: Generally speaking the fees range around one-tenth of one per cent. of the then value of the property to be registered. That fee is charged at the time the application for registration is made, and it is that fee that goes to make up the insurance fund from which the parties who suffer loss may look for their claims to be paid.

MR. FURLONG: In Illinois, in Cook County a number of years ago, (the only county in the State where the Act has been passed) the fund amounted to about forty-nine thousand dollars. I don't know how many hundred

thousand dollars worth of property has been registered. That was a number of years ago. The Recorder advertise, of course, that the entire assets of Cook County were behind the Registration Act.

MR. BURKE: That is one thing to remember,—that the State does not guarantee the title.

MR. FURLONG: Or the county.

MR. BURKE: And the assurance fund, if not adequate, will have to be riased to such an extent that the party presenting the claim can receive the amount due.

MR. WHITE (Cleveland): I just want to call attention to the fact that the Ohio law (I don't know whether it's the same in other states or not) states that the insurance fund is not available for anybody that is deprived of the title by initial registration. They seem to have assumed that the initial registration proceedings, being in a great many states chancery proceedings and all the parties in, is going to be valid. I don't know whether that is true generally or not, but the insurance fund in Ohio is only available to people who suffer after the initial registration.

THE CHAIRMAN: That is very interesting. I might state that we have one case in our office where A and B, as tenants in common, were the record owners of the property back in 1893. They both died, husband and wife, leaving eight or nine heirs. Both estates were probated in the probate court but when the title came up to the examiner for registration, the examiner of title who reports to the clerk of the district court as to who should be made parties defendant, he overlooked the fact that A and B were the record owners of the land and that these probate proceedings were of course in the probate court and did not appear in the office of the Registrar of Deeds. Therefore, neither A nor B were made parties defendant.

Our Supreme Court has held that in order to bind all persons known and unknown claiming an interest under a certain individual, that all parties must be named as parties defendant to the suit, and to bring them in by publication, and consider that the proper process.

Nevertheless, when we came to pass this Torrens title on the loan and inspected the registration proceedings,—and we cannot assume that even initial proceedings are correct because we find that human beings err as much in initial proceedings as in subsequent ones,—it was necessary to turn down the Torrens title.

The suggestion we made was that a suit should be brought to quiet the Torrens title. There is nothing in our statute to govern such a case, so the title was refused.

MR. ELWOOD SMITH: I'd like to ask Mr. Burke this question: What about the question raised by survey? As for illustration: A Torrens certificate of identification is issued on two adjoining pieces of property. It is afterwards found by survey that one overlaps the other.

MR. BURKE: I'd say if a sufficient length of time had elapsed after the issuance of the Torrens certificate and title had been acquired by adverse possession, the party occupying that portion of the overlapping piece would have title to it.

MR. WHITE: Mr. Burke, it is generally true of all Torrens laws that I know about that adverse possession absolutely doesn't operate,—that the registered title is it and that you are supposed to have done away absolutely with the idea of adverse possession. That specific provision is in the Ohio law.

THE CHAIRMAN: That is to say the adverse possession of individuals claiming against registered owners. What these gentlemen have been discussing is a question of boundary lines disclosed by subsequent survey, and I think when you use the term "adverse possession' you meant the statute of limitations.

MR. GENTRY (Denver): It has been our understanding for a long time that once a Torrens title, always a Torrens title. If that is not true, how may a Torrens title be taken out of that system and put over into the other one?

MR. BURKE: In some states by statutory provision you can have your Torrens title taken out of the registered position and placed back in initial or original position. In the State of Oregon, for the sum of two dollars you can apply to the court and have your property taken out of the registered condition and put back in its original position.

A few months ago I received a letter from Mr. Daly of Portland, Oregon, telling me that in his particular county nearly every title that had been registered had been taken out and replaced or set back in its original position.

THE CHAIRMAN: Did he give you the number of titles that had been registered?

MR. GENTRY: He didn't mention the number of titles that had been registered in the State but in his particular county only about twenty had been registered and he said that practically all of them had applied to have the registration changed.

MR. WHITE: In Ohio they have had two which had been registered, and upon the payment of two dollars, I believe they were withdrawn.

MR. BURKE: If, after this paper is sent to your office and you find it on your desk, you will take time to read that portion of it relative to the Federal judgments, you will note therein a decision and statutory matter which seems to be of the opinion that a Federal judgment is in the same position as a state court judgment and that Federal judgments in those states where the judgments must be filed with the registrar of titles come under the same provision as the state laws and must be docketed with the Registrar in order to be liens upon the registered property.

MR. PASCHAL (Atlanta, Ga.): In our State we have a provision for freeing titles from further registration. That recital must be made before registration under the Torrens Act and if you intend to continue by Torrens certificate you so recite in your application, but if you want it free from further registration so that the title would merely be perfected up to that date and continued by deed from that time on, you must also state that in the application.

We have had very few titles registered under our law, however. They seem to take the view that it is just a good and cheap way of perfecting a bad title. Unfortunately it is used almost exclusively for that purpose in our State.

THE CHAIRMAN: Why should it be any cheaper than the cost of bringing an ordinary action to quiet title?

MR. PASCHAL: Because in our state our provisions until quite recently have been so bad about serving unborn remainders, contingent remainders, non-residents, etc. Under a decision of our Supreme Court about two years ago they remedied that.

MR. SCHAETZEL (Denver): Just one other question on which someone may be able to help us out. It concerns a title that was registered under the Torrens Act. Subsequently several entries appear and are not registered under the Torrens Act but under the registration laws of Colorado. That title came up to us for guaranteeing, and of course we turned it down because under our law, as Mr. Gentry says, once a Torrens title always a Torrens title. The title should have been recorded and registered under the Torrens Act continuously, but a break has now occurred in the title. One of the original parties had deceased and the title must be fixed up. What is the answer?

THE CHAIRMAN: Is it possible in you State for the Registrar of Deeds to accept a deed for record which covers registered property?

MR. SCHAETZEL: I don't know, but he took it, anyway, and there you are.

THE CHAIRMAN: I haven't memorized the Colorado Act but it seems to be under the spirit of these Torrens laws, a deed presented to a Registrar of Deeds cannot be recorded if it covers registered deeds.

MR. SCHAETZEL: It was presented to the recorder.

THE CHAIRMAN: Then the Recorder of Deeds, or the Registrar of Deeds, your County Recorder or whatever you call him, had no right to record that deed and his act in so doing would be an absolute nullity. It wasn't a recordable instrument.

MR. SCHAETZEL: I presume the thing to do, if it were possible, would be to go back and make out new deeds, but one of the parties is dead.

THE CHAIRMAN: In other words, the Recorder of Deeds in your State is not the same person as the Registrar of Titles.

MR. SCHAETZEL: Not necessarily.

MR. WHITE: I want to bring one question to the legal sharks, including McCune Gill. They don't have to answer it right now.

In Ohio you may withdraw from registration. Our statute says that upon making an application you may withdraw from registration and the title shall then be as if it never had been registered. All right. Now you start registration by what is practically a very complete quiet title and dry cleaning process. You withdraw from registration. Are your proceedings good insofar as they were a quiet title and dry cleaning process?

THE CHAIRMAN: Do you care to answer that off-hand, Mr. Gill?

MR. GILL: Thank Heaven, so far we have been able to lobby the Torrens Bill into the river in our State, so I can't qualify in that regard. I thould think, though, that if you would get out of a proceeding you certainly ought to nullify the whole thing. My guess would be that your suit to quiet title in the guise of a registration would surely be void after you had gotten out of the registration. That may not be the fact.

MR. TAYLOR (Miami, Okla.): I'd like to inquire whether it is customary in making a transfer under the Torrens law, to use a deed, to make out a deed.

THE CHAIRMAN: The instrument has to be sufficient under your state statutes of fraud.

MR. TAYLOR: Do they make out a deed the same as we do in states where we haven't the Torrens Act? It says, Deed recorded.

THE CHAIRMAN: That deed is presented to the Torrens Title Registrar with the owner's duplicate certificate and a new certificate is issued to the grantee.

MR. TAYLOR: The point I want to get at is whether that deed is spread of record.

THE CHAIRMAN: It is usually kept on file.

MR. TAYLOR: Mortgages the same way?

THE CHAIRMAN: The same way.

MR. TAYLOR: It isn't recorded, then, the same as deeds in those states where they have no Torrens law?

THE CHAIRMAN: It is not spread on the records. The original instrument itself is filed and kept right there.

THE CHAIRMAN: Is the nominating committee ready with its report?

MR. STEPHENS: Your committee was confronted with the question as to how long the Chairman of the Section should serve, and it was the unanimous opinion that the Chairman of the Section should serve until he had time to prepare and deliver an annual address. In view of the fact that the Chairman this year said he had not had that time, your Committee unanimously recommend that he serve for another year or until he prepares an annual address.

We recommend for Vice-Chairman O. D. Roats of the Federal Land Bank of Springfield, Mass.

For Secretary, Guy P. Long, title officer of the Union Planters Bank & Trust Company of Memphis, Tenn.

For members of the Executive Committee, Frank P. Doherty of Los Angeles, James E. Rhodes, Hartford, Conn., V. E. Phillips, Kansas City, Mo., Geo. E. Bremner, Cleveland, Ohio, and Frank Ewing, New York, City.

Presuming that there is the customary modesty in the system of our Chairman, I will call for further nominations from the floor.

. . . Motion to unanimously elect officers named above made, seconded and carried . . .

Perpetuities

By McCune Gill, St. Louis, Mo.

THE CHAIRMAN: Next we have a paper on the subject of "Perpetuities" by one who needs no introduction to those who read the monthly issues of TITLE NEWS. We all find, I am sure, that Mr. Gill's contributions to the TITLE NEWS are very valuable indeed. Naturally his digests of recent court decisions must be very brief on account of lack of space in the publication, but it does furnish a good yardstick to the title examiner to keep abreast of the times and the various Supreme Court guesses on the subject of real property law.

It is my pleasure to introduce Mr. McCune Gill of St. Louis, Mo.

MR. GILL:

Mr. Chairman, Ladies and Gentlemen:

"Perpetuitatibus lex obsissit." So runs the old maxim—the law opposes perpetuities.

Of all the perils of navigation that beset the course of the title examiner, some are more frequent, but none is more treacherous nor deadly, that is remoteness. There seems to be an ever increasing desire amongst property owners, to keep family and fortune together by taking land out of commerce, "extra commercium," which adds not a little to the hazards of examining and insuring titles.

It will not be necessary, I am sure, to trace for this learned audience, the history of the development of the various rules against the perpetual, remote, or posthumous control of property. Nor will it be necessary to recount the tribulations of the Duke of Norfolk, or old man Thellusson, nor to set forth the various decisions of the English courts that preceded the pronouncement by the Law Lords, in Cadell v. Palmer, of this judgemade law, invalidating estates, trusts, and powers, that extend, or might extend, beyond "lives and twenty-one years."

Nor will it be necessary to enter into a discussion of the philosophical or economic reasons for such rules, nor to consider what Gray has to say about Reeves or what Reeves has to say about Gray. We, as practical men, who must detect perpetuities in the most out of the way places, are more interested in what the courts have held, and will hold, void, than we are in whether those holdings are, or will be, based upon double possibilities or unbarrable entails, or whether the true best test be remoteness of vesting or suspension of the power of alienation.

So let us devote a short time to the consideration of the practical dangers arising from this confused subject. For it is not only embarrassing, but downright expensive, to pass title through a devise, or trust, or deed, that is shortly decreed to be void as a perpetuity, and equally distressing to disregard as too remote, some condition that is afterward held valid.

It seems to be the privilege of those writing or speaking on this subject to scorn all previous statements of The Rule, and to attempt to formulate one to their own satisfaction. Let us therefore rush in where angels fear to tread and makeup a rule. E. and O. E., as the stock brokers say—errors and omissions excepted. Here it is,

"Any estate,
in real or personal property,
whether legal or equitable,
or created under a power,
That might not,
although it does actually, (including the possible indefinite failure of issue)
Vest in interest
but not necessarily in possession,
or a condition precedent as to which might not be fulfilled,
or the power of alienation of which might be suspended,
(charities, leases, easements and reversions being usually considered as vested and alienable),
Or any accumulation of profits,
or restraint on alienation, that might continue,
Until a time more remote, than
a life or lives,
or in some States two or three lives,
such lives being definitely ascertainable and in being, including persons conceived but not born,
at the effective date of the original instrument,

and/or a gross period
of twenty-one years from the effective date of the original instrument,
or in a few States 10 or 25 years,
or in some States without any gross period except to permit a shift upon death during minority,
or a remainder to immediate issue
(an indefinite time being sometimes construed to be shorter than these periods).
And any other interest inseparably connected therewith,
including a particular estate,
or a class interest,
is void in the original State,
or by estoppel, and as to chattel interests,
in any State."

It will be noted that this synthetic restatement of the Rule is not to be commended for brevity and it is rather hard to "parse." When we consider, however, that we are trying to concentrate some twenty statutes and a thousand or more decisions into one sentence, or prolixity may be excused. Let us study, in order, the elements of our rule, as fixed by the most recent cases; (then read this over again some night next winter when the radio isn't working very well).

(1) *"Any estate in real or personal property whether legal or equitable."*

The rule has been held to apply to future limitations of leaseholds so long that this part of the rule "has grown reverend with age." It also applies to rents under leases. Landers v. Brown, 300 Mo. 348 (1923). It likewise applies to personal property, in most states, with some minor modifications. (Michigan v. Baker, 196 N. W. 976, Mich. 1924). The rule applies to trusts and beneficial equitable interests as well as to legal interests. In fact, with the growing business of trust companies and the multiplication of trust estates among the living and the dead, most of the void perpetuities encountered by "us moderns" are those arising under that "corollary" to the rule against remoteness which concerns trusts. (Hart v. Seymour, 147 Ill. 598). These are sometimes called "transgressive trusts,"—the way of the transgressor being characteristically hard.

(2) *"Or created under a power."*

Powers and the interests created by means of them are particularly susceptible to the dread malady we are studying. And as we must pass, (or not pass,) titles, through deeds by the donees of these powers, we must keep in mind that a remote interest created under a power is as void as though created by the testator himself, (In re Scott's Will, 204 N. Y. S. 478, 1924). Likewise under the English case of In re Hargreaves the person exercising the power must have been in being at the testator's death. Incidentally, the exercise of a power of sale under a mortgage having bonds running more than twenty-one years presents an interesting question; it seems as though it should be void, although there is very little authority on the subject. In California, where there is or was until recently, no allowance of any gross period, mortgage powers of sale have been held valid. (Staacke v. Bell, 125 Cal. 309).

(3) *"That might not although it does actually."*

It is familiar law that it is not what happens, but what might possibly have happened, viewing the situation from the date of the deed, or from the decease of the testator, that determines the validity of the restraint. (Shepperd v. Fisher, 206 Mo. 208). If any violation could possibly happen the devise or deed is void under the common law. Aldendifer v. Wylie 138 N. E. 143, Illinois 1923, and this is true also under statutes (Re Wilcox 194 N. Y. 288). A power is also void if it could be exercised at a period too remote; but if it must be exercised in time, a valid appointment will not be affected by the fact that remote interests might have been created if they are not so created in fact. (Appeal of Appleton, 136 Pa. 354).

(4) *"Including the possible indefinite failure of issue."*

The English rule in Forth v. Chapman and other cases, made almost any remainder or shift after failure of issue void because it was held to mean a failure at any future time. About half of our states have statutes and a few others have decisions to the effect that such a clause takes effect only upon failure at the end of the first life, and hence does not violate the rule against remoteness. (Tiedeman Real Prop. 40). But even in these states a provision that plainly provides failure is still void; as where a shift is to take place upon death of "children or their descendants" without issue. (Riley v. Jaeger, 189 S. W. 1168, Mo. 1916); or upon the failure of issue of grand children, (Nevitt v. Woodburn, 190 Ill. 283, 1901). And in the states without such legislation the danger is, of course, even more acute; (Quillian v. Trust Co., 142 N. E. 214, Indiana 1923), and to be escaped only where there is barrable estate tail, either actual or implied, preceding the remainder. 2 Washburn 690 (6th edition).

(5) *"Vest in interest but not necessarily in possession, or a condition precedent as to which might not be fulfilled, or the power of alienation of which might be suspended."*

We hope that this clause suits both our Massachusetts and our New York friends, in their contentions about vesting and suspension. In one sense any fee simple is a perpetual interest; so is a long term leasehold or an easement. But our rule has no quarrel with them, because all parts or divisions of the ownership are vested in interest,—"jus proprietatis"—although the right of possession, "jus possessiones"—may be long deferred. It is the beginning, not the ending, of the interest, that must not be unduly postponed. If you ask me when a future interest is "vested," I shall frivolously reply, when there is somebody wearing the "vest"; that is when neither the person nor the event are "dubious," so that, viewed from the standpoint of suspension of the power of alienation, it is possible at any time to obtain an indefeasible title if the consent of enough persons or "vest wearers" be obtained. Or as Gray puts it, when there is no condition precedent (to vesting in interest) to be fulfilled. A good example of the distinction between "the good and the bad" is to be found among the ordinary business or common law trusts. Frequently we find careless attorneys following the analogy of a corporation and making the trust to last for 25 or 50 years. This may be either good or bad. If all the beneficial interests of shareholders are vested in the beginning in named persons, they have the power to terminate the trust at any time, and the trust is good. (Howe v. Morse, 174 Mass. 491, Pulitzer v. Livingston, 89 Maine 359.) But if the trustees, at the termination of the trust, are to distribute to the shareholders "or their heirs," or their "descendants," the interests are contingent and the whole trust is void. (Wrightington on Business Trusts, section 19). The same principles is likewise applicable to testamentary trusts. Thus a trust for 30 years from the testator's death will be valid if the beneficial interests are in the children for life with vested remainders to their immediate children. (Deacon v. Trust Co., 271 Mo. 669, 1917). And a similar trust for 75 years is good. (In re Johnston, 185 Pa. 179, 1898). A contingency of person or of event, however, that extends beyond the period of perpetuities renders the devise void, because the title could not be made indefeasible "though all mankind joined in the conveyance." But the remote continuance of a vested interest never offends the rule. You will find statements to the effect that remote common law contingent remainders are not defeated by the rule, but this was true only because such remainders were barrable by the life tenant; now that they are unbarrable, they are just as sensitive to The Rule as are executary devises.

(6) *"Charities, leases, easements and reversions usually being considered as vested and alienable."*

Trusts for "pia causa," or charitable devises, are in most jurisdictions held valid even though created to last to a period to remote. (Bank v. Robinson, 96 Mo. App. 385). Thus a devise in perpetuity to the vestryman of a church is good. (Biscoe v. Theveatt, 74 Ark. 545, 1905). This is sometimes stated to be an exception to the Rule but should logically be based upon the theory that the charity, or the public, as a quasi corporate entity, has a vested interest. (Harger v. Zander, 145 N. E. 363, Illinois 1924). In some states, however, charitable perpetuities are not, or formerly, were not, permitted. (Hopkins v. Crossley, 132 Mich. 612, Allen v. Stevens, 161 N. Y. 122). And it must be noted that while charities can endure to a remote time they cannot commence at such

a time. (Easton Hall, 154 N. E. 216, Illinois, 1926). Thus a shift to a charity upon remote failure of issue is void (Ledwith v. Hurst, 130 Atl. 315 Penn., 1925), and a devise to the trustees of a hospital to be organized is void, Malmquist Detar, 255 Pac 42 (Kansas 1927), A shift after another charity is sometimes held valid, following the English case of Christ's Hospital v. Granger. (Herron v. Stanton, 147 N. E. 305, Indiana).

Leases are, of course, vested interests and valid for any term of years, even ten thousand, or even though perpetually renewable, in the absence of statutes. (Blackmore v. Boardman, 28 Mo. 420.) Thus a 999 year lease was upheld in Illinois, (Henderson v. Virden, 78 Ill. App. 437). And an assignment of royalties from any future lease was upheld in Kansas. Miller v. Sooy, 242 Pac. 140. But an option to purchase after 21 years is no doubt void. (Gray 205). And we find in some states laws seeking to unfetter lease-tied property and limiting the possible term of farm leases to periods varying from ten to twenty-one years.

Building restrictions, or covenants, and private place trusts, as they create cross easements under Tulk v. Moxhay, can be made to last indefinitely, because vested and alienable—however impracticable it may be to obtain a release from all the owners and mortgagees in a subdivision. (Stevens v. Annex, 173 Mo. 511, 1903). Even a provision allowing modification or repeal by a majority of the owners at a time that might possibly be too remote has been held good, but probably erroneously so held, (Noel v. Hill, 158 Mo. App. 426, 1911).

A reversionary right in the grantor or testator and his heirs, is usually held to be vested, descendible, and valid so far as remoteness is concerned. (Kasey v. Trust Co., 131 Ky. 609, 1909). But some Future Interest of the pundits seem to disagree with this. (Kales 662), and a slight change in the provisions of the deed or will, creating a shift, will make a reversion void. Thus if it be to the future owner of the adjoining ground it is bad. (Duncan v. Webster, 265 S. W. 489, Ky. 1924). And of course a reverter to the heirs of some relative of the grantor, as in the famous Brattle Squira Church case (3 Gray Mass. 142) is likewise void; as is also a reversion to named persons other than the grantor. (First Church v. Boland, 155 Mass. 171, 1892).

(7) *"Or any accumulation of profits."*

Provisions for accumulation of profits form a treacherous feature of perpetuities. Any such provision beyond lives and twenty-one years is naturally void in all States. But in those states some fourteen in number, that have passed Thellusson Acts forbidding accumulation (beyond the death of the settlor) except during the minority of beneficiaries, we are allowed a much narrower margin. The English Act provides for a minority and a gross period of 21 years. This is much less dangerous than ours. It is true that provision for accumulating the entire income are seldom met with in wills, but directions to pay a certain sum at intervals and accumulate the balance are of frequent occurence. And if such a provision be so remote as to be void it might easily render invalid the trust and the trustee's deeds. Thus a provision to pay an adult son a certain amount each year for ten years is void, in a Thellusson State; (In re Hazeltine, 196 N. Y. S. 333, 1923.) As is also a provision to accumulate all the income until the youngest child reaches majority) (in re Haines, 150 Cal. 640). And even in a common law state a direction to pay part of the income to the children and then to the grandchildren until they are 21 was held to "offend" the rule, although it would seem to be good. (Bradford v. Blossom, 207 Mo. 177, 1907). Our rule, by the way, has very tender feelings and gets offended on the slightest provocation.

(8) *"Or restraint on alienation."*

There is, of course, a wide difference between a suspension of the power of alienation, and a straight restraint or express denial of the right to alienate. The former creates a limited present interest and a remote future interest which together produce inalienability. The latter attempts to create a complete present interest and then, frankly and bluntly, to declare it inalienable. (Millard v. Beaumont, 194 Mo. App. 69, 1916). A distinction is also made between trusts with a restraint, or spendthrift trusts, which are usually held valid, and legal interests that are restrained, which are usually held void. (Partridge v. Cavender 96 Mo. 452, C 1888), Lane V. Garrison, 293 Mo. 530, 1922). As the views of the courts of the various states, and even of the courts within one state, seem to be hopelessly divergent as to what is a reasonable restraint, it follows that extreme caution should be exercised by those who would pass titles during the period of restraint, keeping in mind that the rule against repugnancy or unreasonableness is much more severe than the rule against remoteness, to which it is said to be "corollary." A restraint is naturally void if for a period greater than the period of perpetuity or remoteness as where alienation is forbidden from 1896 to 1950, (Saulsberry v. Saulsberry, 140 Ky. 608); but it may also be void even though for less than the period of remoteness because held to be repugnant to the grant. Some states go to great lengths and hold almost all restraints void; thus a restraint of ten years was held void in Arkansas, where there is no statute shortening the periods of perpetuities. (Letzkus v. Nothwang, 279 S. W. 1006, 1926). But a perpetual restraint against sale to any but a co-tenant was upheld in Kentucky—just across the river. (Cooper v. Knuckles, 279 S. W. 1085). Still other states forbid only those restraints beyond the period of the Rule; thus a restraint for 21 years is good in Wisconsin, (in re Kopmeier, 113 Wis. 233). This phase of the subject is in a very undesirable state of doubt. To which one might add, "yea, verily." It may be remarked in passing that a charitable devise "never to be alienated or mortgaged" has been held good. (Dickenson v. City, 141 N. E. 754, Illinois 1923); this being generally the rule as to charities in the common law states. (Rolfe & Rumford, Lefebre 69 N. H. 238, 1898); ever since the famous Girard will case in Philadelphia (45 Pa. 1).

(9) *"Until a time more remote than a life or lives."*

Any number of lives may be used in the common law states provided "all the candles are burning at once." The one that burns the longest is, after all, only one candle. Thus a deed to a person for life, remainder to another for life, remainder to three others during their joint lives, remainder to their children or descendants of deceased children, does not offend the Rule. (Hudspeth v. Grumke, 214 S. W. 865, 1919, Missouri). And a trust during 17 lives, with 6 remainders over, is good. (Madison v. Larmon, 170 Ill. 65, 1897). Also a trust during the continuance of 40 lives, (Fitchie v. Brown, 211 U. S. 321). This last case, by the way, arose in Hawaii; it seems that perpetuities follow the flag. Similarly a postponement to the death of the survivor of several persons is good. (Butler v. Miller, 225 Pac. 895, Kansas). In accumulations the only life permitted in Thellusson states is the life of the settlor.

(10) *"Or in some states, two lives or three lives."*

This refers, of course, to the two life clause invented by Dueri, Butler, and Spencer, revising commissioners of the New York statutes in 1828. This clause has since been copied into the laws of Arizona, Michigan, Minnesota, Mississippi and Wisconsin. It was also, no doubt, the inspiration for the three life provision, (except to wife and children) in Alabama. It would seem that the guardian angel that watches over title men and abstracts must have a special deputy located in these states. For a provision more dangerous to those who earn their living by construing wills and deeds, can hardly be imagined. Suffice it to say that literally hundreds of hair splitting decisions have been rendered by superior courts in these states in what seems to be a vain and endless attempt to find out what "two lives" means. From these experiences legislators and proponents of legislation everywhere should learn that tampering with the Rule against Perpetuities, as worked out by the courts, is a serious matter indeed. May we illustrate with a few actual examples. A devise to three children with remainder to the survivors is void in a two life state.

(Scott v. Turner, 102 Southern 467, Miss. 1925). A provision for payment of income to two beneficiaries is bad if the share of the one dying first is to be paid to the survivor. (Trust Co. v. Herbst, 190 N. W. 250, Mich. 1923). A trust during the life of the widow and the survivor of two daughters is three lives and hence void. (Hooker v. Hooker, 166 N. Y. 156, 1901. A codicil mentioning a third life avoids a will provision during two lives. (Herzog v. Trust Co., 177 N. Y. 86, 1903), and even a letter written to an absolute devisee will be considered as avoiding his devise, if it shows an intention to exceed the two life limit. (O'Hara v. Dudley, 14 Abbott 71, New York). Strange to say, a minority is also treated as a life, and if two minorities are introduced, no lives at all can be used. (Chaplin on Suspension of Alienation Sec. 95).

(11) *"Such lives being definitely ascertainable, and in being, including persons conceived, but not born."*

While the person whose life is the measuring stick, need not have any interest in the property, still any vagueness about this "criterion" life is fatal. This situation, however, rarely occurs in this country as our testators have not as yet sought to extend their control to the date of the death of the "last survivor of all the children" in a certain orphan asylum, or to the death of "all the now living descendants of Queen Victoria," as do some of our English cousins. The phrase "in being," however is continually applied. The candles, during the burning of which vesting may be postponed must have been lighted during the lifetime of the testators. But candles not determining the vesting may be lighted afterwards. All of which brings us to the ancient shibboleth, "unborn children of unborn children." We find courts still deciding cases, rightly and wrongly, by using this phrase without at all realizing what it means; another hazard for the title man. The idea that all limitations to unborn children of unborn children are void, is of course, erroneous. Otherwise, remainders to "heirs" would be impossible, Shelley or no Shelley. (Klingman v. Gilbert 90 Kan. 545). But we find the idea reviewed in Whitby v. Mitchell in England and persisting until finally put down there by the Law of Property Act. It seems impossible for courts to forget this appealing but misleading phrase, and one finds many American cases following its ideas. As to "life estates" to unborn persons, the rule seems to be that they are valid if they commence within a life in being; then if the final remainder vests in time, it will be good also; but if it is contingent to the end of the unborn's life estate it will, of course, be void, and being void, may carry the otherwise good life estate down with it. Practically, a title company or examining attorney should demand a court construction of all devises as dangerous as these, if such an action is possible in the state. Let us consider some of the results of a few actual suits. A devise to unborn grandchildren for life was held good where the final devise was to a corporation. (Seaver v. Fitzgerald, 141 Mass. 401). A life estate to the "widow" of an unmarried son is good if the remainder is to "his" children. (Gates v. Seibert, 157 Mo. 254). But a devise to all grandchildren born within ten years after testator's death to be turned over to them at their majority is void, (Fidelity v. Tiffany, 260 S. W. 357, Ky.), as is also a deed with remainder to all the grantor's (present and future) grandchildren (Laughlin v. Elliott, 259 S. W. 1031, Ky.) The period of gestation referred to in the Rule is sometimes erroneously believed to be an extension of the gross period allowed. Thus in Kentucky and Iowa we see statutes that have fallen into this error. But in the other states the Rule allows such a period only when the condition, or several such conditions, actually exist; and when not existing, a postponement for even a day over 21 years is fatal. (Jarman on Wills, 254).

(12) *"At the effective date of the original instrument."*

This phrase in our rule has to do with the execution of powers; because powers can only be used to create estates valid as of the effective date of the primary will or deed creating the power; that is, the period of allowable postponement must be measured from the death of the testator or the delivery of the deed from the donor, and not from the date of the exercise of the power. Hence an appointment by a life tenant, appointing another life estate to children of hers that were born after the death of the original testator, is void, (Bundy v. Trust Co., 153 N. E. 337, Mass. 1926.) And an appointment by a life tenant to a date when his grandchildren should become 21 is void. (Crolius v. Kramer, 123 Atl. 808, Penn. 1924). Furthermore, these principles apply with equal force to both statutory and common law states (In re Trowbridge, 208 N. Y. S. 662; Graham v. Whitridge, 99 Md. 248). Thus a tenant for life can only appoint for one more life in a two-life state (In re Dodge, 222 N. Y. S. 247, 1927). A power, however, can be so "general" or broad that the courts (in some few states) will occasionally hold that a fee is created in the donee, in which case of course the period of remoteness is measured from the exercise and not from the creation of the power. (Miller & Douglass, 213 N. W. 320, Wisconsin 1927, Mifflin's Appeal, 121 Penn. 205). Let us wander farther into the forest.

(13) *"And / or a gross period."*

That is, the allowable common law period may be lives only, or a gross period only, or both. If no life as a measurement, then only 21 years is allowable. (In re Helme, 123, Atl. 43, N. J. 1923); hence a devise to children, not to be sold for 35 years, then to their issue, is void. (Linck v. Plankenhorn, 133 Atl. 510, Penn. 1926). In the ten and twenty-five year states our rules must say "or" only, because the period must be measured from the testator's death and not from the end of a life estate (although in Louisiana it can run from a minority). And as to restraints, some states allow only a very short "reasonable" gross period.

(14) *"Of twenty-one years from the effective date of the instrument."*

Hence a trust to endure until grandchildren become 30 years of age, (one being only seven at the testator's death), and then to such grandchildren or their descendants, is void. (Hooper v. Wood, 125 S. E., 350 W. Va., 1924). As is also a provision for accumulation until the youngest grandchild reaches twenty-five. (Mockbee v. Grooms, 300 Mo. 446). But following the English case of Southern v. Wollaston, a trust to pay over to children as they arrive at age 25 is good if all the children are over 4 at the testator's death. The period is measured from the date of testator's death and not from the date of the execution of the will (Tiffany Real Propr. 601). If created by deed the date of delivery, of course, governs.

(15) "Or in some States ten years or twenty-five years."

This refers to the Alabama period of ten years, and the recent ten year trusts allowable after death or majority in Louisiana, and the twenty-five year period in California. In Louisiana, however, this does not permit a contingent remainder, which, you know, is one of their pet aversions; they shudder to think of anything in the clouds—"in nubibus," (Succession of Herber, 128 La. 111, 1911).

(16) "Or in some States without any gross period except to permit a shift upon death during minority."

These words apply to those states that have abolished the gross period of years and allow only what must be a very rarely occurring provision,—a shift during minority, that is a remainder over if the first taker dies before he is twenty-one. In these states limitations and trusts must be measured "by lives and not by years." A trust for a sixty year life is good, but for a gross period of nine years is void. (In re Kuhrasch, 207 N. Y. S. 75, 1925). As is also a trust for even three years. (McGuire v. McGuire 80 N. Y. S. 497, 1903). Or, I suppose, for three minutes. But by a refinement of reasoning, the logic of which is not very apparent, an interest measured by years but ending with a life, is valid in New York, (Anthony v. Van Valkenburgh, 139 N. Y. S. 599). But such a limitation is void in Michigan, (Casgrain v. Hammond, 134 Mich. 419). This abolition of all gross periods originated with the 1828 New York code revisers, was copied into the Field Codes of 1848, and thus found its way into the statutes of California, Idaho, Indiana, Michigan, Minnesota, Mississippi, Montana, North Dakota,

Oklahoma, South Dakota and Wisconsin. Notwithstanding this imposing array of states, it is submitted that the prohibition of a reasonable gross period of, say, twenty-one years, is unnecessary, unjust, and unnatural, and productive of much needless confusion, not to mention the danger to title examiners. Indeed, one wonders how the legislatures of the newer states, that have copied this provision, forbidding contingencies measured by years, can allow such a mass of dynamite to lie beneath the titles of their states. Wisconsin, you know, afterwards added the 21 year period, which was also wisely adopted by the new code of Arizona. And California has, within the last few years, changed its Field Code to allow 25 years from the testator's death.

(17) "Or a remainder to immediate issue."

This clause refers to the Acts passed in Connecticut and Ohio, which are probably our finest examples of what a future estate statute should not be. They declare void any remainder other than one to "immediate issue." The Ohio courts generously construe this phrase to include issue of any degree—probably because followed by the words "or descendants," (Turley v. Turley, 11 Ohio State 173). Connecticut, however, construed it literally and held void a remainder to "children and descendants of deceased children," (Leake v. Watson, 60 Conn. 498), as well as one to "heirs, even though the Rule in Shelley's Case had been abolished. Security v. Snow, 70 Conn. 288). After these decisions the Connecticut legislature wisely repealed the statute and restored the common law rule, (although this did not act retroactively to validate previous wills, (Cody v. Staples 80 Conn. 82). The Ohio statute is still in force and is strangely construed to lengthen the common law rule rather than to shorten it, (Dayton v. Phillips, 11 Dec. Rep. 680, 1892) because they wait until the time of vesting arrives before determining how much of the devise is void.

Cheer up, this is number

(18) "An indefinite time being sometimes construed to shorter than these periods."

Indefinite postponements, trusts, or powers, without a stated termination are sometimes held (and unfortunately sometimes not held), to mean that performance is to be within a reasonable time, and that such reasonable time is, under the particular circumstances, less than lives and twenty-one years. (Mining Co. v. Bennett, 261 S. W. 639, Arkasas). Thus it was held that a devise of a business enterprise to trustees to divide at their discretion must necessarily terminate within 21 years. (Plummer v. Brown, 287 S. W. 316, Missouri 1926). And a devise to the state when certain enabling Acts should be passed is valid. (Bell v. Nismith, 217 Mass. 254.) A limitation until after probate of the will or final settlement of the estate is void, but "after payment of debts" is probably good. Gray 363. An agreement to reconvey to a railroad at any future time" was held bad in the English case of Railway v. Gomm. An option contract without a prescribed ending was held void, in Virginia, (Skeen v. Coal Co. 119 S. E. 89, 1923) but good in Michigan, Windate & Largman Dec 10, 1926. A provision that testator's descendants should always live on the land, is void in Alabama. (Reynolds v. Love, 191 Ala. 218, 1915), and the rather quaint direction in a New Jersey will that a brass band should march to the testator's graves on certain anniversaries was also held void. Detwiller v. Hartman, 37 N. J. Eq. 347. In the "life but not years' states the rule as to reasonableness must be applied with circumspection. Thus a trust to executors to sell within five years or at their discretion is void in New York; (Stewart v. Wooley, 106 N. Y. S. 99), likewise a devise to a corporation to be organized (131 N. Y. S. 963), and even, most strangely, a trust directed to be completed "within the time prescribed by the statute of perpetuities." (Matter of Mead, 8 N. Y. S. 10). "Precarious titles" indeed!

(19) "And any other interest inseparably connected therewith, including a particular estate."

Here is the most dangerous and unreasonable part of the Rule. This dogma says that the good must fall with the bad. If you are forbidden to build a building over 21 stories in height and you do build one of 22 stories, you must remove not only the offending story, but all of the other twenty-one stories as well. In the application of this part of our Rule, we find the widest divergence between the States. In some it seems that the courts are eager to use any remoteness as an excuse to destroy all otherwise good preceding life interests or other particular estates. Missouri is one of the worst of these States. (Loud v. Trust Co. 298 Mo. 148, 1922). In some other States only the excess is void, (Dean v. Mumford, 102 Mich. 510); and the final remainders accelerate or take effect at once; (Vandenburgh v. Vandenburgh, 147 N. Y. S. 244); or the fee will vest in the heirs subject to the last permissible life estate. (Goffe v. Goffe, 37 R. I. 542). Or a too lengthy gross period will be cut down by the court, (Edgerly v. Barker, 66 N. H. 434); as in England since the Law of Property Act 1925. And in at least one state, Georgia, we find an excellent statute providing that only those limitations beyond the "dead line" are void—a statute which might well be copied in the other States, where it is usually extremely dangerous to forecast the court's decision. All of which, of course, spells caution for title men, who must navigate this River of Doubt. Where would you vest the fee in a devise to a seven year old son for life with remainder to his children for life and after their death to the son's grandchildren? The last remainder is manifestly too remote; will this put the fee in the preceding life tenant or will the entire devise be void and the son (and other heirs) take by descent? The Missouri court held the entire devise void. (Lockridge v. Mace, 109 Mo. 162). As to provisions for accumulations, it is generally said that only the excess is invalid. (Tudor's Cases 497); but it is usually a hazardous undertaking to separate the valid from the invalid (French v. Calkins, 252 Ill. 243).

(20) "Or a class interest."

In a devise to a class (as for example, "grandchildren," "nephews and the like) it is established that the class must "close," that is, that the size of the fractional shares of the members of the class must be determined within the period of the Rule. And if any members could possibly come into being after the period, the whole devise is void even as to those members actually born within the period. This follows the ruling in the English case of Leake v. Robinson. Thus a devise to a person for life with remainder to his children for life, and after their death to their children, is wholly void, even though some of the grandchildren might have been born or were born within a life in being (before the testator's death), (Goldberg v. Erich, 121 Atl. 365, Maryland). A devise to a son for life with remainder to his children, when they reach 25 years of age, or if all die within such age, to testator's heirs, is also wholly void. (McGill v. Trust Co. 121 Atl. 760, New Jersey). But under the peculiar Ohio statute a class devise is valid as to those members born in time, (McArthur v. Scott, 113 U. S. B. 40).

(21) "Is Void."

And when they say void, they mean void. For the rule has no regard for the good intentions of the testator; it is a "peremptory command of law, remorselessly applied." Closset v. Burtchaell, 230 Pac. 554, Oregon 1924). Whereupon the title will pass to the heirs of the testator or grantor, or perhaps to the residuary devisees; leaving the "remorse" for the title examiner, unless he has obtained deeds from all who could take under either theory.

(22) "In the original State, or by estoppel and as to chattel interests, in any State."

Why, you ask, should one be interested in the law of any other State: is not the rule as to perpetuities always that of the State where the land lies? By no means. Thus a trust may be so invalid in one State that it cannot be set up anywhere, (Mount v. Tuttle, 183 N. Y. 358), and those who have taken against a will in one State may well be estopped to claim under it in another. Likewise chattel interests are governed by the law of the dom-

icil of the testator; for example, a devise of a leasehold interest in your state might be good if the testator lived there, but would be bad if he lived elsewhere, (Despared v. Churchill, 53 N. Y. 192); and if land is directed to be sold, it immediately becomes personalty by equitable conversion and hence the devise will be governed by the Rule obtaining in a State less favorable (or more favorable) than your own, (Ford v. Ford, 72 Wis. 621).

* * *

Thus do we complete our consideration of the elements of our Rule—rather inappropriately, twenty-two in number, and so just beyond the limit. We have seen how the courts are applying the ancient maxim, "Alienatio rei praefertur juri accrescendo"; the alienation of things is preferred in law to accumulating. We have seen that some of our states are more opposed to "contrivances tending to a perpetuity" than are others; and that some apply a more severe penalty for violation than do others. But the decisions and statutes in all of them are drastic enough to be a treacherous hazard for title attorneys, title insurance companies, and examining abstractors. To what extent a testator will be allowed to say, "te teneam moriens," (though dying I will hold you), is now, and will continue to be, one of the very important title questions. And it will therefore be increasingly necessary that every conscientious examiner and abstractor should become intimately acquainted, if he is not already so acquainted, with the answer that his own state, (and all other states), have given to this very modern and very dubious question. For, whether you are an examiner or abstracter, your principal money-making stock-in-trade is a Reputation for Expert Knowledge, including the expert application of the Rule against Perpetuities.

WEDNESDAY NOONDAY CONFERENCE

The convention was called to order, following luncheon, by Mr. Harry C. Bare of Ardmore, who presided over the session.

THE CHAIRMAN: Friends, we are very fortunate this afternoon in having a man talk to us on the subject of taxation on real estate,—Mr. Booth, Vice-President of the Washington Title Insurance Company. Mr. Booth took a very active part in the controversy in Washington looking toward legislative reform on taxation. Mr. Booth, well known to all of you and a real authority on the subject of "Taxation." It is a pleasure to present Mr. Booth.

Taxation of Real Property

By L. S. Booth, Seattle, Wash.

We, title men, invest our money, time and ability in title plants and in building up organizations to operate them, but the commodity the public buys and out of transactions in which we must receive the return on our investments is real property and therefor anything that depreciates the value of this commodity, that makes it less desirable to the public very directly affects us.

If transactions in real property are few, our business is poor. Buildings cannot be rested on air and there will always be a certain demand for land, but unless land is also desirable for investment, we will not make a fair return on the capital.

Taxation is not the only factor affecting the value of real property, but it is a very general one. Some property is so favorably located as to be desirable notwithstanding high taxes, but as a general rule taxes have a very direct bearing on real property values.

There are many places where the value has been entirely taxed out of land, where it is no longer a desirable investment; where even the wealthy and well-to-do allow their less desirable land to be sold for taxes.

The annual tax on farms is frequently greater than the sum left for the farmer after paying necessary expenses; homes are taxed until it is cheaper to rent than to own. Business properties are taxed from ten to fifty per cent of their gross receipts. In most of our cities real property must also pay for streets, paving, sewers and watermains.

Land and improvements thereon represent, roughly speaking, one half of the wealth of the country and while it is excessively taxed, the other half, the intangible wealth, unseen but nevertheless real, equally if not more desirable, represented by notes, bonds, stocks, accounts, certificates of deposit, franchises, special privileges, agencies, royalties, contracts, undivided profits, corporate and business excess etc. is practically untaxed in some states and very inadequately taxed in others.

Our time today is to limited to go into all the reasons for this state of affairs, but I wish to call your attention to this: There have been for years organized efforts throughout the country to settle more and more of the burden of taxation on land.

There are so-called Tax Leagues, Associations, Federations, Foundations etc. that secure a large following and considerable financial support by promising lower taxes through more economical government. This is very plausible and we will all agree highly desirable. But the reductions secured in this way will never solve our taxation problems and the agitation for them serves to divert the voter's mind from a true solution, and that is the real object of many of these associations. They do not want the present system changed and when any tax is suggested other than one falling entirely on land, they immediately raise every possible objection claiming it will ruin the country at large or this or that industry with a view of prejudicing the public mind before the public has had time to consider its merits.

In those states where the tax burden falls with special severity on land misleading statistics are put out showing that the tax per capita is less than in other states or that the people receive more for their tax dollars than in any other place, but being very careful not to show that one-half of the people pays the whole tax, while the other half, sharing in all of the benefits, pays nothing.

The Fels Foundation continues its agitation in favor of single tax. It recently sent out a full page illustrated interview advocating single tax to over 1,000 papers with an indirect inducement to publish.

Are we title men, vitally interested in land, to continue going on our way indifferent to its fate? If so, we deserve to lose the money we have invested.

It may be asked what can we do. Allow me to make these suggestions:

Let us consider this matter of taxation an important part of our business and give to it our serious thought and study.

Master first the general principals involved in modern taxation systems and then see how to apply them to local conditions.

In theory, all wealth is taxed in proportion to its ability to pay, but in practice it is taxed according to the ability of the government to collect. Some forms of wealth can be moved or concealed and to tax it excessively is to drive it away. Intangible wealth should be taxed at varying low rates and none of it at as high a rate as tangible wealth.

Therefore, property should be classified for the purpose of taxation and if it cannot be done under the constitution of your state, your first effort should be to have the constitution amended and that may be a long and hard fight.

As our opponents oppose every tax

not falling wholly on land, we should favor every such tax even if somewhat doubtful of its merits.

Sales taxes, carefully worked out, like a tariff, offers possibilities. It is an almost painless way of collecting taxes and yet produces large totals. The gasoline tax is a fair example.

Occupational taxes, real not farcial, gross revenue taxes, yield taxes and inheritance taxes should be considered. The segregation of taxes should also be studied.

At the mere suggestion of an income tax many hands go up in horror, a reaction no doubt from the large income taxes of the late war period. But let that not deter us from giving it careful study.

The experience of the federal government has demonstrated that it is the best revenue raiser yet devised. It taxes wealth no matter how earned, whether by industry, investment or bootlegging, proportionately and seasonably. If you have a prosperous year and make good money or an unfortunate year and make but little, you are taxed accordingly.

The income tax has recently been listed by an eminent Chinese investigator as one of the five greatest contributions to the world by western civilization. The federal government is gradually but steadily reducing its income tax and as it reduces, the levying of state income taxes should receive serious consideration. New York, Virginia, Massachusetts and Wisconsin are now levying income taxes with good results. Some urge that the federal government continue to collect the tax, but return part of it to the states, not in proportion to their payments but in proportion to their educational needs.

In our efforts to lower taxes, we should combine with other groups similiarily interested. The two strongest because best organized are the farm and realtors group. The farmers are naturally politicians and are good fighters. The realtors add financial strength as well as leaders and reliable workers. The educational group will also cooperate when they understand that under our program, with all the wealth of the state contributing, there will be ample revenue raised for fair salaries for teachers and ample facilities for buildings and for schools.

While we should assist in every real movement to cut off or reduce the many needless expenses of government it is not necessary to oppose natural progress and growth. Careful budgeting is an important part of a modern taxation system. It should be our platform that taxation fairly and sensibly spread, will raise ample revenue for all legitimate needs of a progressive government, and impose hardships on none.

Then let us enter seriously into the fight to spread the load of taxation and relieve land, realizing that it is a long fight, that many discouragements may be met, but devoting to it the same earnestness, continuity of effort and financial support that we give to keeping our plants and our organizations up to date.

THE CHAIRMAN: I'd like to inform the newer members of the Association that Mr. Booth was President of this Association in the year 1915, and it is in no small measure due to his wisdom, level-headed guidance and advice that this Association has attained its present success. We are indebted to Mr. Booth for his discussion on Taxation.

Are there any comments or questions that any member would wish to offer at this time on Taxation? If not, we will pass on to the subject of state-wide title insurance. To me, realizing as I do the impulse, the desire of some of some certain outside influences,—influences apart from recognized title insurance and examination practices,—I await with keen interest personally a discussion on the subject of State Wide Title Insurance which, in its effect, it would seem to me, has the opportunity to carry into sections that would not in themselves have title insurance opportunities or title examination opportunities, the benefit of an organized, established institution which can give to such localities these benefits.

It is a pleasuer to introduce Mr. R. F. Chilcott, President of the Western Title Insurance Company. Mr. Chilcott.

Five Years of State-Wide Title Insurance

By R. F. Chilcott, San Francisco, Calif.

The first time I had the pleasure of attending a Convention of this Association was in New Orleans in 1924. At that meeting it was my privilege to say a few words to you relative to the operation of a title insurance business through a state-wide organization, at which time our Company had been in existence only two years, and our experience was, of course, limited.

During the session held in Denver in 1925, several members of our organization endeavored to offer for your further consideration points on this subject gained from another year's experience. Both sessions proved that the operation of title insurance in the interior counties, through a state-wide organization, is an interesting subject in this Association. Accordingly, I have been requested to add to the former remarks on this subject something that may be of interest to you after five years experience by our company.

Of necessity there may be a repetition of some of the salient points, which may not be amiss, however, for those who have not yet ventured away from the old methods or to those who have pondered over this subject since the New Orleans Convention.

The reason for title insurance is to furnish adequate protection to your clients: the purchaser of real estate and the lender of money thereon.

Real estate, in one form or another, is the fundamental investment from which a big percentage of wealth emanates. Any kind of an investment in real estate should be protected in every possible manner. Certainly one protection is title insurance.

The abstract of title and the attorney's opinion thereon does not offer the full measure of protection. The abstractor may err or the attorney may be wrong in his opinion. It must have been your experience on one occasion, at least, that two attorneys differed in their opinions on the same point. What protection is there to the investor in real estate who has made an investment based upon an erroneous abstract of title, or a wrong opinion by an attorney in the event of the death of either or the lack of financial responsibility.

A title insurance company may also make errors in its reports and policies of title insurance, whereby the investor sustains a loss. The title insurance company repays the loss or restores the title at its expense. It is so constructed that it is financially in a position to meet its losses. The main function of a title insurance company is real protection to its policy holders.

The abstract of title and the attorney's opinion does not cover:

1. Missing wills may turn up and invalidate all of the deeds the heirs have made.
2. Forged deeds in the chain of title.
3. Deed by an Attorney-in-fact, revoked by the death or insanity of the principal.
4. Deeds executed by persons acting under forged Powers of Attorney.
5. Deed by a Minor, an insane person, an imbecile or a drunkard.
6. A deed executed by one whose name is the same as that of the owner, but who in fact has no interest in the land.
7. A deed made by a grantor who describes himself as a single man, but who in fact is married.
8. Claims by heirs who have been left out of the administration of estates, in which they claim an interest.
9. Claims for lack of jurisdiction of the Court as a claimant or subject matter in litigation affecting land titles.
10. Deeds delivered after the death

of the grantors. A Title Policy insures against all defects.

The title insurance policy does cover those hazards and protects the insured against them.

Title Insurance is under the jurisdiction of State Laws, and if not so in your State, then it should and will follow. Title men should recommend State supervision and foster it to its establishment. Our laws provide for a deposit with the State and a surplus created out of title insurance premiums. The title insurance company should increase such surplus of its own volition as a further protection to its policy holders.

Title insurance is, without question, a real service and the best evidence of title, offering the best protection to the investor.

How can this service be extended to the interior counties?

The interior counties with business of a lesser volume than the metropolitan centers, cannot afford to construct a title insurance company which would be strong enough financially to furnish adequate protection to its policy holders.

A method for the interior county title company is to affiliate and enter into contract with a Title Insurance Company to write title insurance policies in its own office, under the name of the Title Insurance Company. Other methods or forms may take place such as the interlocking of stock investments, the investment by the Title Insurance Company in stock of the Title Company or the investment by various title companies in the stock of a central or parent company created by them for that purpose of engaging in issuing title insurance policies.

The latter method is dangerous owing to the egotism of some title men as to their ability, compared by themselves, with the ability of others. This also applies to the conception of the efficiency of the other man's plant.

Of course, there is the system of title insurance companies purchasing interior county title companies outright and establishing branch offices. However, I am not advocating that form of state-wide title insurance. My purpose is to offer for your consideration a method by which the interior county title company can go into the title insurance business if it does not care to sell out.

The question is, can a state-wide title insurance service be effected? If so, has it been done, and what are the obstacles confronted during the organization of such a service?

Western Title Insurance Company operating in the northern and central parts of the State of California, commenced business in 1922. In 1926 this company merged with Title Insurance and Guaranty Company of San Francisco.

Individually and collectively these two title insurance companies are affiliated with 29 title companies operating in 21 counties in northern and central California.

The obstacles encountered during the five years of construction and operation were numerous, we may assure you. Some of the main points will now be brought to your attention.

The first and foremost is to convince the set abstracter first, that title insurance is fundamentally the best title evidence, and second, that it will pay him a better return for his study and labor, as well as on his investment.

I will now repeat common objections by the abstracter and give you our usual answers thereto. "Conditions in our county are different than in any other county."

There are no conditions in any county that will prohibit progress in any line of business. This is especially so when you are offering better service and real protection, as you do with title insurance.

"Our customers will not stand for title insurance."

Your customers will demand title insurance when it is properly explained to them. The large financial institutions require and demand title insurance.

"Title insurance is too expensive."

It is less expensive than the abstract and the other fees connected with the closing of a transaction, taking into consideration the full service rendered to the client through title insurance, together with the real protection afforded by being insured instead of being handed an opinion.

"The Bankers in our county desire to save their customers all they can."

The Banker does not want you to perform a service for him or his customers without a reasonable return to you. The Banker wants the best protection for his borrower and his Bank. The real protection is title insurance.

"The lawyers will oppose title insurance because it will deprive them of examination fees."

Title Insurance does not deprive the lawyer of all his fees connected with the transfer of real property. The lawyer is required to advise his client of the manner in which he should accept title, draw papers in connection with the transfer, and if defects in the title of the seller are discovered, the lawyer is employed to correct such defects.

The busy lawyer cannot afford the time in laborious examinations. If he is a real lawyer and conscious of his clients' welfare, he will advise title insurance. We have found this to be the general practice of most lawyers. You should engage the services of a good lawyer who will apply himself to the study of real estate law and pass up to him all questions which you cannot handle yourself. You cannot dispense with the service of a lawyer under title insurance.

"Your title insurance company will not allow commissions to lawyers, bankers and realtors and it has been our custom to allow commissions to those three classes."

We will not allow commissions on our title evidence to anyone. It is fundamentally wrong. It promotes dissatisfaction among the clients who pay the bills. If a commission is allowed in any case it should be in all cases and you cannot afford that. If you can, then you should reduce your rates and let the man who pays the bill receive the benefit. The real lawyer, banker or realtor seldom applies for a commission even where commissions are allowed. If you do not allow commissions to anyone there will not be any requests for commissions. In California that custom is almost stamped out.

"It is impossible to convince our local people of the advantage of title insurance."

Of course it will be impossible, if you never try and first of all you must first convince yourself.

Most of the reasons that are usually advanced by some of the title men are prompted by fear of how the other fellow will accept any change in business methods, which they make. To that, there can only be said: You must first determine that you are going to run your own business, having in mind a service to your client worth what he pays you for that service.

On our way here from California, a shoe manufacturer from Brooklyn stated that title insurance companies were a bunch of robbers but he felt that it was the best protection and so he always demands a title insurance policy whenever he invests in real estate.

You should never allow anyone to get away with such a statement. Jump right in and fully explain the service, the protection afforded and actually the real low premium for what he gets in a Title Insurance Policy.

This gentleman was talking to three title insurance men from California and before they finished with him, you may be assured he was convinced of the real value of title insurance.

We also talked with a representative of an eastern life insurance company who is lending his company's funds all along the Pacific Coast. He stated that his company demands title insurance wherever it is obtainable and would prefer to have title insurance universal. He said that I could say to you that his advice to title companies is to get into the title insurance business.

It was a real pleasure to talk with him because he is a man of thirty years' experience in the lending of other people's money and knows all the angles connected with that business. His comment on some abstracts of title furnished in various communities would make the makers thereof shudder. This more particularly as to the delay and unsatisfactory method of closing loans through the use of abstracts.

The system of state-wide title insurance can be put over. To support that contention may I modestly refer to the operations of Western Title Insurance Company of San Francisco:

Our company commenced business in 1922 and the premiums have increased approximately 400 per cent in five years.

Gentlemen, you must first convince yourselves that title insurance is fundamentally right, it is a real service to the public, it is the best title evidence you can furnish and then admit it is the right business for you to engage in.

Then there will only remain for you to have the determination and back that up with starting, following with salesmanship.

It can be done.

For fear that someone from California, through utmost modesty, may fail to mention that fair wonderland, may I suggest that you should plan your Convention trip next year to provide for a visit to Northern and Southern California.

THE CHAIRMAN: I am sure we all enjoyed Mr. Chilcott's discussion. It was splendid. Are there any questions anyone would care to ask Mr. Chilcott? Any comments?

MR. PATTERSON (Gadsden, Ala.): I'd like to ask on what basis you take in these subsidiary companies over these various counties where you have the one parent organization. For instance, I want to make a connection at this time. I want to know how to go about it.

MR. CHILCOTT: Mr. Patterson asks the manner in which an interior county title company might secure the privilege of writing title insurance policies.

We have provided a simple form of contract (the title insurance company does) affiliating, so to speak, with an interior title company and by the terms of that contract (and I will give you copies of it) you are permitted to write title insurance policies over your own counter in your county representing us as Vice-President, for which, of course, you pay us a part of the premium.

MR. SCHAETZEL (Denver, Colo.): I'd like to know whether the percentage of loss is greater by the writing of these subsidiary companies than if the parent company writes the policy itself.

MR. CHILCOTT: Not at all. I was criticized severely by the manager of the large title insurance companies for taking this chance, but my principle in organizing this company was that the interior title man was more efficient in the completion of a title report than most of the employes of the larger companies involved only in special duties in their own offices.

MR. BLACKER (Columbus, O.): May I ask what is your division of fees with your agents?

MR. CHILCOTT: I will see you later. It is a matter, of course, to be decided upon on the rates charged in your respective states. The way we arrive at that in California is to consider the average rate for certificates of title in various counties of Northern California. We found that that average rate was eighty per cent. of the title insurance premium. Therefore, we charge twenty per cent. on the first thousand dollars of business in any one month, fifteen per cent. on the second, ten per cent. on the third and five per cent. all over that three thousand, in any one month.

The reason for that is that the interior county title company getting into five or six or seven thousand dollars in fees, up to ten, might possibly feel itself strong enough to go into title insurance itself and weaken our organization.

MR. WALTER LACHER (Montrose, Colo.): Who takes the responsibility for the attorney's opinion, the parent company or the abstract company?

MR. CHILCOTT: The local title company carries the hazard on a record loss. The title insurance carries it on a non-record loss.

MR. MULLEN (Martinez, Calif.): His question shows that he believes that the attorney writes the opinion for the mother company. That is not true. The title company writes it.

MR. CHILCOTT: The interior title company, in our case, makes its own investigation of title, issues what we call a preliminary report which is furnished to the client, on which they instruct us in closing the transaction, after which the policy is issued. Those reports are issued in all the title companies in California.

MR. MULLEN: You are of the opinion that the home office sends out the report. You missed the fact that Mr. Chilcott stated that the local county office writes the preliminary report. The home office knows nothing about it until eventually the papers are recorded and policy issued and then they get a carbon copy. That is all they have to do with it.

MR. LACHER: The point I'd like to have answered, if an attorney makes a mistake in his opinion, who is responsible for that?

MR. CHILCOTT: An opinion as to something in the record title?

MR. LACHER: Yes.

MR. CHILCOTT: The local title company.

MR. LACHER: They are responsible for the opinion?

MR. CHILCOTT: Yes.

MR. LACHER: That is the point I wanted to get.

MR. SCHAETZEL: Who appoints or selects the attorney?

MR. CHILCOTT: The interior title company chooses its own attorney.

THURSDAY MORNING SESSION.

The convention was called to order at 9:30 o'clock by President Woodford in the large ball room of the Statler.

THE PRESIDENT: It is an extreme pleasure on my part to be able to introduce as your new President a man with whom I have been closely associated for a number of years in the American Title Association work. We have a pretty full program this morning and I am not going to take up any time in useless and inane remarks. I am merely going to call upon Mr. Walter Daly. (Applause)

PRESIDENT-ELECT DALY: I wish to express my appreciation for the very great honor of being elected to the presidency of the American Title Association. I consider it a very great honor indeed, but in the meantime, while considering that honor, I am also mindful of the fact that to become the head of an organization of over 3,000 members, scattered through practically all of the states of the Union, will entail a lot of hard work, for I have never found anything yet that was really worthy of accomplishment that didn't require a lot of hard work.

So, during the year, we are going to devote our very best efforts to the interests of the Association and hope that when the end of the year comes I can come back to you and show at least some accomplishments, and that we are further ahead at that time than we are now.

THE PRESIDENT: The meeting, though starting late this morning, is being turned over to the Abstracters' Section practically on time, which will take a little of the wind out of the sails of my friend from the Round-up city of Portland.

I think there is no man in the American Association in the past five years who has done a greater work for the basic industry of the title game than Jim Johns of Pendleton. It is with peculiar pleasure that I turn the meeting over to him and tell him that the rest of the day is his and he can skin everybody from the President on down to his heart's content. Will you please come forward, Jim?

(Mr. Johns assumes the chair)

Program of Abstracters' Section

Chairman's Annual Address

By James S. Johns, Pendleton, Oregon

THE CHAIRMAN: Did you folks notice on our program that there is a black line like a death notice right after the introduction of the new President? I don't know whether that means that the new President is going to kill off the Association or whether the things that we are going to talk about this morning will leave us prostrate, but there must be some meaning to it.

There has been a lot of ballyhoo about me at this convention. You know, when the civilization of the world was centered around the eastern end of the Mediterranean Sea, they used to have a saying "Beware of the Greeks when they come bearing gifts," and I have been a country abstracter for long enough so that I am always ready to beware of the city sharks when they come with soft words.

My advent into the American Title Association was pretty much like the story that Jim Woodford tells about a negro family in Tulsa, Ohla., where he used to live before he reformed. The census taker came around and was getting a list of the fourteen or fifteen children. The smallest one was named Onyx. He said, "That's a peculiar name. How did you arrive at such a name as that?"

And the mother said, "That's short for Onexpected."

So that we won't have any misunderstandings, I want you to know that I appreciate the fact that I am a small town man. The abstracters' section is mostly composed of small town men and women. The reason why we started out as small town men is immaterial, but the reason why we remain small town men is because we haven't got the ability that you folks from the city have or some of you would have invited us to come to the city—and paid us a living wage. So we are not starting under any misapprehension that way.

I didn't ask for any job in this Association. I don't care whether I have one or not, so I feel free to speak as I wish.

In the first place, all of the speakers on the program this morning do not care for the way the programs have been conducted so far. They are entirely too formal. You sit and listen to a prepared speech, you criticize it behind the speaker's back. So far as we, this morning, are concerned, none of us have a set speech. If there is anything we say that you don't like, we want you to stand up and call us liars in words of one syllable and we will argue it out right here. If there is anything you want to talk about, stand up and talk about it.

The formality of this Association reminds me of the man who went into the restaurant, seated himself and counted fourteen pairs of bare knees, when the manager came up and tapped him on the shoulder and said that he was sorry he would have to get out because they didn't serve anybody who appeared without a coat.

The American Title Association was founded about twenty or twenty-one years ago by sixty abstracters. Get the idea that they were abstracters. The Association naturally grew and we got to the place where the people from the big companies were the only ones who could afford to attend, because the small folks weren't making enough money to get there.

The officers had to be chosen from people who attended from year to year and, unless something unexpected happened, it got to be the thing that the officers were chosen from the big companies. We small fry couldn't contribute enough to keep the thing going. Do you know that the dues we pay do not cover more than half the cost of publishing TITLE NEWS, so that so far as we small fry are concerned the Association would be lots better off if we weren't in it?

The financial support of this Association has come from the big companies. They are nicked from a hundred to two hundred and fifty dollars apiece a year to pay the carrying charges. But that isn't so bad, because the big companies were the only ones that could afford to attend.

Here is what happened: Down through the years they got to studying big company problems. They got to studying title insurance and title examination and re-insurance and a lot of things that are clear over our heads. They got away from the problems of the small companies, and the small companies, even those who could afford to attend, quit coming.

There is an abstracter in a state that I visited recently who inherited quite a sum of money, so he could afford to attend, but he told me he didn't come any more because they didn't talk about the abstracters' problems and he didn't get anything out of the meetings.

But these big bugs got to worrying about it a little bit because we were all getting away from the American Title Association, so they organized an Abstracters' Section. Last year at Atlantic City, at the Executive Committee meeting, I looked around at the various members of the Committee (they let me meet with them) and I was the only one there, the assets of whose company weren't over a million dollars.

Somebody had the courtesy to let me go through the Chicago Title and Trust Company and I might say that the total assets of my company might buy an ice cream soda for each employe.

I found that the officers of the American Title Association were all gentlemen (Mrs. Chapman is a lady) and, excepting Mrs. Chapman, they conform to the definition of a gentleman that Walter Daly got when he first got to be an executive of a title company. There was the head of the concern and Walter, and he was very much pleased to be an executive. This President called him in and said, "Now in every organization there has to be a gentleman and a ————," meaning by that a goat, the man who is willing to get down in the sewer and clean out the dirty messes that somebody got the organization into.

I found that the officers of the American Title Association were gentlemen and they were perfectly willing, perfectly anxious for me to be the goat.

I started out. I didn't know what to do. I sent out 3,300 questionnaires. I got back several answers. I found that there was a complete lack of cooperation among those in the title business—very complete. I found that they had fifty-seven varieties of problems and that they all thought their problems were very peculiar to them.

As a matter of fact, they all centered around one thing. No country abstracter in the United States was making any money. They weren't making a living. You can't go telling people about the wonders of organization, the beauties of attending their trade association meetings, when they haven't got the railroad fare to get there. So the first thing to be done is to give them something so they can begin to make a living.

The Bible says something about when you ask for bread and are given a stone. That is about what has happened to the country abstracters for the last twenty-one years.

Also I found that we are in the position of undertakers. You never heard of an undertaker going broke. You never heard of an undertaker cutting prices. You never heard of an undertaker having any of the problems that we country abstracters have. We were in this position: We have money in the bank but we didn't know

how to write a check and so we were starving to death.

The country abstracters aren't so smart. In fact, it is like another negro in Louisiana, telling about a friend of his—"That boy was born feeble-minded and he's been losin' ground ever since."

The first thing we started out to do was to figure how to get them to making some money and we hit on the scheme of regional meetings. Somebody asked me to talk about regional meetings—I think somebody from Michigan. It is largely in that pamphlet that was published, but do you want to hear anything about it? Or shall we skip that? I will tell you a little about it and you read the pamphlet again.

First of all, if you are going to have a regional meeting, you've got to get them to come to the meeting so you've got to have a small enough group of counties so that they can afford to get there. Then you've got to find somebody who has some vision, who will take charge of that meeting, and you've got to have somebody that has that old-fashioned quality called intestinal fortitude. You must have somebody who will stand up and harangue them and tell them what to do, but first of all you have to get them there.

Get your State President to write a tentative letter and suggest that they have some regional meetings. Have it all divided up into regions first, of course. Then some abstracter in that region write to all of them in the region and suggest they have some regional meetings. This all has the appearance of spontaneity. Then have somebody centrally located say, "This is a fine idea. Let's have a regional meeting in my town. I want to give a dinner party to the folks who come."

Then let the Chamber of Commerce in that town offer to give a luncheon to those who come and have a shopping tour for the ladies. That gets 'em, folks! And a tea party—anything to get them, just get them there some way and get them all—curbstoners, members of the Association, anybody who makes abstracts. Get them there if you have to hog-tie them. Supposing that the host has to pay for the dinner party; he will get the money back within two weeks, folks. I know from experience that the public will give it back to you within two weeks.

Limit your discussion rigidly to nothing but rates and cutting out commissions. Don't go at it with the idea that you are going to raise rates. Not at all. You are going to standardize them! But be sure that you standardize them high enough so that everybody can make a living.

I visited the Montana Association lately. You know if I take one more trip that I have been invited to take I will have traveled pretty nearly twenty-five thousand miles for this association in about fifteen months. That is quite a lot for a small town boy who really ought to stay home and make a living.

I visited the Montana Association, and they had an abstract contest. The winning abstract, by the way, was the most beautiful piece of work I have ever seen not only typographically but from material matter included and immaterial matter excluded—for conciseness, for every quality that abstracts should have. The winner of the contest, Cal Hubbard, was elected a delegate to this meeting on account of it.

They sent out the same material to every contestant. The prices that they would have received for that work, had it been done commercially, ranged from $22 to $60. If the man getting $22 was making a living, which he wasn't, the man getting $60 was a highway robber, which he wasn't. Montana is now having some regional meetings and they are going to standardize the rates for such work at $76.

Now I want to talk to some of you spineless, chicken-hearted people about the policy of the American Title Association and the State Title Associations. A good many state meetings I have been to, and this national meeting too, the folks have come to me and said, "Don't stress prices. We don't want to get the idea out that the National Association or the State Association (whichever it was) is a price-fixing organization." Then they tell me, "Besides that, the Governor is here, or the President of the Federal Land Bank," or some other dignitary, "and it's going to hurt us. We understand that you are so rough that you scrape the porcelain off the bath tub when you take a bath. We want you to go easy on this."

I heartily agree with you. The American Title Association should not, cannot become a price-fixing organization. Not on account of the reason you jellyfish advocate, but because it can't be done. You've got to get them into small groups, and if you want to have the appearance of spontaneity, hop to it.

I want to stop here and pay my respects to another small class of you. That is the folks who stand around on the side lines and, no matter what is done, say it hadn't ought to be done, or if you insist on doing it anyhow, they say you ought to do it in a different manner. I have never seen any of them accomplish anything themselves.

I have sent out some letters during the past year and there are two folks that can't express their opinion of me in the English language, so they write in it Latin. I am like the Irishman who walked up to his friend and knocked him for a goal, and when he came to he asked the Irishman why he had done him such a dirty trick. The man said, "Last month you called me a hippopotamus and I have just found out what it is."

And sometimes it has taken me a month to find out what kind of a slam they are giving me, but I don't care—it doesn't affect me.

I want to get back to national officers awhile. There are none of them who talk our language. There isn't a one, excepting Henry Baldwin—and he is getting out of our class. He is writing title insurance now. Not a one of them talks our language. The money that has been spent by this Association sending you officers around to State Associations has been entirely wasted. You go to State meetings as good fellows. You have no knowledge of our problems at all or maybe you have been rather hurriedly drafted and haven't had time to study our problems, or you have gone because you lived close by and it would'nt cost the Association much to send you, but at that it is money wasted.

Take the instance of Kansas. Jim Woodford was born and raised there. You can tell it by looking at him! He has been there four or five times. All that Dick Hall knows he learned in Kansas. He has been there four or five times. They have been drained dry.

I crabbed about this a little bit at Kansas City last winter and an officer of the Title Association wrote me as follows:

"No special effort was made to ask the National representatives to study the problems of the local people with the idea of helping them with their troubles. It seems to me it would be almost impossible to have an outsider familiarize himself with state affairs to such an extent that he could be very helpful in that way.

"What we do aim at is to help the State Associations by urging them to attend their meetings, take an interest in the affairs of the Association, attend the National conventions, read the year-book, refer to the directory whenever they have an opportunity to refer business to someone else, and above all to cooperate with their competitors."

Out of the great experience I have had studying the title business in the United States for a few months during my spare time, I want to tell you that he is all wrong. If any of you officers are going to an abstract state to represent the National Association, first get a view of the abstract situation over the United States. See what a pitiful condition it is in. Then get all of the questionnaires that were sent back from that state and study the specific problems that they ask for information about. Get at least three reports on that State Association from disinterested observers that know the facts. Get to the meeting at least the night before the meeting is to be called and interview all of the state officers and abstracters you can get hold of and get the low down.

Then about twelve o'clock at night go to your room and write your speech and give it the next morning, and you will probably be able to help them.

I felt quite incensed when Jim Woodford told me that he had sent out letters to every President and every Secretary of every State Association asking who they wanted sent as a delegate from the American Title Association. How many answers did he get back? Four. I thought that was an awful thing for you state officials. But, you know, I have come to the conclusion that it's all right, that you didn't need to answer that letter. I'll tell you why. I have found out by asking at state association meetings where I have been, "Who was the representative of the American Association last year?" Nobody knows. "Did any representative who has ever been here ever give you an idea that you made any money out of?" And that strikes them flat. They never heard of such a thing!

I told one state association where I visited to be quite frank, and they said that they hadn't asked Woodford to send anybody, they hadn't asked me to come, they didn't care whether I came or not, and they didn't care whether I talked or not, and besides that, they had made no arrangements to publish my speech and they did make arrangements to publish everybody else's.

I looked over the officers of this Association and I kind of despaired of whether they would ever be able to have a knowledge of the abstracters' problems. I thought they were pretty much on the order of the nervous woman who went to the dentist to have an aching molar pulled. She told the dentist "Doctor, I am so nervous. You must give me something."

He said, "I will give you a local anaesthetic," and he did.

"Doctor," she said, "I'm so nervous! The sight of the forceps makes me so nervous!"

"Well," he said, "I can give you ether."

"But, doctor, how long will it be, after I take ether, before I know anything?"

He said, "Madam, you can't expect too much of an anaesthetic."

So I want to tell you folks, you abstracters, that you really can't expect too much of the officers of the National Association. I did take Dick Hall in hand, because he used to be an abstracter before he got a job, and every time I have had an opportunity I have poured a little concrete in the place where his spine ought to be, and I believe that he will get to the place where he is able to represent the American Title Association at a state meeting, but I'm not sure.

You national officials must quit regaling these State Associations with platitudes of encomium and panegyric and get down to cases. I tell you what they like to hear about. They like to hear about regional meetings, because in that way they can learn how to make money. They like to hear about such secret things as this:

One state where I visited, in one county there are two abstract companies, A and B. A is run by two men, B is run by two men. They don't speak to each other in the day time. One of the A men is a member of the Rotary Club. One of the B men is a member of the Kiwanis Club. One of the A men plays golf with bankers and lawyers and people who have business. One of the B men goes around and solicits business from country banks. They compete for the business just as hard as it is possible to compete on every score excepting price. On the first of January each year they do speak to each other. If company A has made $20,000, and company B has made nothing, each of those boys gets $5,000. The folks like to hear about that.

In another state where I visited there are two competing companies, but down through the years one company, by giving superlative service, is getting most of the business. By the way, in that county all the abstracts are made from one plant. The company that isn't getting so much business has a shelf of books—they look all right on the outside but there is not much in them, so you see the overhead is cut down.

Supposing you found out what county that is and you were going to go and start an abstract company. Hop to it, folks. The one company that is getting most of the business on service will stay ethical and cop off all the business that can be secured by giving good service. The other company will compete with you on the only basis you can enter—that is on price—and I will guarantee that you will starve yourself to death.

Here is another thing folks like to hear about—in another state: An abstracter had the situation all to himself. He gave good service, his charges weren't so high that potential competition was invited in but the Registrar of Deeds had his girl make a carbon copy of everything that was recorded and on county expense he started a set of indexes and when he was voted out of office he was ready to set up in business.

An attorney from a distant state was there on a vacation and he, wandering around, said he had a little money to invest and he thought of buying an abstract plant. He dropped in to this plant of the Registrar of Deeds and was asking him about conditions. He was told that there were two plants there already and he said, "Well, this is no place for me. This place can't stand three plants," and he started to leave.

The registrar said, "Come back here."

The lawyer came back, and the registrar asked him, "Do you want to buy a plant?"

"Well, I don't know, I might."

The upshot of it is that this attorney from the distant state took an option on that plant. There are now two plants in that county, folks, but they

don't compete on price. The first company knew this lawyer in a distant state!

Do you think, you country folks, that I am talking just kind of wild? Those things happened, those three instances happened in three places.

The title insurance people are smarter than we are. In a town where there was quite a lot of competition among some title companies, one of them slopped over. I don't know what they did but the other companies fined them a thousand dollars in cash and they paid it. That is a nice situation for the title folks.

I was interested in an incident that happened to me during the Mid-Winter Meeting held in Kansas City. A cagy old bird, one of the smartest men in the title business, asked me about the reference to a case, a decision of the United States Circuit Court of Appeals where there can be no monopoly in restraint of trade as affecting public records, because they are public records. He got me by the ear. He never talks above a whisper. He said, "Johns, I am interested in that reference you gave and I wish you'd mail me the citation so I can study it. Of course you understand the situation in our town is so subtle that nobody can ever put his finger on us, but I'm interested, anyhow."

I have talked some about consolidations, and I want to tell you title insurance people that we abstracters are afraid of you. You are too smart for us. I am reminded of the time when they wanted to consolidate Minneapolis and St. Paul. Some Minneapolis people proposed it and did a lot of work on it. They got along pretty well until they sprang on the St. Paul people what the name of the town was to be. It was to be called Minnehaha—Minne for Minneapolis and haha for St. Paul. (Laughter).

I want to tell you another story. A man came to me at this Association all puffed up with pride and he said, "We have a fine situation in our town. There are five abstracters there. We meet at lunch every Wednesday noon. If anybody isn't there he has to pay for the lunch the next time. We are getting along just fine." He was all puffed up. I just want to tell that man and about five hundred others that are in the same situation that you are plumb foolish. If you are keeping up five title plants in your county, you are wasting forty thousand dollars a year in useless clerical hire. Two plants are enough. Some folks don't like to have this sort of thing told out in public meeting, especially when there is a record being taken, but if you want to know anything more about it, I can refer you to lots of smart men who are engaged in the title business who can tell you all about it.

It is all right to put up this ballyhoo stuff and get people to go to the State meetings and the National meetings but really, the thing to do is to get the country abstracter to making money. Give him enough ideas, money-making ideas, at each convention that he goes to, so that he can't afford to stay away. Then they will come. They will go to their State meetings, they will go to their National meetings, and folks, they will begin to pay the carrying charges.

As I figure it, and I haven't figured it accurately, the national association costs in the neighborhood of about ten dollars for every member. Get the country abstracter to making some money and as we are half self-respecting, we will be glad to pay our share of the carrying charges. But get things in such shape so that we can begin to make some money.

Some of you talk about your asinine fear of the legislature. They will bring up some fool law and have it introduced, then you get busy and rush around and maybe you kill it and maybe you don't. In North Dakota they had a law that was not very good. Those boys got up a law and a month before the legislature met they knew exactly how many votes that law would pass each house by, and they knew the Governor would sign it. The boys in Texas know what they are doing. In Montana they have their ears to the ground, too. Some of you may have thought Montana was a dud, didn't amount to anything; I tell you that they have the livest or one of the livest state associations in the business, and they've got some awfully smart folks there. I know. I went there and tried to tell them some things, but because of some things that the American Title Association did to the Montana people, they were off this Association.

Dick Hall helped to get them straightened out. Dick went there last year to their meeting. He got in at noon and they met him at the depot and they were going to give him a little third degree and send him home on the three o'clock train. They weren't even going to let him meet the folks. Dick stayed, and they are good friends of the American Title Association now.

Those are some of the situations that the American Title Association has had to handle.

In Montana they had their ear to the ground and some years ago they knew some Torrens legislation was coming up. They asked the American Title Association to give them some dope on it and I think they didn't get an answer to their letter—maybe they did but they didn't get any help! So the abstracters, it looked to them, were sunk. The abstracters did not do anything but the Flathead Merchants Association (whoever they are) sent out a questionnaire to every Registrar of Deeds in the United States and they got about 900 answers and the answers were carefully abstracted and tabulated and were given to the legislature and the Torrens legislation didn't even get out of committee. They put in the good ones and the bad ones, but the good ones far outweighed the bad ones.

The Montana Association paid all the expenses of the Flathead Merchants Association for getting up this exhibit and they paid the lobbyist that went to Helena.

It may be that you folks who can't eat dinner in the evening unless you have on a dinner coat, are not capable of understanding the problems of the country abstracter who, if he ruins his one coat, has to change the family budget. I want to tell the rest of you folks that the officers of the American Title Association have begun to study your problems, and our problems as best they can and really I am optimistic as to the results.

There is a waiter in the Arlington Club in Portland who is the greatest optimist I have ever seen. He is keeping up his dues in the bartenders' union.

My optimism isn't based on the faint hope of what might happen in the future but I can really see that something is going to work out for the benefit of the country abstracter. I have started from the premise that there is no unsolvable problem, and there isn't; that a right solution of problems is always found and folks, believe it or not, it is working!

The first regional meeting is just a starter. When you get your prices standardized, we have a lot more things to spring on you. The gross income of every title man in Oregon except one or two who wouldn't come in on it, has been increased from 25% to 50%. (Applause). Sure! That is why I could afford to come here. The net income has been increased sometimes a billion per cent because there wasn't any income before.

This abstracters' section isn't bringing any money into the American Title Association. We are spending some; we are going to spend some more. We haven't much money. You rich folks have got to dig up some more for us. You are good sports and will do it. You have been carrying us as a financial liability for a long time, hoping that sometime we would travel the road to financial independence. That road has been pointed out.

I am reminded of the Hollander who came over here to make a tour of this country. He wrote home to a friend who was coming over later, "The Americans are very nice people, very friendly. They have one peculiarity. They have gone crazy over road building. They have employed a Mr. Lincoln to build a highway clear across the United States and he is doing a wonderful job of it. They have employed a Mr. Roosevelt to build another road, a broad concrete highway along the whole United States, and he is doing a marvelous job. But take care when you come over here that you keep off the roads that a Frenchman named Detour is building." (Laughter).

Now I am authorized to tell you ab-

stracters that the American Title Association is awake and is willing to assist us in every way possible, even to putting up their cash. And folks, that is quite a lot to ask of them. All they ask of us is that we find the right road and that we travel it, and that we don't get off on any detours. Isn't that fair enough?

Did you notice that the President of the Association, in his President's report, took five minutes? The Chairman of the Executive Committee took three minutes. The incoming President took four minutes. I have harangued you here for pretty nearly an hour.

Our program has only one objective. Dick Hall wrote it out very, very nicely. "What is the Future of the Abstracter and the Abstract Business?" Dick was told, if you will pardon my language, to put it this way: "What in Hell is to Become of the Country Abstracter?"

We have three talks by three speakers who are exhibits A, B and C because they have done the things that they are going to talk about. One of them is going to talk about simonpure abstracting and how you can make a living at it. Another one is going to talk about the things that naturally go with abstracting—natural side lines and how you can make a living out of that. And the third one is going to talk about title insurance from the abstracter's point of view. If any of those birds get off the subject of making money, I am going to call them because that is all we want to discuss.

I am thoroughly disappointed in you. The audience is quite cold because you haven't stopped me and asked me any questions all during the talk. Since you haven't interrupted me, I want to invite you to do so with D. D. Monroe of Clayton, New Mexico, who has probably as tough a situation to make a living in as any abstracter in the United States, and he is going to talk to you now. Monroe, unjoint your six feet six and come on up here.

A Profitable Abstract Business

By D. D. Monroe, Clayton, New Mexico

MR. MONROE: In our country most of our public speeches begin by saying, "Senor Presidente, Senores Cabelleros," which means Mr. Chairman, Gentlemen: The part of the country from which I come is not generally conceded to be a part of the United States because we are a whole lot nearer to the United States than California, we have a larger state than California and our own particular county, I might say, is five and a half times as large as the entire state of Rhode Island and its entire population can be put into the Statler and Tuller Hotels. I say these things in order that the Chairman's statement that I am a small town abstracter will be fully verified.

I am just a little bit at a loss as to what the exact subject of my discourse is to be. The program says that it is "The Future of the Abstracter and the Abstract Business." Mr. Hall says that it is a money making abstract talk. The Chairman has just stated it as, "What the Hell is to Become of the Country Abstracter?"

It is my idea not to go into the mechanical operation of an abstract plant for different reasons. The first is because the mechanical operation of an abstract plant, in my opinion, is largely governed by the region in which the plant is located and for the second reason, that the average abstracter who is in the abstract business, be it exclusive or otherwise, will listen attentively to all suggestions made by his doctor, lawyer or other professional or layman but he immediately resents it when another abstracter tells him what he should do in his business.

The future of the abstracter, in my opinion, depends largely on the abstracter himself. He is like one of the Navajo Indians on one of the reservations in New Mexico who was arrested and brought before the Indian Agent upon the charge of being intoxicated and selling firewater to the other Indians on the reservation. The agent gave him a lecture on the seriousness of the charge against him and after listening for a while he said, "Any way I can get out of this?"

The Indian Agent shook his head and said, "No. No one can help you but yourself and God."

And the Indian shook his head and said, "Ha! God whole lot like Uncle Sam. Indian never seen Him."

No one can help the abstracter but the abstracter himself. To him alone must the future of the business belong.

An abstracter starting into the abstract business should primarily establish himself in a place where he can work. The abstracter who attempts to set himself up with a certain general knowledge of the county records, a typewriter, desk, a chair and expects to get the abstract business, is going to get fooled. The time has passed when the layman and the average property owner does not appreciate what is necessary in order to turn out a good abstract of title.

It is only a short time past when a property owner was inclined to run to the abstracter or to the lawyer with all his little title problems, but during the past few years he has become educated and himself has a knowledge of the various phases of the title question. If there is anything that puzzles him, he goes home and takes down his Business Man's Commercial Law Library that he has bought on the plan of a dollar down and a dollar a month, and he is able to look up the problem for himself. The consequence is that he knows that in order to compile an abstract of title to any tract of land, the abstracter must have an adequate plant, adequate reference in order to turn out a piece of work upon which he can rely.

I don't propose to come up here and establish myself as a Moses who will lead the country abstracter from a land of business depression into a land of money making. The only thing that I can do is really to give you my theory based upon the experience that I have had, of what is the necessary requisite for a money making abstract plant.

I might say that it is a sort of case such as I told a young lady some eight or nine years ago when I was pressing the point pretty hard—just to establish a sort of Monroe doctrine of the point I was trying to make.

Speaking of the proposition of the well equipped abstract plant, the abstract business can be considered as being no different than any other business, although the abstracter has been prone to consider that his is a line of business that follows through an entirely different channel than any different business, but it does not. It is just the same.

The garage with the well-equipped repair plant is the garage that gets the business. The lawyer who has in his library the most recent, up-to-date rulings of the Court and decisions gets the business, whereas the member of the old school who still looks to the ancient authors for his precedents sits idly by and wonders what has become of the law business.

The abstracter reminds me somewhat of a story told of a judge in one of our courts who usually demanded a very strict line of testimony from the witnesses and was unable to accept on its face the statements that witnesses might make. The story is told that one time in one of the cities they were building a new edifice and one of the bricklayers working up on the second or third story pushed a brick out off the edge of the wall and it fell and hit a hod carrier, who was entering the building, upon the head and killed him.

The widow of the hod carrier brought a suit against the contractor

for recovery of damages on account of the death of her husband, and at the trial of the case they had on the witness stand an Irishman who had been mixing mortar out at the edge of the sidewalk near where the accident took place.

They had this Irishman on the witness stand and the attorney asked him, after the usual questions as to his name and his residence, if he was present when the accident took place and he said he was. They then asked him to tell what happened and he told what happened.

"How far were you from the deceased at the time he was hit by this brick?"

The Irishman said "Nine feet, six and three-quarter inches."

The old judge turned around and said, "How far?"

"Nine feet, six and three-quarter inches."

"How do you know that is how far away you were?"

"Well, judge, I figured that some damned fool would ask me that question, so I measured."

That is the usual attitude upon the part of the abstracter when somebody who has made a study of the business tries to give him some information as to how he might better himself, and I realize it is a hard proposition to try to get any new matter to sink home.

I should liken an abstract plant to a hospital or clinic through which the title passes on its way from vendor to vendee. The abstracter is the diagnostician who examines the title through its various stages and reports in his abstracts the physical defects, if any, which he finds.

It is strange to say that many an abstracter who would not subject his person to a hospital or clinic without the proper equipment, will himself work without an adequate plant from which he can expect to receive a fair amount of the abstract business.

The abstract business has been a victim, largely of the mechanical age. It has failed to keep step with the organization and efficiency demanded by business men. If the abstracters will first establish themselves in a modern, well-equipped and up-todate plant, they will dignify and establish upon the high plane where it should be, the abstract business. By requiring a reasonable investment and equipment and then the curb stone, the record chaser, the ex-County Clerk abstracter who is unable to obtain this equipment, will be abolished or be at least minimized.

I think we would be safe to say that the time is imminent when the abstracter attempting to do business without a modern and well-equipped plant will be forced entirely off the map and out of business.

One of the main essentials to the conduct of a good abstract business, and in conjunction with a good abstract plant, is the use of good materials. An abstracter turning out the product of his plant should use neat typing, ribbon should never be allowed to grow dim, stationery should be used such as will stand rough usage over a period of years, and the captions and covers and other parts used in the abstract should be of such design and of such character as to reflect credit upon the man or person or corporation whose name is stamped upon it. The use of good materials is one of the most important things reflecting upon the abstract plant. If you use poor materials, it reflects on the character of the plant, and the reflection caused by putting out a product of such nature will be such that the public will not appreciate the value of the plant.

The abstracter who relies solely on county records for the making of an abstract not only takes a big chance but he has been prone in the past to escape the liability by very cautiously worded certificates to his abstract—a certificate that really does very little more than cover a sheet of paper and contain the reference to the number of pages in the abstract which is attached.

So long as the abstracter has no distinctive plant, uses no distinctive form, the curbstone and ex-County Clerk abstracter can put out just as good a product as he can and just so long will the curbstoner or ex-County Clerk get some of the business or, in the majority of cases because they put out the work at a less price, get a greater part of the business.

A man expecting to go into the abstract business should equip himself for the profession which he chooses to follow. He should know it from beginning to end, all the little intricate questions which arise concerning titles. He should be in it in good faith and must train himself for the part, by studying out not only the mechanics of the abstract business but its place in the economic and commercial structure.

Coming back now to the proposition of the abstract itself, let us consider it just a minute from the standpoint of the certificate. It is a well-known fact that the abstracter in the past has been prone to put out his abstract showing just as little as he could and then trying to protect himself from liability by his certificate. There isn't any argument to that question. It follows right along the line of the old time statement of the public be damned. That was the attitude of the abstracter at one time and it is an attitude that must be changed. The abstracter, if he would prevail in business, should put out a certificate which certifies that the abstract to which it is attached is a full, true and complete abstract of record, the idea being to establish the abstract as a representative of a certain amount of liability upon the part of the person who signs it and the certificate; by receiving the certificate, the man is paying for something which he can fall back on.

The average person is inclined to consider an abstract as so many typewritten pages of material. He doesn't appreciate where it comes from, the amount of labor or technical knowledge it takes to compile it. The average person who receives from the abstract company an abstract of title looks at it as so many pages for which he has been forced to pay an unreasonable price, when probably he has a daughter in second year at commercial college who could have typed it just as well in his opinion, if she had access to the books from which it was copied.

The abstracter should stand squarely behind his work and should go out and put himself on record as squarely behind it and the public will then learn that they are buying and paying for something that they can't get anywhere else.

Now we come to the matter of prices. Having established himself with a good plant, by personal skill, putting out a product which he is standing squarely behind, the abstracter is then entitled to charge a fair return upon his investment. It is surprising to know how few abstracters in the State of New Mexico (and I assume the situation is no different anywhere else in the United States) actually know what their expenses are to turn out an abstract. At the end of the year they will balance up their books and figure they have so many accounts on the books that they can't collect and charge that off, and then they figure out about what their expenses are, or at least check up the bank account and find they are in the red and let it go at that. They don't know.

The abstract plant should be run upon a business basis and the party running the plant should know to a dime what it costs to turn out an abstract and then should charge a reasonable return upon his investment. He should charge not only for the abstract but for any work in connection with his profession which he does.

I know an abstracter in my state who spends days at a time checking over field notes of record surveys and making a plat of the tract of land which he is going to abstract and he puts that plat in his abstract free of charge. I don't think that should be done. I think that should be charged for. It is a matter of work and that plat contains information valuable to the purchaser of the abstract. The abstracter who permits people to come into his office and go over his records and take therefrom information which he knows is valuable to them and which they come in to his office to get because they can get it quicker than they can by going and searching through a lot of records at the Courthouse, should charge for that service.

In my opinion that is one of the matters where the average abstracter falls down, and yet the same man who

comes in to your abstract office and asks to see your index to a particular tract of land and search your records for it would not think of such a thing as driving his car up to the back door of a garage and asking the man to loan him his valve refacing tools and cylinder machines because he wanted to go out and overhaul his motor.

The same thing is true in the abstract business. It is a profession and a service we render and a service that should be charged for—every bit of it. The question was brought up a moment ago about the suggestion to title examiners that in one place in the abstract you show too much and in another place not enough. I may have a peculiar theory upon that phase of the abstract business. When I started into the abstract business I tried to make a careful study of it from the standpoint of the needs of New Mexico. I tried to design an abstract that would contain enough information from the county records so as to show the full purport of the instrument that was abstracted on that particular page, that would not show too much that it would become burdensome to the examiner but yet would show enough that nothing contained in the sheet should be declared a conclusion upon the part of the abstracter.

I have consistently stayed with that plan—have adopted certain forms of showing warranty deeds, certain forms of showing mortgages, and I have found it has been a benefit and a success to my business. I have been approached time and time again by different persons wanting me to make an abstract along a certain line but my theory of the thing is that when a man changes his product to meet the demands of Tom, Dick and Harry, he loses the respect they have for him as a professional man. If he will establish his product and stand by it, then the man feels like he has something and he is willing to take it as the other man is willing to put it out.

The abstracter should charge for copy work, making over old abstracts, for making copies of old abstracts, for if he puts out an abstract which he stands behind in his certificate, he is just as much liable in the copy as in the original.

We keep in our office a complete copy of every piece of work we turn out. Copy of that abstract is filed and indexed so that we can find it again when we want it, and if at any future time we are requested to make an abstract upon a piece of property which has been abstracted, we are enabled to get that copy out of the files, hand it to the stenographer and in a minimum time have it extended and we certify to it. It decreases the overhead of the abstracting business a great deal and is a short cut in the work.

MR. FEEHAN (Albany, N. Y.): Do I understand that you certify copies, carbon copies?

MR. MONROE: We don't make carbon copies. What I refer to is that we keep a copy of every abstract we make on file in our office, and if you refer to making one or more abstracts of the same piece of property simultaneously, we don't put out a carbon copy. We copy it over again. It doesn't take a great deal more time for a good stenographer to copy those instruments and a carbon copy extracted soon smuts and comes back into our office in two or three years looking like it's been through a tread mill, and reflects discredit upon the firm whose name is signed to it. We don't put out carbon copies of abstracts.

I might say in conclusion, and I want to say this in conclusion, that the abstracter, in order to sell his product to people—and the abstract is a commodity just the same as a radio or any other marketable thing; it is something that must be sold—must cooperate with his competitor in order to get his product over. The average abstracter, rather than make a study of his own business and try to sell it to the public, largely spends his time in belly-aching about what his competitor does. That is true all over the country.

I have been in a number of places and I have talked to abstracters in this meeting who said they couldn't do so-and-so because their competitor wouldn't do it. They fail to cooperate.

There is a little story typical of the average abstracter when it comes to cooperation with competitors. Two negroes up in the north woods were walking about after a heavy snow storm. They came across the track of a big bear. One said to the other, "Now Sambo, we's up aginst a big prop'sition heah. We gwine to hab to fin' out about dis heah beah. No use gittin' 'xcited. We two ob us has got to stan' together and coop'rate on dis thing. You go dat way and see wheah de beah went, and I'll cooperate wid you and I'll go dis way and see wheah he come from."

That is typical of the average cooperation on the part of abstracters. He must get soundly behind his business and make a study of it. It is time for the abstracter to become of age and assert himself and take the place he should hold in the business world.

THE CHAIRMAN: Somebody asked what Monroe charged. That reminded me of a man from Oregon who came here to Wisconsin on a visit last summer. He went into the abstract office to visit with his fellow title man. He asked "What would an abstract on this building cost?" and the abstracter in this town in Wisconsin figured and figured and said, "Nine dollars and sixty cents. What would it cost in Oregon?"

"Well, it's a pretty good looking building. I don't know what the record would cost, but I'd charge $60 for the certificate to start with."

Monroe talked about standing behind your certificate and all that sort of thing, but if you are going to stand behind it, you must get enough to pay for it.

Herman Eastland from Texas has made a study of a lot of side lines. Our time is getting short, we only have about forty-five minutes for two more papers and there will be a lot of questions on both of them, so let's hop along. Herman, come on and do your stuff.

Logical Activities for Abstract Offices

By Herman Eastland, Jr., Hillsboro, Tex.

MR. EASTLAND: Mr. Chairman, Ladies and Gentlemen: I am sure by this time you realize that we speakers on the abstracters program have been limited. We have been told exactly what we must do and our time is growing short so I will jump into my speech without any jokes.

The subject, "What Is the Future of the Abstracter and the Abstract Business, by Conducting Logical Additional Activities," is one to which attention is rapidly turning. Additional al activities are evident in all lines. The manufacturer is devoting time and money to the development of "by-products"; while the retailer is burning mid-night oil concocting plans for a profitable "side-line."

Today is the period of specialization; and each individual should become proficient in his particular line.

These tendencies may be combined and used effectively in the abstract business. The abstracter should not engage in selling real estate, fire or life insurance, making loans or any activity which will bring him into direct competition with his customer. His additional activities should be directly connected with his business, and that which is logically best handled by him to the advantage of the person he serves.

The activities open to the abstracter are numerous but local conditions must govern their use. From my experience, I have found that the abstracter may use, without serious conflict, excepting rare instances, additional activities under the following three classifications:

I. First, those activities directly related to the abstract business.

1. The making of maps is a very

profitable side-line for the average abstracter. There is always a demand for county maps. These maps may be had at a very slight cost, and can be sold to yield a good profit. In each of our three offices, we have a supply of County maps for sale. Oil-men, realtors, loan companies and others frequently purchase these maps.

Often we are called upon to make maps for use in suits involving conflict of boundary lines; plat field-notes of a particular tract; or make a copy of the plat of an addition. This service may bear a high charge.

Ownership maps yield good returns and usually create an additional demand for abstracts. We prepared an ownership map for an oil company. This map only covered a small section. They paid us $250.00 for the original tracing. These maps help materially in making an efficient abstract plant.

2. Many are the calls for field notes. The realtor, lawyer, loan company, oilman, pipe line company and public service corporation need an accurate description of the land involved in their transactions. Furnishing this information may be used with your patrons as an advertising medium. This is our policy with the local realtor, lawyer and loan man. We find that it assures us their future abstract business even though we have consistently refused to allow discounts or give commissions. Just recently, the Magnolia Pipe Line Company obtained easements through two counties in which we operate. We furnished them the correct descriptions of the lands over which they desired an easement, and in some instances, made plats of the lands.

3. The necessary information for preparation of suits involving lands may be furnished attorneys. Most attorneys prefer to have this information from the abstracter rather than dig it from the abstract itself. He experiences much delay in obtaining the abstract as it is generally held by some loan company, and two to three weeks time is consumed before its arrival. He can get the desired information from the abstracter without delay. This enables him to file the suit in time for the next term of Court. Thereby he increases his efficiency and saves his client unnecessary delay.

4. In bringing suits for the enforcement of the collection of delinquent taxes, the county or city attorney must have a legal description of the property involved. The abstracter is his only source for this information. This work is given the abstracter during his dull season, and he is able to complete it without conflicting with the usual business. Our company did this work for Hill County last year. The time of one man for three weeks was consumed. The revenue for this work amount to $500.00. We charged on the basis of $1.00 per tract.

5. A list of non-resident owners with an accurate description of the property owned is desired by the realtors. From this information he is enabled to get a listing of the property for sale. As a rule, the non-resident owner is willing to sell at a low price so a sale is usually made. Besides the revenue derived from the sales of this list, the abstracter is assisting in creating additional business for his company.

6. Answering the requirements of title made by examining attorneys offers to the abstracter a profitable activity. He is best fitted for this, he knows titles and the people connected therewith. With this knowledge, he obtains the necessary instruments or information with little trouble and expense. Frequently, the requirements are satisfied by a clear explanation of the conditions. I have the highest regard for an examining attorney. (This is natural as I am in this class.) But to me the practising attorney, who pays little or no attention to land title laws and accepts abstracts for examination, is a disgrace to the legal profession. By meeting title requirements, the abstracter elevates the standing of his profession and places his ability in the public limelight.

7. Checking taxes and estates in probate for mortgages is an undertaking available to the abstracter. Each year, the principal loan and life insurance companies cause a check to be made as to taxes for the previous year. Also they want a check to determine if the borrower has died and his estate is in the process of administration through the Probate Court. This information is generally wanted during the Summer months when the abstracter is not rushed. We have companies who ask for this each year. They pay 50c for each tax check and each estate check. In some instances, information as to the present record owner is desired. If you want this business, I am sure that a letter will gain it. This item alone will assist materially in paying one month's expenses for the average abstracter.

II. Next I will bring to your attention activities semi-directly related to the abstract business.

1. Maturity lists may be compiled. This list includes each loan that will mature, or contains an option of prepayment, during the succeeding year; the name of the borrower and his address; the name of the present record owner and his address; the amount of the loan; the date of its maturity or option of prepayment; the rate of interest; volume and page where the deed of trust or mortgage is recorded; correct acreage and name of survey; and the name of the mortgagee or the present owner of the loan. A complete accurate maturity list may be readily sold for $15.00 to $25.00 each. Every individual in the loan business, and often the large loan companies, will purchase a list. This activity is a paying proposition and will increase orders for abstract work.

2. A chattel mortgage list is of vital interest to the banks and merchants doing a credit business. In my section, this matter is handled by an individual, who makes a comfortable living by compiling such list in three or four counties. He puts the list out each week in bulletin form. Each bulletin contains all chattel and crop mortgages filed during the preceding week. It shows the names of the mortgagor and mortgagee; the description of the property pledged; the amount of the indebtedness and its maturity. From this information the banker and merchant are able to know the financial condition of his customer. Hence the demand is good. I understand that for this service a charge of $2.00 per month is made. As the number of subscribers will total over 100 in the average county, you readily see that a good return is made. At most, the time consumed will not exceed five days per month.

3. A mailing list is easily sold to merchants and large establishments doing a mail order business. Since the Ford" has become the "universal" car, the makers of accessories buy Ford owners mailing list without hesitation. The sale price of a list of this type ranges from $25.00 to $50.00.

4. Real estate owners list is desired by some. This is usually included in the mailing list and is so indicated by showing that the individual owns land. However, I think that such a list would be of value to the realtor and loan man. Hence profitable to the abstracter.

5. Since there is uniformity in all States of the Union as to registration of motor cars, and there is an increasnig number of cars stolen each year, abstracts of title of automobiles are becoming popular. A purchaser of stolen property has no title as against the true owner. Therefore purchasers of used cars are demanding evidence of ownership. The abstracter is the logical source for this information.

6. Purchasers of personal property such as a stock of merchandise, used fixtures and like property want to know that their possession will be undisturbed, so demand evidence of ownership. The abstracter can compile this evidence and make it a source of revenue.

III. The third and last classification is activities indirectly related to the abstract business.

1. The preparation of legal instruments is a service conducted by most abstracters. Some may be inclined to say this directly conflicts with the legal profession and should not be followed. But I think that the abstracter is usually better qualified to prepare instruments involving lands than any others person in the average community. He has ready access to all records, understands what should be included and is sufficiently posted as to the legal points involved. In performing this service, he should use discretion. He should not thrust himself

upon a client of some attorney, but let the individual seek his services. The loan and real estate men appreciate this assistance. We have a number of clients who request us to prepare all instruments for them. They find that it gives them additional time in which to make other deals or to secure more loans.

2. A good supply of legal blanks, such as deeds, releases, assignments, deeds of trust and other forms, offered for sale is appreciated by all customers. You can more than double the money invested. Also these blanks may carry the name of your company and act as an advertising medium. A few years ago we had printed a quantity of warranty deed forms with our name on the outside. These cost $22.50. Enough have been sold to return the original cost and to yield us a profit of more than 100%. Outside of the profits derived from the sale of such blanks, this service enables the abstracter to keep in touch with the activity of land transactions. It makes friends for him who, in time, will turn business his way.

3. The Railroad Companies often call upon us to furnish values of lands and lots adjacent to or near their right of way. This information is used with the Tax Commission in equalizing taxes levied against the railroad companies. Two years ago we furnished this and other information to the St. Louis & Southwestern Railway Company of Texas. They furnished us with printed forms setting forth the information wanted. A part of this information was obtained from the deed records, the remainder was gotten on the ground. One man completed this work in less than two months. In return, we received $1,000.00 in cash and much valuable data for our office. And, too, this work was done during the quiet season.

4. The abstracter may act as agent for non-resident owners in rendering and paying taxes. The customary charges for this service is 10% of the amount of taxes. This work takes little time and can be developed so that a fair return is received.

5. Escrow service is a new lucrative field open to the abstracter, especially those in counties not having title insurance. In most places, escrow matters are handled by the banks. No charge is made and the escrow is handled accordingly. No special attention is given the matter. The meager contract of sale, incompleted instruments, frequently not signed and seldom acknowledged, a bundle of old deeds, releases, grocery bills and love letters, and the abstract are pushed through the window of the bank with this remark: "Bill and me have traded and want the bank to be stake-holder." The clerk receives the papers. After tying them together and writing the names of the parties on the outside, places them in a pigeon-hole in the vault. When called upon to produce the escrow papers, the clerk, after a long search, finally brings them out. The purchaser must do whatever checking he desires at the bank window. The abstract has not been brought down to date since some weeks prior. There is no opportunity to check the description and the consideration in the deed. The status of the existing liens have not been ascertained. The cash payment must be made before the bank will deliver the papers. The purchaser is so dazed that he is willing to trust to luck in order to complete the transaction, so pays over the money. Even though this is called escrow, there is no service rendered.

The abstracter can render honest-to-goodness escrow service. When the parties come to him, he immediately investigates the contract of sale, if it is insufficient he prepares one that will cover the ground. He obtains explicit instructions in writing from both parties. Then all papers are placed in a folder, which is filed and indexed so that it can be had upon a moment's notice. Prior to the date of closing, he has obtained the exact status of all liens, interest, taxes and sundry other matters. The consideration and description in the deed have been checked and all necessary corrections made. The requirements on the title made by the attorney have been satisfied and the final approval of the title is in hand. The parties to the contract may close their deal in a short time after the abstracter has made a final search and advised them that no change has occurred in the title since the date of the abstract.

This service is appreciated by the parties, the abstracter has made a favorable impression and added two new clients to his list, besides receiving a fee for the service rendered.

The fee is usually a minimum fee of $7.50 on the value up to $7,500.00 and $1.00 per thousand in excess of that value. This will have to be determined by the individual, after taking into consideration the local conditions. In making a schedule of rates, you should be sure to have them high enough to insure just compensation for the work done. People are willing to pay when you render first class service.

There are many other activities open to the abstracter but the time allotted me will not permit a further discussion.

In conclusion, please permit me to leave with you this advice: Study your business, the needs of your community and take advantage of the opportunities offered. If you follow this course, you will soon garner in many dollars that are now lost to you.

THE CHAIRMAN: If there is any abstracter here who hasn't made his expenses by listening to Herman Eastland, it is his own fault. One abstracter told me yesterday very proudly that he had handled 90% of the escrow business in this county. I said, "That's fine. Do you make a lot of money out of it?"

"Oh no, I handle it free."

That man ought to be making four or five or ten thousand dollars a year out of it!

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912,

of TITLE NEWS published monthly at Mount Morris, Illinois, for October, 1927.

State of Missouri } ss.
County of Jackson }

Before me, a Notary Public in and for the State and county aforesaid, personally appeared Richard B. Hall, who, having been duly sworn according to law, deposes and says that he is the editor of the TITLE NEWS, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are: publisher, American Title Association, Kansas City, Mo.; editor, Richard B. Hall, Kansas City, Mo.; managing editor, Richard B. Hall, Kansas City, Mo.; Business manager, Richard B. Hall, Kansas City, Mo.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.) American Title Association, Kansas City, Mo.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.) None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholders or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

RICHARD B. HALL.

Sworn to and subscribed before me this 25th day of September, 1927.

(Seal) EDWARD J. EISINMAN.
Notary Public.

(My commission expires Dec. 3, 1928.)

THE CHAIRMAN:

Next we have Lester Mullen from Martinez, Calif. I want to tell you about him. Lester was just as near broke as any country abstracter in the United States and he didn't know which way to turn. He turned to title insurance and now he has three automobiles and stock in his company is selling at five hundred dollars a share, —if you can get any.

A lot of folks want to discuss title insurance and a lot of them want to discuss state-wide title insurance. I hoped we would have a lot of time for Lester to stand up here and harangue the audience but for those who want to discuss it, Chilcott from California and Lester Mullen and the whole California bunch will be in the committee room on this floor at 8:30 tomorrow morning. I want to tell you, folks, that it is dollars in your pockets to be there. Those fellows haven't anything personally to sell you; it isn't a case of Minnehaha.

MR. MULLEN: Mr. Eastland mentioned several side lines. Most of those side lines, as a source of revenue, are things that we use as a source of getting business for us. We have eighteen legal forms. We hand those forms out to the lawyer, banker and realtor so that we are indispensable to them.

Mr. Monroe stated that he was no Moses—no abstracter's Moses. Don't think that I am an abstracter's Moses just because every time my mouth opens the bull rushes.

Title Insurance for the Abstracter

By Lester Mullen, Martinez, Calif.

From the name of the subject of my address you might think that I was always in the title insurance business and had never seen an abstract of title. So, before I start, I want to have it well understood that I have made many an abstract of title, and that it was only as far back as November, 1922, that we in our county discontinued making abstracts for the public.

The subject of this entire morning is as stated "What is the future of the Abstracter and Abstract Business" and, as I understand it, at the time of writing my paper, the two men before me are to speak respectively, first, on staying with the business as an abstracter exclusively, and the other is to advocate taking on some other or additional lines with the abstracting. Then, I am to try to say something on this same subject of devolution or evolution as you may care to call it,—past experience being my only guide.

In this paper I am going to suggest that you get into the title insurance business either through organizing your own company, or affiliating with the title insurance company already in existence in your State. In accustoming the public to title insurance, I believe that it would be far easier to jump from the abstract business to the title insurance business, than from the certificate business to the title insurance business, because the service given by the title company with certificates of title is identical to the service given with title insurance, and that service is lacking in the abstract business. The service referred to is—first, the issuing of a preliminary report fully vesting title, showing encumbrances and with a full description of the premises, and then handling escrow if requested, then recording and issuing final certificate or policy—all under one roof, and with us—all for one charge.

I can only guess how your minds may run and that you may feel timid about making vestings for a policy, that is, if you feel like many abstracters in our State before they made the change from abstracting to writing title insurance. In that connection, you must have more confidence in yourselves. You have never actually vested title in writing,—never have made a written opinion on title and feel that you can not, therefore, make a vesting for a policy of title insurance. I know, however, that you can, and that if you can line up the instruments in an abstract in the order that they should be; if you look diligently for a deed executed personally by man and wife who had formerly declared a homestead, and only one of whom had attempted to convey to a stranger; if you look for the instruments that are missing in the chain of title of the abstract that you make, and either note their absence in writing, or are ready to advise the attorney, after he examines the abstract, that you already had looked for these missing matters; if you know that an idem sonan is something readily digested, but is not something to eat, and that a nunc pro tunc will not fit on a 1928 model Ford, then you can vest title in 999 out of a 1000 cases, as good, or better, than those persons who have heretofore examined your abstracts. And with a little help and good liberal minded counsel, you are ready to write title insurance.

I was with a country abstract company for a number of years and that company could not pay its employees sufficient money to keep other firms in different lines of business from overbidding for its employees. Just when we had an employee well trained, if this party was real good, others made the discovery and out would go the trained employee. Neither did the said abstract company pay a substantial dividend. Then in 1926 one of the large title insurance companies of San Francisco purchased our plant and business, and the order was "tomorrow write title insurance only." We got away with it, altho we had never written or issued a title insurance policy from our office before. Also, we had a competitor who still continued to make certificates and abstracts of title. Our office force remained the same. The title insurance company paid our help better money, (although no one was made wealthy) but the title insurance company made a good profit on the investment—something that the former owners in the abstract and certificate business could not do—and they thought that they had made a good sale. Why this financial change? We got slightly larger fees in the title insurance business than in the former business, but we were able to do more work with less effort. That is, we could now handle more deals with less help, wear and tear, because we were no longer laboriously typing books for others outside of our office to examine, and in turn to charge as much, or more, for their mere opinion as we did for our work—said opinion affording peace of mind only to the buyer or lender—absolutely nothing else. It was easier now to stand up to the counter and tell a customer that we were selling title insurance—something that, through State supervision and control, would remain to insure him even though we passed out, either as individuals, or as a company—something that went beyond the record to insure him against the crook or against something impossible to foresee. Some of the old-timers told us we were going to the bow wows—that they wanted what they ordered and that if we persisted to refuse to make abstracts of title, we were making a big mistake and would suffer for it. The unexpected occurred—we continued to write title insurance exclusively, did not lose business appreciably and the old-timers soon forgot to kick except in isolated cases.

In 1920, I accepted a position with an abstract company further out in the country—in a county that was for the most part agricultural. It is so that this county was on an arm of San Francisco Bay where we have a number of industries, but the people were accustomed entirely to abstracts of title, with some certificates of title issued on town lots. Title insurance was practically unheard of. When I first arrived, we started to continue abstracts by making limited certificates from the date of the abstracts to the present date, and within less than a

year the abstracting business was almost eliminated and limited and unlimited certificates of title were the issue.

In the meantime I wanted to have a plant of my own, so I called on several abstract plant owners further out in the country that I believed might sell. I found that none of these abstract businesses were paying expenses. I mean that and repeat—none of these abstract businesses were paying expenses. One plant was capitalized at $25,000 and that was the asked price—with no buyers. I never saw a more complete plant although I have seen them more elaborate and yet this plant was not paying the owners one cent. How did they make it go? One owner got $150.00 a month salary and the other $200.00, both working in the business, but in order to do it they had to sell fire insurance—the abstract plant paying them nothing. In the same county seat I asked the other abstract company if their plant itself was paying and the reply was, "No, but you see we write a lot of fire insurance with the abstract business and that is how we make our money." In another county, I found that besides fire insurance as a means of income, the abstract plant owner farmed quite extensively as a life saver. These were not isolated cases. I know that practically all of the purely abstract companies made absolutely no money in that business—it was the side issue of fire insurance, agriculture and "what not" that kept their heads above water.

I had been taught that most great painters, musicians and other artists, were so in love with their work that they never thought of the material side of life sufficiently to care to make a good living for themselves and families, and now I had discovered that abstracters also were artists—giving away their work for the love of it!

I was a married man with two sons, all of us eating regularly, desiring the good things of life, and with no race suicide prejudices. The question was simple—was I to continue as an artist or was I to obtain the things for my wife and family that they had the right to expect? Was I to continue in the abstract business and for support sell fire insurance, milk cows, raise chickens, potatoes, asparagus, and everything else that our wonderful soil and climate permit, or was I to get into some other line where the business, as advertised, paid its own way?

About this time, a movement was on foot to start a title insurance company to write title insurance in the so-called country or cow counties and it looked good to me. I became financially interested in the abstract company for which I was now manager and in January of 1922, we started to write some title insurance under the newly organized title insurance company. We ate, drank and talked title insurance. If a traveling salesman called, even if by mistake, thinking we were in some different line of business, he knew all about title insurance before he got out. The Western Union and special delivery boys, and even the garbage man, did not escape once they came in our door to deliver or collect. One day after we had talked awhile to a foreign born person who spoke very brokenly and who therefore required very simply language in turn, a building and loan salesman from out of town who had been an innocent bystander, suggested that our explanation of the meaning of title insurance should be written just as he had overheard our conversation, and the folder "Rates and Reasons for Title Insurance" was the result. In the meantime, we were arranging with our competitor to both get into the issue of title insurance exclusively. Three times we had cards printed jointly announcing the plunge, and each time the cards were made useless by delays. It was not until November of that same year (1922) that we finally sent out the announcement cards.

Then the fun began. Fun—if you don't take life too seriously—otherwise you would call it grief. There were threats and there was gnashing of teeth. Our closest friends said we were going into title insurance too fast—that the people did not understand it yet—and that the public would not stand for it. The most difficult people to deal with were those clients who were our seniors—men to whom we could not attempt to say one word that might be considered as argument, even though it was not in the least a rebuttal. Yes, we did some sweating, not perspiring, for as the saying goes, he who calls sweat perspiration, knows not its meaning. We just closed our ears, sat tight, tried to look pleasant without too much emphasis on the smile, so that the public would not think we were laughing, did not argue, but rather gave statements of fact fortified with and keeping two big outstanding grand points in mind. The first point was: We were now to give the public the last word in evidence of title—something concrete (and this is not intended as a pun), something concrete in place of something abstract; and second, we were to make a better living for our families, ourselves and employees—and both of these things have come true. Today we have no fear that others are going to buy off our employees as they are getting better money, are more alert and work goes out faster, thus pleasing everyone concerned. Through the saving of time, we can now give our clients more real service and can gratuitously help our friend the Realtor by giving names and addresses of owners and other data through which he may more readily make sales.

Do not, however, gain the impression that we in our county or community have reached the millennium. For myself, I can only say that I am on duty all day and then some. So far, I have not found time, or, as some would put it, have not taken the time to enjoy the benefits of my local golf club membership, whereas, my fellow townsmen, the butcher, baker and electric light maker, have taken such time off and they appear to eat regularly, too. It is, therefore, within the realm of possibility that we have room for improvement that would afford us more time for play, and we are open to suggestions.

In closing, I want to say to you: That if you are not sufficiently familiar with the protection afforded by a policy of title insurance as against the protection afforded by an abstract, and opinion thereon; if you are making as much money in the abstract business as the butcher, baker and electric light maker of your town, and it is unnecessary that you have several side lines to support your present abstract business; if you believe that the income therefrom will permit the putting away by you of a sum to decently take care of you and your faithful wife in old age; if you are not under-paying your help; *or* if you are artists so in love with the abstract business that you believe it should be run as a charity for poor money lenders and land owners, then you will not be interested in what I have had to tell you about my experience. If conditions are otherwise with you, then you will assert yourselves. A proclamation of emancipation from the slavery of abstracting for the public and a declaration of independence of the conduct of his business will be written by the abstracter and at an early date, North, South, West and East, all over these United States of America we will be talking one language in the title business—Title Insurance.

THE CHAIRMAN: I just want to say that there are a lot of jellyfish—did you ever see one?—in the abstract business. You've either got to develop some spine or you've got to quit. You must learn to cooperate and consolidate and Les Mullen is right—we are either going to be broke or in the title insurance business before long. If you're going to stay a jellyfish, don't go see Lester Mullen. If you want to get to some place, if you want to hear a conversation that is worth ten thousand dollars to you, be on the job tomorrow morning at eight o'clock.

MR. KENNEY (Madison, Wis.): I want to say one word before we leave this subject of the future of the abstract business. I think there is one thing further we ought to begin to think about. I heartily agree with all that has been said this morning. I think it is fine but there is one thing in addition that it's time we were thinking about.

We can take a leaf from the real estate man's book on this subject. They organized, but they have gone much farther afield. They have gotten in

every State a law licensing realtors. Nobody else can touch the business. They are enforcing that law in our state. They have established courses in all the great universities in this country. They have a research department working all the time. They have a research magazine in land economics and everything of that sort down at Northwestern University in the State of Illinois. It was at Madison, Wis.

It is time we began to think a little along those lines, too. We can do a lot of things by cooperation and by working together and by harmonizing, but in the end we have to have some laws. I think you will agree with me that we can think this thing out, and we have to have a profession in fact as we continue to talk about and treat it and speak of it, but it isn't a profession. The barbers are away ahead of us, and everybody else. I just want to start you to thinking on this subject.

THE CHAIRMAN: I am sorry we have to stop the discussion but Ed Lindow insists we must go somewhere at one o'clock. I just hope that out of this bunch here there are one or two from each state who get the idea that we ought to begin to make a living. If there is one or two from each state, the rest of the folks will either get the idea from them or eventually they will die off and somebody else will take their place. That will help to bring the title profession up to a level with the barbers and the waiters.

PRESIDENT WOODFORD: I have been so busy keeping the door here that I haven't heard whether you called for the report of your Nominating Committee.

THE CHAIRMAN: No. Where is the Nominating report?

MR. WILKIN (Independence, Kans.): The Nominating Committee met this morning with every member present. After a rather long session, we beg to submit for your consideration the following as officers of this Section for the ensuing year:

For Chairman, James S. Johns, Pendleton, Ore.,

For Vice-Chairman, Alvin Moody, of Houston, Tex.,

For Secretary, W. B. Clarke, of Miles City, Mont.,

For the Executive Committee:

J. R. Morgan, Kokomo, Ind.,
E. D. Dodge, Miami, Fla.,
Henry C. Soucheray, St. Paul, Minn.,
Vera A. Wignall, Pauls Valley, Okla.,
J. Emery Treat, Trinidad, Colo.

I move the adoption of this report.

(Motion to close nominations and elect above by acclamation made, seconded and carried).

Program, Title Insurance Section

FRIDAY MORNING SESSION.

The meeting was called to order at 10 o'clock by Mr. Wellington J. Snyder, chairman of the Title Insurance Section, of the North Philadelphia Trust Company, Philadelphia.

THE CHAIRMAN: I will take this opportunity of appointing the Nominating Committee. I would ask that they make a report at the end of this session. As Chairman of that committee I will name John Henry Smith, of Kansas City, Mo., J. M. Dall, of Chicago, P. R. Robin, of Tampa, Fla., Henry J. Davenport, Brooklyn, N. Y.

During the past year the officers and executive committee of the American Title Association have done some very constructive work for the benefit of the membership. Especially has the Title Insurance Section tried to work out some features of that business which might do the most good for the membership. Yet we are not striving only for those things which are beneficial to ourselves as insurers of title, but our greatest concern is that we might bring that subject before our membership so that they who are not now engaged in the business of title insurance will see the advantage of it and try and enter into that phase of the work.

One sometimes hears the remark that this Association seems to be interested only in title insurance, and that the other membership is not taken care of. I can assure you that that is the furthest away from the thoughts of the men who are guiding this Association. It is true we are trying to do a missionary work, trying to spread title insurance so that it will become universal throughout the country, but in doing that we are trying to benefit the abstracter and the examiner individually.

Title insurance cannot flourish and in fact it is based upon the abstract of title which in turn must be examined by a competent examiner, so that the logical method of starting in a new field is for the abstracter and the examiners of title to do the starting.

During the year we have had four main topics that we tried to develop. The first, of course, was the advertising of title insurance as an abstract proposition. That was done not for the benefit of those who are already in the business as much as it was done for those whom we hope will enter into it. The cost of this advertising was borne by the companies that are now doing title insurance and was not paid out of the treasury of the Association.

Another subject that was given considerable attention was the question of rates and schedules. This subject will be fully reported by Mr. Henley at the noonday conference today.

Mr. Doherty the other day alluded to the question of the Government of the United States not accepting title insurance. That subject was taken up with the proper officials of our Government and I am going to ask Dick Hall, the Executive Secretary, to give a complete report of that at our session this morning.

Another subject that was considered was the advisability of having a Board of Actuaries in connection with the title insurance business. That also will be a subject at the noonday conference.

I hope that during the coming years these subjects will be more fully developed and that some substantial good may come to our membership.

The first speaker on our program this morning was to be Oakley Cowdrick, Vice-President of the Real Estate Title Insurance & Trust Company of Philadelphia, whose company is the oldest title insurance company in the world, and whose first policy of title insurance was the first one ever issued. Unfortunately Mr. Cowdrick has not been able to get to the convention but he has prepared his paper and I will ask Mr. James P. Pinkerton of Philadelphia to read that paper.

MR. PINKERTON: The subject of this paper is "The Inception and Growth of Title Insurance." I am very sorry that Mr. Cowdrick could not be here. He has had a great many years of experience in the title business and I am sure that he would enlarge upon this paper, which was written, by adding many incidents out of his experience of the growth and development of title insurance.

I got into this title insurance business only after it was fully established in Philadelphia,—after title insurance as an institution had passed through its early and growing stages and had become full grown and the only method of protecting transfers of title known in Philadelphia.

(Mr. Pinkerton reads Mr. Cowdrick's paper.)

Inception and Growth of Title Insurance

By OAKLEY COWDRICK, Philadelphia, Pa.

Philadelphia, proper and suitable place, is the stronghold of title insurance. For in Philadelphia originated this business now engaging the activities of two hundred and thirty principal title underwriters in the United States, giving assurance of peaceful possession to thousands of home owners and security to the holders of many millions of mortgages secured on these homes and to the holders of more millions of dollars held for investment.

Almost the first matter to engage the attention of the founders of the Commonwealth of Pennsylvania was the establishment of a system of land transfers, which was done by the formation of a Land Office where application was made for a survey of land purchased from William Penn, the proprietor, upon which survey a patent issued, and was duly recorded. From that time to the present day, the land thus granted has passed through the successive holders of the title by deed, will or descent in accordance, first, with the English system of transferring real estate, upon which our method was founded, modified by the change of conditions after the Revolution, and altered and amended by various enactments of the Legislature of Pennsylvania. The laws relating to the transfer of real estate were made to protect the holder of the title, but the ordinary purchaser could not be expected to be familiar with the legislative enactments and judicial decision relating to real estate, so there grew up in the community a body of men, who through their study of the laws relating to real estate, and their experience, became experts in real estate law and methods of conveyance.

In Philadelphia the men practicing this profession were called "conveyancers" and they occupied a dignified and responsible position in society. The earliest deeds were written on parchment skins imported from England and were supplied in various sizes ,according to the matter to be written thereon, and handed to the "scrivener" (now, as such, as extinct as the dodo) who prepared the skin for the pen. Every word in the deed, from beginning to end, was written by the "scrivener" who spread the skin on a large flat table, sharpened his quill, very often removed his shoes, and with tongue sticking out went at it; on dark days and nights by candle light.

The conveyancer made the necessary examination of the records forming the various steps in the title into an abstract or "brief" as it was, and as it is yet, called. Based upon the information thus obtained, the necessary searches were made to show encumbrances affecting the property, and upon the result thereof the conveyancer made the transfer. The conveyancers were able, from their experience, to detect flaws in the title, or obstructions to the conveyance, and the questions thus arising were submitted to lawyers, especially versed in real estate law, on whose opinion the title was finally passed or rejected.

It will by the preceding recital be readily seen that the method of conveyance was tedious and cumbersome; that the purchaser of a property, or a mortgage, was at the mercy of human frailty, and might, through lack of skill or carelessness on the part of the persons engaged in examining his title, lose his property or investment. And this happened.

Even if the loss resulted from negligence the conveyancer was not always of such responsibility that he could be compelled to make good; and if such loss resulted from an error of judgment he was not liable.

In the case of Watson versus Muirhead reported in the 57th Volume of Pennsylvania State Reports page 160, the opinion of the Supreme Court of Pennsylvania being rendered February 10, 1868, it was held

"1. The rule of liability of conveyancers for errors of judgment is the same as lawyers and physicians.

"2. A conveyancer employed in the purchase of a property relying on the opinion of legal counsel that it was clear of encumbrances, so represented it to his principal, there being at the time a judgment by default against the vendor, the damages on which had not been liquidated, and under which it was afterwards sold by the Sheriff. HELD, that the conveyancer was not liable to the purchaser for negligence.

"3. To pass the title at that time with such an encumbrance was not evidence of want of ordinary knowledge and skill and due caution, even if the conveyancer had passed it on his own judgment."

This decision created such unrest among real estate owners and investors that certain of the lawyers and conveyancers of Philadelphia procured an Act of Assembly to be passed by the Legislature of Pennsylvania, approved the 29th day of April, 1874, providing for the erection of corporations for the specific purpose of "insuring owners of real estate mortgagees and others interested in real estate against loss by reason of defective titles, liens, and encumbrances." Following this, on the 28th day of March, 1876, a franchise was granted by the Governor of Pennsylvania to The Real Estate Title Insurance Company of Philadelphia, being the first ever issued by any governmental authority anywhere in the world where the granting of the privilege was followed by action. The first policy of title insurance was dated June 24, 1876. (In 1881 the name of this corporation was changed to The Real Estate Title Insurance and Trust Company of Philadelphia, and as such it still continues.)

Like every new and untried thing, title insurance met with opposition and was slow in developing. The conveyancers and lawyers engaged in the business of transferring real estate titles resented the intrusion and interference with their established privileges, and it was ten years before title business began to assume substantial form. However, the opposition died down and with the successive establishment of other companies for the same purpose the public saw the advantage of title insurance until today, it is in use all over the United States and no one, in the larger communities at least, would think of purchasing a piece of real estate or loaning on mortgage without its protection.

"The sole object of title insurance is to cover possibilities of loss through defects that may cloud or invalidate titles. It is for the assumption of whatever risk there may be, in such connection, that the premium is paid to, and accepted by, the company which issues the policy. Title insurance is not mere guesswork, nor is it a wager. It is based upon careful examination of the muniments of title, and the exercise of judgment by skilled conveyancers."

(Foehrenback vs. German-American Title and Trust Company, 217 Penna. State Reports page 331.)

The quality of a title is a matter of opinion, as to which even men learned in the law of real estate may differ. A policy of title insurance means the opinion of the company which issues it, as to the validity of the title, backed by an agreement to make that opinion good, in case it should prove to be mistaken and loss should result in consequence to the insured.

Title insurance is designed to protect the insured, and save him harmless from any loss arising through defects, liens or incumbrances that may be in existence, affecting the title when the policy is issued. It does not protect against any claim arising after the issuance of the policy.

Up to the present time no system of evidencing title has ever been evolved equal to that of title insurance.

The owner knows that his title has been passed upon by a system of almost mechanical accuracy, and that he holds a responsible guarantee.

One fee pays for title insurance during ownership (covering devolution to the heirs or devisee of the insured.)

The security afforded by title insur-

ance has been the means of the development of great enterprises for the improvement of real estate, and the consequent vast increase of real estate values. It has been the enabling factor in the financing of great industrial corporations, for without the security afforded by title insurance, the enormous sums invested by the Savings Banks and Insurance and Trust Companies could not have been employed.

In fact, Title Insurance is one of the necessities of the business life of today.

Title Insurance Companies at first insured only titles to properties in their immediate vicinity, but with the growth of modern needs this insurance has obtained state wide and national scope. One company, at least, the New York Title and Mortgage Co., maintaining a special department for insurances throughout the United States.

THE CHAIRMAN: It was the aim of the committee who prepared this program to give as comprehensive a survey of the entire question of title insurance at this section as possible. The paper that was just read gave us the conditions and the reasons why title insurance was thought of in the first place and to what extent it has developed up to the present time.

Our next paper will carry us forward,—looking into the future, trying to show us to what height our profession can reach. The man who is to handle that subject is one who has had great-experience and one who has made a wonderful success in his State. I therefore take pleasure in introducing Mr. Glenn A. Schaefer, President of the Security Title Insurance and Guaranty Company, of Los Angeles, Calif.

MR. SCHAEFER: I wonder if we might write into the record in the list of cities that were mentioned here a short time ago San Francisco and Los Angeles, as well as Detroit and others.

I feel a good deal like a prodigal son in coming before this meeting today, after having had the misfortune to miss the last six conventions of the American Title Association and I want to say that a subject like the one I am going to endeavor to handle for you today is a very difficult subject to handle without the background of these meetings.

I want to assure you that I come before you today in a very humble manner, in view of the fact that I have not had the opportunity to keep abreast of the times as represented by the work of this Association during the past several years, and I want to say in this connection that I am firmly resolved to attend all of the sessions in the future.

The Future of Title Insurance

By Glenn A. Schaefer, Los Angeles, Calif.

To keep its proper place in the race of progress the title business faces the necessity for redoubled effort. During the past ten years it has lagged behind. Too hot a pace has been set by other lines of endeavor.

This thought finds expression in a statement recently made to a representative of my company by the attorney of one of our national life insurance companies to the effect that —"The title business must keep abreast of the times in business development and progress. The business of buying and selling real estate and loaning money on it as security has developed tremendously within the last twenty years, but the business of insuring the titles thereto is still conducted with the same machinery and in the same manner that it was many years ago, which machinery and methods seem to be inadequate to handle the increased volume of business. Certainly it is incumbent upon you to develop modern methods of conducting your business and, thereby, produce the kind of contract your patrons require with a minimum of delay. In our judgment, too little attention has been given to this side of the business by the title insurance companies."

This viewpoint, which I believe is typical, indicates a keener public interest in the title insurance business and a general awakening on the part of the public to the necessity and importance of the service and the need for improvement therein.

Another public viewpoint is revealed by a question being frequently asked —"Why do not title insurance companies follow the example of fire insurance companies and accept the risk? Your losses will not be appreciably increased by furnishing your patrons with unconditional insurance on the titles to real estate."

But, probably the most significant of all the inquiries directed at the title business by the public, concerns the varying title forms and methods of procedure and, incidentally, the basis of charges. It has been charged that the viewpoint of the public has been ignored in the development of forms, procedure, basis of charges, and that unfair limitations of examinations have been adopted, with consequent limitation of guarantees. Let us reason concerning this.

That every business involving a service to the public should be developed along such lines as will best supply the needs of the public as to such service, will be taken as axiomatic. It is equally true that a business or profession which, by means of specializations or monopolies, has been developed to suit the convenience of those engaged in it, or to afford them special and easy profits, in disregard of the real wants of the public with respect to such service, will eventually find itself facing serious problems.

It has been asserted that the title insurance business, as developed today in California, is not such a normal development, affording a service demanded and desired by the people, but that the title insurance idea has been fed to the public against its will, and that the public really wanted and needed instead an abstract, a certificate of title—Torrens or otherwise. My object is not to attempt to refute the charge, nor to cover the entire subject, but to call your attention to the fact that this criticism, as well as many others of less importance, is not induced by any weakness in the principle of title insurance, but that the abuses complained of are the result directly or indirectly of the failure of title companies (1) to cover all of the records and other matters affecting the right of ownership of the client, (2) to protect once and for all, all persons interested in the property seeking such protection and without multiplicity of forms, (3) and to furnish an evidence of title negotiable by delivery with the property or any interest therein, thereby protecting the assignee of the insured against a duplication of the premiums paid by the insured, at least as to that portion of the charges representing title search.

In short, title companies have not always dealt fairly in drawing their certificates, guarantees and policies and in fixing charges. In many cases, they have limited their liability as to the client by printed exceptions and technical phrases not very well understood by the average property owner, permitting him to believe himself fully and absolutely protected in his right of possession, while in fact he was not thus protected. The excuse for this was that the client would not pay for full protection. This, of course, was a mere excuse, for the history of the business has shown that as soon as the client learns that he is not adequately protected by an abstract or certificate of title, he demands a policy of title insurance. Undoubtedly, as soon as he learns that he is not fully protected by the *form*

of contract handed him, he will demand a better form of policy; and as soon as he learns (as is the case now in many communities) that the policy purchased by the insured today is practically worthless in the hands of his assignee tomorrow, he will demand at least that the search charge be not repeated against his purchaser.

A consideration of these facts must lead to the conclusion, stated in general terms, that the policy of title insurance of the future will substantially meet the customer's ideal of full and absolute protection against all risks; will afford a complete title service with respect to all details of the transaction and all persons concerned; and especially will it be, in itself, marketable as an evidence of title, following the insurable interest, and worth always at least the cost of the labor expended upon it.

Furthermore, the title insurance policy of the future, with its added advantage of service and protection, will command a commensurate price, for, with a fuller realization of the extra risks imposed, there should and I believe will develop a willingness on the part of the public to pay the full, reasonable value of the evidence.

The future holds in store for title insurance, when the viewpoint of the public as to service and protection has been given due consideration by the title men throughout the length and breadth of the land, a relationship between title insurance companies that will permit the business to be placed on a scientific business-like basis, similar to that of fire insurance, where costs of operation, methods of operation and risks will be so worked out and known that all title companies can profit by the knowledge and experience of the others. As an outgrowth of such relationship, uniformity of forms, methods and procedure, and an augmented courteous regard for the public interests, will naturally result.

Pricing title work will be along scientific lines, based upon carefully worked out statistics, possessing characteristics of uniformity in the various localities.

Policy forms of the future will be simplified and standardized, affording a maximum of protection to the investor and will, without doubt, insure marketability of the evidence of title as well as specifically and in express language, the marketability of the title itself.

A more tolerant and sympathetic attitude on the part of the public towards the title companies will result as a consequence.

Is it worthwhile to gain these ends? There can be but one answer—"Assuredly so,"—even to the extent of building now for a future which, I feel, holds great things in store for those so fortunate as to be engaged in the business.

The very purpose of this association is to speed up the process of evolution, to the end that we may render better service and, thereby, popularize our business as one worthwhile and enduring.

The painstaking earnest work of the committees appointed by this Association to investigate and report on these very problems are indicative of a wholesome desire to perfect our service.

The state organizations, the title insurance underwriting boards, and the local groups of title men who now meet on common ground to discuss their problems, all attest to this fact.

These organizations and these meetings provide an outlet for the pent up desires of those engaged in the business of insuring title to make the calling not alone one to make larger profits but rather one to better serve.

It stands us in hand, then, to make adequate provision today for the future of our business, and it is opportune to consider those factors that help spell success, present and future.

Am I wrong in hazarding the guess that the experiences of title insurance companies on the West Coast, with respect to the criticisms I have mentioned, are substantially the experiences of title insurance companies upon the Atlantic Coast, and throughout the great valleys that lie between? If these things are true, why should not title men look their problems squarely in the face? To temporize, to evade, is to lose. Already, changed conditions in the title business are manifest. To illustrate what I mean, I need only call to your attention the fact that the demands of the great life insurance companies for title insurance against all risks, including rights resulting from possession, and other things not shown of record, have already begun to revolutionize the methods that formerly prevailed.

It is undoubtedly well known to you that now it is practically impossible to market at New York, securities based upon West Coast real estate, unless accompanied by a policy of title insurance insuring against all title risks, record or otherwise, without exception. Past experience shows that the money-lender dictates the kind of security, therefore the kind of policy. I submit, therefore, that the forecasts I have ventured are indicated by impending events; that the destiny of the title business is today being shaped along these lines by forces that cannot be materially influenced; and that we are abundantly justified in making an immediate survey of the situation at hand, taking council together, as men bound upon the same journey, what road shall be taken to avoid mistake.

I trust, therefore, it is not out of place briefly to discuss some of the many things which may or may not influence the future of the title insurance business, keeping in mind the dual interest of the public and ourselves.

I am convinced that the title men of the United States are not insensible of the merit of the criticisms that may be directed at the title business by the public. They are alive to the situation, and there is abroad in the land today such a decidedly hopeful indication of the existence of a spirit of helpful cooperation to solve their mutual problems, on the part of business men in practically all lines, we need not fear that that spirit shall fail to embrace within its influence the members of the title profession.

In the quest for guiding signs and helpful parallels, it is not unusual for title men to point to fire or life insurance as examples of a related type of business developed into the ideals of uniformity that we should strive for in the title insurance business.

I will not say that title insurance is of equal necessity to fire or life insurance, but I will hazard the opinion that from the standpoint of its potential importance to our rapidly growing population, it deserves to be placed alongside these as a vital, necessary and fundamental part of modern business.

Title insurance, being more modest and less spectacular than fire insurance, its losses being unheralded by the clanging of bells and the blowing of whistles, has not had opportunity to become so indelibly impressed on the consciousness of the people as has fire insurance. Yet, there are several parallels that can be drawn between the two. The history of fire insurance reveals that many problems similar in nature to some of those now faced by the title insurance business have been met and solved. Fire insurance policies have not always presented the present characteristics of uniformity. Rates in the past have been widely varying.

An intolerant, even hostile, attitude was often taken by the public toward fire insurance companies during the early period of their development, possibly with some justification, because of the uncertain degree of protection afforded and the guess work employed in fixing rates.

The commercial importance of the fire insurance business has finally dawned upon the public and it now ranks with banking, railway, express and telegraph service. In fact, public interests demand its preservation and insist that its usefulness be increased,—and to this end no longer seek to impair its efficiency for public service.

It is logical, it seems, to assume that the same processes of evolution that developed the fire insurance business and brought about a consciousness of its necessity and value will also apply to the title insurance business. If this be true, it is but further proof of the proposition already stated, namely, that the future holds for title insurance the possibility of uniformity of title policies, and a business-like, scientific method of determining risks and fixing rates and, as well, a more sympathetic and tolerant public.

The title business being a profession, its present and future success

largely centers in its personnel. For that reason, one of the most important of the factors to which I have referred, is that of making provision for the training of the young men and women who are bound to succeed those of us who, in my opinion, are but the pioneers of a business that is bound to assume tremendous future proportions,—proportions that we, like other pioneers, may not completely visualize.

We must stress the mechanical side of the business as well as the technical side. So far as I have been able to observe, the technical side has been given the greatest consideration by our associations to the great advantage of the man who has already obtained his ground work in the school of hard knocks. For example, the young man about to embark in a title career finds the discussion of bankruptcy proceedings and community property laws too abstruse for his immature mind, and requires something more elementary than a title convention. He is interested in the mechanics of the business, the lay out of the property indexes, the platting of property, etc. Some plan should be devised whereby his start in the title business can be directed along such simple lines that the path he must travel to the point of greatest efficiency shall be as short and free from obstacles as possible, not for his benefit alone but for the ultimate success of the title business as well.

We must also give intelligent consideration to the fact that modern business requires not alone accuracy but speed. The owner selling or raising money on his property will not excuse interminable delay; he wants the money quickly, and he is not prone to be sympathetic even when the title company can present a valid reason for not closing the title.

To this end fundamental improvements must be made in the methods of examining titles. My mind, at this point, goes back to the day when I took the fatal plunge in the title business. (Shall I admit over 25 years ago?) I vividly recall the way the books were laid out, the method of taking the instruments from the public offices, and their posting to our property accounts, and the manner of making searches of title, and I have compared those processes of a quarter of a century ago with the methods of today, and I must confess that this age of progress in practically every other line,—an age that has brought us the automobile, airplane and radio, that has witnessed the greatest development in the telephone, electric lighting system, the movie, and that has brought bookkeeping machines to the banker, has worked no fundamental change in the processes of examining titles. The average title plant of 25 years ago is today largely the same plant that it was then, except that it has been posted to date.

Does not this circumstance present an opportunity for some genius to take advantage of the discoveries of the age, and to apply some of their principles to the mechanics of our business, to the end that the route the title order must take from the time it is received over the counter until it is delivered to the customer is greatly shortened to his satisfaction?

When I read the account of the adaptation of the moving picture camera to the process of quickly photographing public records, and the consequent saving of space in filing the resulting miniature record, I looked upon the attempt with suspicion. It seemed too wide a departure from our present system of examining records in a well lighted room to the employment of a projecting apparatus in semi darkness, where the image of the record appeared on a screen, while the searcher scrutinized its salient parts for those affecting his search, and I wondered if the inclination would be to employ a comic strip to relieve the nervous tension that might develop. I concluded, friends, that whether this revolutionary system worked out or not, it did indicate at least a desire to escape some of the obsolete precedents of the past. On that account I feel that any person who has the inclination or ability to experiment with or who attempts to discover new processes or methods should not be discouraged in his efforts.

While considering the future, let us not lose sight of the fact that the average person follows lines that lead him to the ends desired by the shortest path; and the seeker of service from a title company is no exception to this rule. This suggests the advantage of combining other allied services with that of title insurance.

Title insurance has become popular with those acquainted with its merits, not alone for the reason that it affords greater protection to the investor, but by reason of the elimination of one of the operations formerly necessary when his investment was based on the faith of an abstract and attorney's opinion.

By the use of the title policy the client is able to combine two operations in one and to transact the business under one roof instead of two. This reasoning being correct, it naturally follows that other related steps in connection with the consummation of a real estate transaction might logically be consolidated, to enable the parties dealing with real estate to close their transaction with the minimum of effort and the maximum of protection.

This desirable end may be attained through the development by the title insurance company of those natural by-products of its business which logically go hand in hand with, and precede the issuance of the final evidence of the transfer of ownership, the title policy. I refer, first, to the escrow—an inevitable part of title service and second only in importance to the protection of the policy itself. By its use the parties are saved the annoyances attending the final closing of their real estate deal. Again, and under one roof, they are brought face to face with a modern convenience that not only affords them greater protection, more expert skill, but, in addition, one that enables them in a busy age to proceed with their other affairs, free from concern over the perplexing details incident to the transfer of insurance, adjustment of interest, prorating of taxes and rents, and the drawing of deeds and mortgages and their recordation.

As a further step there might be considered as well the establishment of trust departments or mortgage insurance departments. Indeed, such departmentalized branches of the title insurance business are already incorporated in the service of several prominent companies, well represented at this convention. Such companies are today treading upon the future of title insurance as I am trying to visualize it.

While at present but a few companies in the larger centers have extended the ramifications of their business to include these decidedly valuable adjuncts to the service, adjuncts which should ultimately become the handmaiden of title insurance, it is also true that in the vast expanse of our Country, there are many sections now deprived of such facilities, clearly entitled to enjoy them. It is also true that there is a sincere desire on the part of title men all over the country, to incorporate in their facilities those features that tend to make more complete their service. But strange as it may seem, many of these forward looking men meet with opposition from the very people whom they most desire to serve, and actual antagonism manifests itself in certain quarters.

In this connection has it not occurred to you that some of the contrary developments of our business are hard to explain by any process of reason? It has been said that human nature is much the same in the various sections of our land, though it is hard to understand why a man in New York will demand a policy of title insurance while an investor in a city in another state a few hundred miles distant will cleave to the abstract; or, why the officials of the United States Government still cling to the title customs of the past while experimenting with the most modern flying equipment; or, why the residents of one city depend upon the title insurance company to steer them safely through the intricacies of a complicated escrow, while in a nearby metropolis these advantages are frowned upon. But, after all, it is not of such great importance to consider these underlying causes. What we are interested in is their effects on our present business and their bearing on the future, for the reason that the age in which we live moves too swiftly for each one to originate, or develop, or mature all of

the factors entering into his life. We must capitalize the experience of others. This is not only expedient, but it is right and it is good sense. Why should it be necessary for us to live over the ground that another has covered when we know the answer in advance,—when we know now all that we should learn after experiencing the hard knocks? These are the thoughts that come to me when I think of the present position of title insurance and the history of fire insurance and of life insurance. We look today at the almost perfect structures of life and fire insurance institutions, and we are inclined to lose sight of the fact that they have gained their present position by harsh scourgings and painful discipline. Shall we profit by all this, or do we choose to go through the same experiences? The upward course of life insurance dates from the hour of their conscientious consecration to the public interest. The rebirth of fire insurance was at that hour when they awoke to a consciousness of UNITY, —a unity of practice based upon a discovery of a unity of the economic fundamentals underlying the business. These are the very problems which I have tried to uncover as confronting the title business today.

There is no valid reason why the public should reject in one community the advantages that have been proven out in another, unless it be because of our failure to point them out.

While I do not venture to suggest that the various members of this association launch an advertising campaign for the purposes mentioned, because much money may be wasted in this way, I do believe that the title business has now reached a point of development where a community of *effort* directed along proper lines, and through proper channels, will prove of great value in paving the way for the future.

No business can survive without advertising, but I think of advertising in our business not in the light of exploiting our wares, but as needful information that the people should have. Moreover the conditions are of the best for an effective campaign of education concerning the quality and necessity of our service. The great volume of our business originates from trained, alert business men; not from the tyro, but from those who are quickest to sense the reason for things and to respond when those reasons are valid.

In conclusion, Ladies and Gentlemen, let me say that I have endeavored here today to honestly forecast for you the manifest destiny of the title insurance business in the United States of America, with perhaps too much "cock sureness," but nevertheless with the unwavering conviction that that destiny is inevitable, else human experience is no safe guide for the future. I have also endeavored to point out and submit for your consideration a few of the things which may be factors in contributing to a more glorious future of the title insurance business, such as profiting by the story of the development of fire and life insurance and other similar services; the development of the personnel—education of young men and women for a successful career in the business; simplifying of the processes of preparing our product to save time in its completion and delivery; stressing of the mechanical as well as the technical side of the business; speeding up of the processes; fundamental improvement in the title plant itself; the development of natural by-products of the business,—escrow, trust and mortgage departments; by conservative methods of advertising, the stating of our case frankly and fairly to the public; and, finally and throughout all, the thought of bringing about a more general and complete public understanding of our business, to the end that the public be given an opportunity to learn of our service and to take advantage of the full measure of protection and usefulness efforded by it, and that we, in turn, may gain the helpful and sympathetic cooperation of the public, in our efforts to establish just and fair forms of title policies, and the degree of uniformity in forms, methods and practices, necessary to the future success of our business.

These vital and fundamental things can only be accomplished through the medium of the closest cooperation between title insurance companies.

It is not within the scope of this subject, and I certainly shall not venture, to suggest how the machinery should be set up to gain such of these ends as may seem to be desirable. Should I venture to offer advice it is this: Let all cooperative organizations, when formed, be dedicated to the public service, excluding therefrom in so far as humanly possible all purely selfish personal interests.

If such be the watchword and keynote of our associations, if you incorporate in them such ideals, then I predict for our efforts a success far beyond your fondest expectations, and a future for title insurance unequalled by that in store for any other branch of permanent modern business.

Worldly Incidentals

By Worrall Wilson, Seattle, Wash.

THE CHAIRMAN: Before we proceed with our regular program, I understand that Worrall Wilson of Seattle has something to say to the Association. (Applause).

MR. WILSON: It is reported that there are present at the sessions of this convention or on the contiguous golf links eleven of the eighteen living ex-Presidents of this organization. These gentlemen, despite the infirmities of old age and the maladies of mind and body which have come to them thereby, are reported each one to have come into this port under his own steam—and I say "steam" advisedly because no ex-President ever expected to be operated by electricity.

The presence of these venerable gentlemen leads to certain solemn thoughts which I will enumerate.

In the first place, I believe that this organization is to be congratulated on its strength and vitality and present large membership and interest despite the respective administrations of these eleven ex-Presidents. And secondly, what a wonderful example we, as an Association, furnish to some of our neighboring Central and South American republics when we convene in our congress and have eleven ex-Presidents in our midst and yet live together in peace and harmony!

But most solemn of all these thoughts is this: I have observed, as our meetings have progressed, a certain tendency towards levity and wordliness. In fact, there has been an undercurrent of the fires of flaming youth which, unless I were to undertake to pour cold water upon them at this time, might flame up and require a general alarm that would call the whole department out.

Therefore, at the request and solicitation of certain of our members who have our own best interests at heart, if not on their minds, I have undertaken to deliver to you at this time one real sermon in one reel.

It is necessary, of course, to introduce a text. I have gone back a little in my text. Some fifty years ago my father at Aiken, S. C., attended a service at a negro church and what was unusual for him and still more unusual for me, he remembered the text and has handed it down as a heritage to me. That text, my brothers and sisters, is, "Blessed is him dat spects nothin' case he won't be dis'p'inted." Do not search for this text in Scripture. Rather look for it among the beatitudes. I say the beatitudes advisedly because those of you who are familiar with the attitudes of bees will recognize that the favorite bee-attitude is stinging. When I use that word "stinging," it's a powerful word, suggesting powerful thought and powerful action,—I don't want you to think for one moment that I am thinking about what you think I am.

Rather, I wish to quote to you certain words of that great old philosopher Socrates who lived so many centuries ago.

You will remember that Socrates, who lived in Athens, (Not Georgia, but Greece) was not only a philosopher but a reformer and that his reforms were carried on so vigorously as to annoy the existing authorities of the city of Athens who, (that being two thousand years ago) were pure at heart and therefore they caused Socrates to be arrested and brought before the bar of Justice, the charge being placed against him of making the worse appear the better reason, something which is never done nowadays except among lawyers and evangelists.

When Socrates was arraigned on this charge, he appeared in his own self-defense and he said that he felt that he was a sort of gadfly to sting the consciences of the Athenians. Now in faint imitation of that marvelous reformer Socrates, I appear before you today in an endeavor to sting the consciences, the financial consciences, of the members of the American Title Association and I wish to tell you that it seems a strange juxtaposition of things, a strange union of purposes, perhaps I should say, that at one and the same time I should be trying to sting the financial consciences of the members of the American Association of Title Men and yet preaching from the text, "Blessed am he dat spects nothin' 'case he won't be dis'p'inted".

At this point we will proceed to the taking up of the collection! (Laughter).

Ladies and gentlemen, there has been some objection to the financing of the larger part of the expenses of the American Title Association through a sustaining fund. The objections are offered in part by those who contribute to the sustaining fund and in part by those who do not and feel hurt that others should pay for something that they get free. We sympathize with both parties but the fact is that we have made distinct progress since we had at our command in the treasury of the Association the means that have been made available to us through the sustaining fund.

It probably is not the best method in which to raise funds for the reason that it is not an even distribution. For instance, the State of California gives more than twice as much as any other state. Some eighty contributors furnish eighty per cent. of the entire fund and thirty contributors furnish sixty per cent. I think you will agree that that is not an even and fair distribution and some other method might be more desirable, but I can only tell you at this time that a committee is working and studying on a method that may be more attractive, more fair and yet which will bring results, and that a report will be submitted at the next mid-winter meeting after taking the advice of certain of the state officials.

No change, however, can be made during the coming administration and therefore it is necessary to proceed with the raising of the sustaining fund, in which we hope we shall not be "dis'p'inted."

There is only a limited group here of the members of the Association but among this group those who wish to achieve distinction and a place among the immortals, will not be given that opportunity. The contributions to the sustaining fund are made on a basis of a two-year subscription. Contributions may be equal during the two years or they may, if you like, be greater for the first year than for the second by reason of the fact that they over-ran the budget by some three thousand dollars this past year, and while we do not expect that same over-run in the coming year, that deficit must be made up.

Therefore, in sums ranging from five dollars to two hundred fifty or upwards, the sky being the limit to a certain extent, we now invite subscriptions to the sustaining fund. The period during which you will be given the opportunity to stand up and distinguish yourselves, is comparatively brief.

(There was a generous response made).

Divorce As Affecting Title to Real Estate

By Mark R. Craig, Pittsburgh, Pa.

THE CHAIRMAN: We will now proceed with the regular program of the Title Insurance Section. I have the honor of introducing Mark R. Craig of Pittsburgh, Pa., Vice-President and Title Officer of the Potter Title & Mortgage Guarantee Company. Mr. Craig will take as his subject "Divorce as Affecting Title to Real Estate." I can assure you that Mr. Craig is well qualified to handle any subject pertaining to this business.

(Mr. Craig reads paper).

MR. CRAIG:

The number of divorces granted in the United States is steadily increasing. According to the United States Census (World's Almanac), in 1890, there was one divorce granted in every sixteen marriages; in 1906, one divorce for every 12.1 marriages; in 1924, a divorce for every 7.2 marriages. These figures do not take into account divorces granted to citizens of the United States outside of the United States, as in Paris, for instance, and do not take into account divorces granted persons who later emigrated to the United States and do not take into account persons automatically divorced by statute, without a court proceeding, as for instance, a statute automatically divorcing any one who is sentenced to prison for life.

Out of all these divorces, perhaps comparatively few are shown by an examination of the title. A complete index in the county where the land lies would show divorces granted the owners, if they happened to live in the county at the time of the divorce.

But even if the divorces are indexed, many would not appear from a search on account of the change of name of a divorced woman, who might assume her maiden name, or remarry and appear in the title under an entirely different one, so that a comparatively few of the divorces appear from the searches. Of course, some appear by way of recitals and change of names from time to time and others are discovered more or less by accident, that is, from casual information furnished with the application or at time of settlement. The title company incurs liability as to all divorces affecting the title whether they appear on the examination or not.

I recollect an application for title insurance by a woman who had married in Pittsburgh and moved to Milwaukee and lived there with her husband, who later deserted her and obtained a divorce in another state. She then moved to Chicago and remarried. Husband No. 2 deserted her and obtained a divorce in another state. She then remarried. Husband No. 3 deserted her and moved to Windsor, Ontario. She sued for a divorce and obtained a decree. She then remarried. Her mother then died, devising real estate to her in Pennsylvania. None of these divorces would appear on an examination of the title.

I offered to insure the title if she would furnish a deed signed by herself and present husband, also by the three ex-husbands, and she left my office, stating that she could obtain such a deed. I never heard from her again. She probably went to some other title company and told only part of the story or she may have waited a day or two and made application in my own company when I was not in the office.

We know that of these numerous divorces a certain number are voidable and may be set aside, that others are valid in one or more states but will not be recognized in others and that some are void altogether.

A divorce apparently regular and

valid as shown by the record may be set aside.

The general rule is that a court having jurisdiction of divorce cases may, for good cause shown upon due proceedings, set aside or modify its own judgment or decree of divorce, either on its own motion or upon application of the party against whom the divorce was obtained.

The decree may be set aside for insufficiency of the pleadings, insanity of the defendant, or where trial was held at an unusual place, without proper notice—in some jurisdictions—for unavoidable casualty or misfortune preventing the party from defending. Or it may be set aside for tampering with the jury or where the jury failed to answer the issues submitted or it may be set aside for collusion. Fraud or imposition is universally recognized as a sufficient ground for setting aside a decree and a divorce may be set aside for fraud, altho an innocent party may be injuriously affected thereby, as where, for instance, the plaintiff has remarried.

And even after the death of one of the parties, the Court may vacate a decree with the purpose of establishing property rights.

There is, however, such a thing as estoppel as applied to divorce proceedings and a party who has acted in reliance on the validity of a decree or is guilty of laches in applying for relief may not have a decree set aside. But at least in one case—in re Christiansen, 17 Utah 412—the fact that the defendant in a void decree subsequently married another man did not estop her from asserting rights in her lawful husband's estate.

However, this power is limited as to time in some jurisdictions and the decrees will not be readily set aside, especially where the parties are permitted to marry again.

As to divorces valid in one state but not recognized in others—

Bishop, in his work on "Marriage, Divorce and Separation," says—"It is not possible to name any question in our law to exceed the present one in importance."

The general rule is that the provision of the Federal constitution, according full faith and credit in each state to the "judicial proceedings" in every other state applies to proceedings for divorce and a decree of divorce rendered in accordance with the laws of the forum by a court having jurisdiction of the subject matter and of the parties will be given full force and effect in all other states.

Jurisdiction of the subject matter and the parties involves us in the questions of domicile and service.

Jurisdiction of the parties is the prominent outstanding "trouble" in that rule. At least one of the parties must reside in the jurisdiction; otherwise the decree is entitled to no recognition in other states. Unless the defendant resides in the state of the forum, the plaintiff must reside there but if the plaintiff is a resident of the state of the forum, residence of the defendant is not necessary.

A state has no power to grant a divorce when neither party resides therein. Divorces obtained under a statute permitting divorces to parties contemplating becoming residents of the state are void in other states for want of jurisdiction.

> Hood vs. State, 56 Ind. 263; State vs. Fleuk, 54 Ia. 429; Letowich vs. Letowich, 19 Kan. 451; Davis vs. Com, 13 Bush (Ky.) 318; Hardy vs. Smith, 136 Mass. 328; State vs. Armington, 25 Mem. 29; Peo vs. Smith, 13 Han. (N. Y.) 414.
>
> The parties can not confer jurisdiction by consent—Andrews vs. Andrews, 188 U. S. 14.

The courts of the last matrimonial domicile may grant a decree of divorce without personal service of process upon or the appearance of defendant therein, where service of process is made in accordance with the laws of that state, and such a decree is entitled to full faith and credit in the courts of all the states in the Union.

Where, however, the state of plaintiff's domicile is not also the matrimonial domicile, a decree of divorce based upon substituted service and without personal jurisdiction over the defendant, altho enforceable in the jurisdiction where rendered, is not entitled to obligatory enforcement in other states.

But the states may recognize such decrees on principles of comity—Haddock vs. Haddock, 201 U. S. 562; Atherton vs. Atherton, 181 U. S. 155; Thompson vs. Thompson, 226 U. S. 551.

The matrimonial domicile is the place where the parties live together as husband and wife, either actually or constructively, and said matrimonial domicile continues until a new one is acquired and a new one can not be acquired even constructively, by a separation by one party from the other with the clear and abiding intention of severing matrimonial relations.

In Gould vs. Gould—201 Appellate Division 670—the New York courts recognized the validity of a divorce granted in Paris, France, altho the husband had an independent domicile in the State of New York; the Court held that the matrimonial domicile was in Paris, France, saying—

> "The matrimonial domicile, in my opinion, may be defined to be the place where a husband and wife have established a home, in which they reside in the relation of husband and wife. It is the place where the marital contract is being performed. An altho one party may abandon the relation and leave the jurisdiction, nevertheless, the rest remains in the place where the contract was last being performed".

Separate Domicile.

Notwithstanding the general rule that the domicile of the wife is that of her husband, and that during the period of co-habitation, she can not acquire a separate domicile even with his consent, a wife may acquire a separate domicile of her own for the purpose of conferring jurisdiction on the proper tribunal, where the husband has been guilty of such dereliction of duty in the marital relation as entitles the wife to have it dissolved or where there has been a separation agreement or an action for divorce. Or if the husband leaves the wife and acquires a domicile elsewhere, she may remain and sue for divorce in the state of his former domicile.

The attitude of states which do not recognize decrees of other states on principles of comity may be illustrated by the law in New York—35 Yale L. J., 372; 11 Cornell L. J., 146.

Divorce will be recognized—

> 1. Where both spouses were legally domiciled in the State of forum whether the libellee spouse was actually or only constructively served with process.
>
> 2. Where only the libellant spouse was domiciled in the State of forum and the libellee was served with process in that state or appeared in the section.

If at the time of the suit for the decree—

> (a) The defendant to the decree was a New York citizen, or (b) New York was the matrimonial domicile, recognition will be denied. Otherwise Renvoi will be applied. Renvoi, i. e., the validity of the decree is made to depend upon the effect which would be given it by the state in which the defendant in the original suit was domiciled at the time of the suit.
>
> Domicile of wife D. J. D. in the Univ. of Pa. L. R. 738.

A divorce action has for its subject matter the marriage status which is a res and divorce is thus an action in rem.

By a legal fiction, the wife's domicile follows her husband's when she in fact refuses to move. But where the husband leaves unjustifiably or forces his wife to leave she may establish a separate legal domicile. Then the difficulty begins. Does the marriage status stay with either, neither or both? The Haddock case states that if the marriage status is a res, it is subject to the laws of matter and incapable of being in two places at the same time. This seems to be open to the objection that this res is not a corporal thing but a condition of being married and hence it may well be in New York with one spouse and in Connecticut with the other spouse. The Haddock case further holds that the innocent party is the one who retains the marriage status. This seems to be untenable because the marriage status is not a thing that may be left but a condition of being married, naturally attached to both. And since the defendant is domiciled in Connecticut, its Courts have the right to determine his legal status. But removing the bonds of matrimony from him, ipso facto, removes it from the wife. And so the Connecticut courts really determine the status of a citizen of New York. To this New York objects, maintaining that she alone has a right to determine the status of her own citizens. This is the position also of

New Jersey, Pennsylvania, North and South Carolina and perhaps Massachusetts.

The rulings of the courts have been criticized as giving undue weight to the matrimonial domicile as distinguished from the separate domicile of the plaintiff, and have been criticized for recognizing a personal service on a citizen of another state simply because the defendant happened to be caught in the state of the forum. Moreover, the courts have not always been consistent in laying down rules that can be followed with any degree of assurance.

Also some states grant divorces which would not be recognized in their jurisdiction if granted in another state—Dean vs. Dean, 213 App. Div. 360; 210 N. Y. Supp. 695.

All the other states, I believe, recognize decrees of sister states by way of comity. And the attitude of this majority may be illustrated by such cases as Miller vs. Miller (Sup. Ct. of Iowa) 206 N. W. 262. A husband and wife were domiciled in Iowa and the courts of that state made a decree of separation with maintenance. The husband then moved to Missouri, where he acquired a domicile and obtained a divorce from his wife, who remained in Iowa, the place of the matrimonial domicile. The courts of Iowa recognized the validity of the Missouri divorce.

Foreign Countries.

Mr. Justice White in the Haddock case—"that if one government, because of its authority over its own citizens, has the right to dissolve the marriage tie as to the citizens of another jurisdiction, it must follow that no government possesses as to its own citizens, power over the marriage relation and its dissolution".

But the recognition or validity in the United States of a divorce granted in a foreign country is not a question of authority but of comity.

In general, it may safely be said that under the rule of comity, most American states at least will grant recognition to foreign decrees under the same circumstances that they would grant it to decrees of other American states (Marion Smith J. Am. Bar Ass'n 11-223).

Bishop, on "Marriage, Divorce and Separation"—Setion 128—gives us the following:

First, the tribunals of a country have no jurisdiction over a cause of divorce, wherever the offence may have occurred, if neither of the parties has an actual bona fide domicile within its territory; secondly, to entitle the Court to take jurisdiction it is sufficient for one of the parties to be domiciled in the country; both need not be, neither need the citations, when the domiciled party is plaintiff, be served personally on the defendant, if such personal service can not be made, but there should be reasonable constructive notice at least; thirdly, the place where the offence was committed is immaterial; fourthly, the domicile of the parties at the time of the offence committed is of no consequence, the jurisdiction depending on their domicile when the proceeding is instituted and the judgment is rendered; fifthly, it is immaterial to this question of jurisdiction in what country or under what system of divorce law marriage was celebrated; sixthly, without a citation within the reach of process or an appearance, the jurisdiction extends only to the status and what depends directly thereon, and not to collateral rights.

Lie vs. Lie, 96 Misc. 3, New York decision on a Norway divorce.

Mr. Charles F. Beach (J. Am. Bar Ass'n 11-26) states that under the French laws, the parties or at least the plaintiff must be "domiciled" in France. But he points out that in France "domicile" does not mean a "legal domicile" in the sense used in the United States, but what we would consider a "residence" only.

Under the French practice, no question ever arises as to legal domicile of the parties. And in commenting on this, Mr. Marion Smith, 11 J. Am. Bar Ass'n 11-223, says:

"The validity of a French decree, if questioned in an American court, turns on the question of fact as to whether domicile existed in France. And this question is open to collateral inquiry even though the effect is to impeach the decree of the Courts".

"And service on or appearance by the defendant would not confer jurisdiction, there being no legal domicile". (Marion Smith).

In the Gould case (194 N. Y. Supp. 745) the Court states that the parties came to reside permanently in France and that even at the time of the litigation in New York, the husband had no apparent intention of returning to that state but apparently intended to reside permanently in France. But the French decree recited that the husband was domiciled in New York. This is not a case to be followed as the divorce was recognized by way of comity as not being in violation of the public policy of New York.

Query—This divorce being recognized in New York, should any other state recognize such a divorce as a matter of comity between states, even if against the public policy of that state?

Mr. Bishop says that this confusion has arisen because of a failure to understand that a divorce is both in rem and in personam.

As to the status it is "in rem"; as to such matters as alimony, it is "in personam".

Effect.

Perhaps the most important thing to consider is the validity of a married woman's deed. In all of the old fashioned states, unless the lawful husband joins, her deed is void. We sometimes envy title men in states where a married woman may make a deed without the joinder of her husband, but I understand their joy is qualified by statutes as to community interests which we do not have in Pennsylvania.

Next—the rights of the surviving consort or "spouse" whether dower, courtesy or an interest or fee, as the local statutes provide.

If the law of the situs of the land recognizes the divorce as valid, and if by that law, the rights of dower and courtesy, or other rights under the intestate laws, are dependent upon the continuance of the marriage relation, then a valid foreign divorce will be a bar.

This, however, is only a general rule, as in Ohio the courts will recognize the divorce as dissolving the marriage, but not as affecting the dower rights and other property rights of the defendant—Doerr vs. Forsythe, 50 Ohio 726; 35 N. E. 1055; Iowa and Minnesota being in accord.

And then uncertainty as to who are the heirs of a decedent, divorced by one or more doubtful divorce proceedings.

Estates by Entireties—the rule is not uniform in the various states as to the effect of a divorce on estates held by entireties. In some states, a divorce results in a tenancy in common; in others, the divorce has no effect.

A divorce in some jurisdictions may have the effect of revoking a will.

Alimony in some states may be a lien on real estate by statute.

There are, of course, special statutory provisions as to the effect of a divorce in the various states.—As for instance we have in Pennsylvania, a provision that a guilty party may not marry his or her paramour. And another, that if a guilty wife live with her paramour, she is rendered incapable of conveying her real estate or of making a will—Act 13th March, 1815, 6 Sm. Laws, 288.

What are we going to do? Answer: We will likely keep on insuring titles in the usual way in spite of the increasing risk, altho we know that the divorces we have seen and approved may be set aside; that our title officers, being human, might well be mistaken in their opinion on a foreign divorce, and altho we know there must be many divorces that never appear on an examination of the title, however, a comparatively small number of divorces are attacked.

Perhaps the risk is no greater than that of forgeries, false impersonations and deceptions as to whether grantors are married or single.

And where the title companies have control of the situation, the danger of subsequent examiners refusing the title on account of unmarketability could be reduced to a minimum by agreements as to practice and procedure.

The actual practice of the title companies has not been reduced to a uniform system. Some of the companies take the position, as to divorces

granted in their own state, that there is no necessity of examining into the jurisdiction, and concern themselves only as to the absolute nature of the divorce as shown by the decree and the period for appeal. Other companies make careful inquiry as to jurisdiction of the parties and the grounds for divorce. This practice presents no great difficulty if in the local county (provided the papers are not missing) but involves some trouble and expense when the divorce is in another county.

All the companies within my acquaintance, however, as to divorces outside of the state, require certified copies of the decree and sufficient evidence from the clerk of courts or attorney of record to show the service, where the marriage took place, cause of divorce and where it arose, the matrimonial domicile and the present residence, and where necessary, submission to the jurisdiction by the defendant.

As to divorces granted out of the United States, the Companies are still more cautious and usually refuse to insure, without indemnity, even under the most favorable circumstances.

Where the title companies are in control, it might be good business to insure merely on a certified copy of the decree, not only as to divorces within the state but also as to divorces in other states.

As to Foreign Divorces.

Divorces granted to citizens of the United States by a foreign country are a doubtful risk. In considering such cases, you must be convinced that your own state will recognize the divorce by way of comity. There are comparatively few cases, but if your state recognizes divorces in the other states there is no good reason why they should not adopt the same rule for foreign countries. New York, one of the states most reluctant to recognize divorces in the other states, has accepted as valid divorces granted in Norway and France. Then you must be assured that the parties were legally domiciled and not mere residents. It may not be possible to have evidence available at any time in case of trouble, but you should be sure that the divorce may not be successfully attacked on this ground. You must, however, be prepared to prove that the divorce was granted. And finally you must be of the opinion that the divorce is valid in the country where granted. For a foreign divorce is just as likely to be voidable or void as one granted in your own state. How can this opinion be given? Surely not by any lawyer familiar only with law and procedure in the United States.

As to divorces granted foreign citizens by the courts of their own country, the same remark might be made as to domicile, proof of the decree and its validity.

Perhaps it would be a good risk to assume the validity of the decree itself where the title companies are in control of the situation.

The Legislatures might help to improve the situation. "That there ought to be uniformity of law in regard to such an important proceeding as divorce seems self evident"—D. J. D. in Vol. 74, Univ. of Pa. L. R. 738.

But we are not all agreed as to what the law should be. The Uniform Act of the American Bar Association has not been universally accepted. And I believe the idea of a Federal Divorce Law has few advocates.

To Title Insurers it would seem desirable perhaps if all the states accepted the decrees of sister states by way of comity. But such an eminent authority as Prof. J. H. Beal is of the opinion that in this case the majority should follow the minority and accept the Haddock case as the rule throughout the United States.

As to the states requiring the joinder of the husband to validate the wife's deed, the only solution I see is to make real estate, like personal property, freely alienable by either spouse without any joinder.

THE CHAIRMAN: We will now have the report of the Nominating Committee.

MR. JOHN HENRY SMITH: The Nominating Committee will make the following report: In selecting these names we were guided first by ability to serve and second somewhat by geographical location. I propose the following officers:

Edwin H. Lindow, Chairman.
Stuart O'Melveny, Vice-Chairman.
Kennth E. Rice, Secretary.
Elwood C. Smith,
R. O. Huff.
Richard P. Marks,
Paul D. Jones,
Benj. J. Henley,
Members of Executive Committee.

I propose the foregoing nominees for said respective offices.

(Motion to elect above-named as stated, seconded and carried.)

FRIDAY LUNCHEON CONFERENCE.

Following luncheon, the meeting was called to order by Mr. Harry C. Bare, who acted as Chairman of the session.

THE CHAIRMAN: I want to introduce a retiring gentleman—retiring as we were told last night suggests other words: modesty, etc. I want to introduce one with whom you are very, very slightly familiar—a retiring and modest gentleman, Mr. Woodford.

THE PRESIDENT: In the selection of the convention city for 1928, 1929 and 1930 and succeeding years, I think it would be best to confine our attention first to 1928. I will receive invitations now from such cities as wish to extend us an invitation to meet in 1928 and after the invitations are all in we will do our voting.

MR. BOOTH (Seattle): After the wonderful entertainment given us by the Detroit Committee here, the wonderful weather they have furnished us which I'm assured is not unusual), it takes a good deal of either recklessness or courage on the part of the representative of any other city to extend an invitation for next year's meeting.

However, with a combination of both recklessness and some courage and a good deal of nerve, I wish, on behalf of the title men, the abstracters as well, of Seattle, backed up by formal invitations from the Mayor of the City, from the President of the Chamber of Commerce, to invite the American Title Association to hold its annual meeting next year in the city of Seattle.

In going to Seattle the trip is, of course, rather a long one for a good many of you, but there are eight trans-Continental roads from which you can make a choice of route. Go one way and return another. You may take in all of the Pacific Coast on the trip from Tia Juana, Mexico, to Vancouver in British Columbia and all of the dry territory between.

It will also be possible in connection with this trip to make the Alaska trip. We will give ample notice so that those wishing to make that trip can plan to either make it before or following the convention and we will, if requested, make the necessary reservations.

In Seattle we have probably two or three things to offer which you do not find in many other cities. We can offer you, if I am not a poor political prophet—we have a city election in the spring and it is possible that the unexpected may occur, but if not we will offer you a reception by a woman mayor, a lady both capable and sensible, one in whom all of the ladies may take pride as a fit representative of their sex.

We have also four has-beens. I know that there are plenty of has-beens around, but it is a little unusual to find four of this particular variety, ex-Presidents of the American Title Association, in one locality. Father Time being merciful to us in the ensuing year, we will have those four at the next convention—one of the early Presidents, Mr. Worrall Wilson, Mr. Woodford who is joining the has-beens rank, and myself. We will also show you three competing title insurance companies in one city of less than three million people. (Laughter.) We will acknowledge that we are in that class, although Los Angeles might not, nor San Francisco.

One of those plants is one of the most modern plants spoken of by Mr. Schaefer this morning, built by the

moving picture route, having Kleig lights, projection machines, screens and everything including, I think, pretty girls.

On the Pacific Coast trip you can take in not only the State of Washington but the States of Oregon and California, making ample return for the expense and time spent on the trip.

Again, in all sincerity, on behalf of the title men of that section, I ask you to come to Seattle in 1928 and promise you that we will do our best to entertain you.

THE PRESIDENT: Are there any further invitations to be extended?

MR. DODGE (Miami, Fla.): I move that nominations for the 1928 convention be closed.

MR. JOHNS (Pendleton, Ore.): I asked if I could get into this business of inviting folks to Seattle and they told me that everybody was going to be taken care of but the roughnecks and I could invite the roughnecks if I wanted to. In seconding the motion, I want to say that we have been wonderfully entertained here in Detroit, we have seen where Fords are produced by leaps and bounds and where the pedestrians save themselves by the same process; we have been royally entertained but, you roughnecks, I want to tell you that I know some of the Seattle folks and if you come to Seattle you will find on your return trip you will say that the fame of Seattle as a host is bounded on the west by the golden shores of the Pacific, the same ocean they have adjoining California; it is bound on the south by the Southern Cross; it is bound on the north by the North Star and it is bounded on the east by infinity.

I second the motion. (Applause.)

THE PRESIDENT: Is there anybody else who wishes to pull a few feathers out of the eagle?

MR. BOSLOUG: It seems that if there were any other contestants for this meeting place of the convention in 1928, they'd have been over-awed by some of our very big bullies around here. Therefore I wish to express appreciation to any who might have a lingering desire but are so over-awed they can't summon courage. I wish to second the nomination of Seattle.

(Motion to meet in Seattle carried.)

THE PRESIDENT: I understand certain gentlemen of oratorical ability desire to get in their wedges for 1929, and we will hear from them at this time. I may have been misinformed in regard to this 1929 invitation. I do, however, know that the State of Florida has a representative here to extend an invitation to the convention to meet in Florida at some future date and it gives me particular pleasure to introduce a man who, thank God, has never been set on my trail as yet—Mr. Wm. J. Burns of the Burns Detective Agency of Florida and the United States. (Applause.)

MR. BURNS: I want to thank you for the privilege of appearing here today before this important convention. When I say it is important it certainly is, and if one will pause for a moment to realize the combined capital of the gentlemen who represent this convention, we will realize that you are important.

I want to speak a word for Florida. I understand there is a disposition on the part of the convention to select Miami, Fla., for 1930. If that is true, I think you have made a very wise selection. For the information of those who have never been to Miami, let me say that you have a very pleasant surprise in store. There you will find one of the finest beaches in the world, the finest fishing and one of the most beautiful places—a city with all the conveniences of a metropolitan city, all of the conveniences that New York or any other great city has, with a wonderful lot of people who will entertain the ladies and gentlemen of this convention as well as they have ever been entertained, and when you are through with the convention at Miami, I would suggest to those who want to see the beauties of Florida, to go down the Tamiami Trail over to St. Petersburg where lives that distinguished American who brought night into day all over the civilized world—Mr. Thomas Edison.

Then continue up the Tamiami Trail until you reach Venice, one of the finest cities that is now under construction by the Locomotive Brotherhood, where they are putting up fine buildings, splendid hotels, and are emphasizing the small truck farms where you will find two hundred cows being milked by electricity.

Continue a little further up and reach Sarasota, the winter home of the Ringling Brothers and the Barnum & Bailey Circus, where Mr. John Ringling also has a beautiful home. You will find there under construction the John and Abram Ringling Art Museum, the third largest and most important in this country, and the great Ritz-Carlton hotel now under construction to be conducted by Albert Teller, who conducts the Ritz-Carltons all over the world.

I am now a resident of Sarasota and have just finished a home on the beautiful Ringling Isles and there I can find rest and contentment after the turbulent life I have led and I am seeking now to retire. There you can mix with pleasure all athletics; you can sit in the twilight and view those wonderful moss-laden trees latticed against the gold of a Florida sunset, all surrounded by the great Gulf which is dotted by the beautiful John Ringling Isles where the spreading palm and the stately pines and the beautiful flowers abound.

Ladies and Gentlemen, if you will continue on them in your automobile trip you will come to some very beautiful cities like Bradentown, Palmetto; you will find the bridge just opened, one of the finest in the world, a mile long. Continue over to St. Petersburg, one of the great tourist cities in this country, and then to Orlando which is destined to be one of the great cities of the South. Then up to Jacksonville where you view marvelous homes.

I want to say in conclusion that those of you who contemplate going to Florida in 1930 will be surprised at the beauties of that great State. Mr. Warfield, President of the Seaboard Air Line, has said that Florida is about to become the playground of the entire world for winter. I say that it is also a summer resort. I have spent the summer there, felt no distress; on the other hand, have been entirely comfortable and I hope that you will all find it convenient to visit Florida—one of the great coming states.

Thank you for your attention. (Applause.)

MR. DODGE (Miami): I was born a cracker, I'm proud of it, and as a representative of Miami, where we expect to hold the 1930 convention, I want to add just one or two words.

The Florida delegation have met and consulted regarding this 1930 proposition of entertaining the American Title Association and we have selected Miami. If I can entertain this American Association as Detroit has entertained you, I will be proud of it and I believe that I can do it with the help of the other Florida members.

We have in Miami a most beautiful climate—wonderful! My wife is a Yankee, a Pennsylvania Yankee. She lived up there for a few years. She has never spent such wonderful summers as she has spent in Florida. I don't believe there is any other State represented here who will say that 365 days in the year the nights are cool.

Miami is sixty miles from Bimini, one of the British Isles. Miami is 140 miles from Key West. Key West is ninety miles from Havana—a short trip and they can well take care of you.

We want you to come to Florida. Next year I will be proud to go to Seattle and say that I get the prize for the longest mileage. I think I will be right. I don't think anybody will travel quite as far next year in going to Seattle as I will.

We had a little wind down in Florida last year. A Florida man didn't say this, but someone else said that it was a damned bad wind in a hell of a big hurry to get somewhere. It was. It was advertised well in the papers that it destroyed Miami. Nothing in the world but one thing can destroy Miami. They said we were wicked there. On my right is a man from the State of Tennessee. His Governor said that it was Almighty punishment for our wickedness. I wonder what Governor Pay said when he sat on the second floor of his mansion with the water all around him, whether they were wicked in Tennessee. No, we are not wicked there; we are broad-minded. (Laughter).

I am not a speaker. Mr. Burns has come here on short notice. In fact, I wired Mr. Smith and asked that he be allowed to address this convention and extend Florida's invitation. He left Sarasota 36 hours ago, got here this morning, came here at his own expense

to extend this invitation to you to come to Florida. After he got here he learned we had centered on Miami.

I am going to fight for two years to get the convention of 1930 in Miami, Fla., and, Mr. Woodford, we have fine Havana cigars there. (Applause.)

THE PRESIDENT: I now turn the meeting over to Mr. Bare, Chairman of the noonday conferences, and request that after this conference is over you remain for a few minutes while we close up the business of the convention for this year. Mr. Bare.

(Mr. Bare takes the Chair.)

How the Torrens System Makes Business for the Abstracter

By H. C. Soucheray, St. Paul, Minn.

THE CHAIRMAN: Information as to how to increase business is always glad tidings, and we are very fortunate today in having a discussion as to how the Torrens System makes business for the abstracter. That will be presented by Mr. Henry C. Soucheray, Treasurer of the St. Paul Abstract Company of St. Paul. Mr. Soucheray.

MR. SOUCHERAY: Telling title men how to make money places me somewhat in the position of the bald-headed barber who recommends a hair tonic—as carrying coals to Newcastle.

Before I get into my subject of the service that we render on Torrens titles, it might not be amiss for us to sort of dissect the Torrens title certicate itself. The Torrens title certificate is founded primarily on possibly three processes. There is the court process, then there is the process that takes place in the office of the Registrar of Titles and finally there are the exceptions which the certificate itself carries.

The title or the validity of the title that is evidenced by that certificate depends on the regularity of the process —not necessarily all of the three but at least of some of the three, and in order that a person dealing with registered land may do so with safety, we have conceived the registration property cerificate.

Do not confuse that with the certificate itself to which the property certificate is issued. There is first the court process. The court process is open to this much of an examination: The examiner of titles, being an officer of the court, makes certain recommendations to the court. He suggests certain parties to be made defendants and certain matters to be accomplished before the decree may be granted. Sometimes these recommendations take the form of a survey, of a linking of the adjoining owners and the bringing in by name of certain parties.

A court has held that failure to follow the recommendations of the examiner creates a want of jurisdiction in the court that grants the decree. That doesn't make the Torrens advocates very happy but they have to admit it. That is the first branch of our examination. It looks rather complicated but it is really very simple. We examine the report and we check to see that the parties he recommends are actually brought in and made parties to the suit.

They are very easy in the way they allow a court of the original jurisdiction to acquire that jurisdiction. They need not make any special efforts to get personal service unless it is known that the parties intended to be served actually reside within the county. If they are without the state, they are served by publication only. As a matter of linking adjoining owners and so on, the matter is purely a mechanical process.

The matter of checking the description in the public notice is of some moment. In our examination we have found repeatedly where the lot and block numbers, by oversight, have been either converted or left out. It has come to our attention frequently that in registering a large amount of property the examiner very frequently suggests that as to certain of that property the applicant has no title and that the proceedings should be dismissed as to that property and in the course of the conclusion of that registration it has happened in two or three instances —maybe more—where they have applied for a decree and included in the decree the property which they had heretofore dismissed.

It seems almost unbelievable but I can cite now at least three cases where the registration decree went blithely on although the proceeding underlying it had been dismissed.

When we finish the examination, then we turn to the transfers that have occurred in the office of the Registrar of Titles. The proponents of the system insist that re-submitting it is the last word, that it is a hundred per cent. what it says on its face, although in the light of some of our decisions they have had to clip the wings of their assertions considerably, so far today those who are careful buyers insist on seeing that the Registrar of Titles, when he made each transfer, had at least a good and sufficient deed on which to base his facts.

The result is that we stand each transfer, from the original registration down to the present holder and search each successive grantor to see that he is not subject to judgments in Federal courts. The local court's judgments are not usually liens on registered property.

Now as we examine these various deeds that form the links of these chains, we bump into some very interesting reading. The Registrar of Titles, of course, like abstract men, is wholly human and he makes mistakes occasionally and he burdens the titles with mistakes. Not like the undertaker, he can't bury them.

I am not going to burden you with a long recital of what some of these discoveries are but I will just call your attention to some as a sort of guide of inefficiencies that result from the examinations. For instance, we find registrations in deeds of easements and rights of way. The answer of the Torrens holder is that the certificate is final. Well, we are willing to argue the question with them on this theory: That an owner of land under a deed which he has received can not close his eyes to the recital of that same deed, and that is so well admitted that it doesn't admit of any argument.

The exception of incumbrances which do not appear of record is a very common mistake made by Registrars of Title. Conveyances by a corporation whose life has lapsed is a very frequent error. I don't know if in all of the states the corporate life of all the corporations are limited by their charter.

Warranty deeds may be subject to contracts for deeds which do not exist of record. We insist the recital of such a contract in a deed, although it is not noted on the certificate, charges the owner with a knowledge of that contract.

Here is a very common mistake that is made not only in the registration of titles but in other titles. That is the creation of joint tenancies by defective deeds. We have a case here in a platted addition where the Registrar fell into a very common error of assuming that a notice of platted property was to end on the street front and when he came to apportion his conveyance of a large tract into a smaller tract, he failed to make an allowance for a thirty or sixty foot street and all of his lots happened to be thirty feet off of where we think they are, so there is no law he can invoke to cure that defect.

The matter of condemnation under eminent domain, being a constitutional right, does not appear on the registered certificate. Now that is what we find; the lapses we find in the second examination.

The third element in a registered title is the exceptions contained in the certificate itself. Strange as it may seem, they are like the conditions of your life insurance and fire insurance policies. I doubt if anybody ever read a fire insurance policy although they al-

ways pay the premium. There are five exceptions in all registered certificates and they deal with mostly the rights of the U. S.—rights under eminent domain, the matter of possession and liens of the United States for judgment, etc. There are certain instruments and claims that can be registered without the aid of what we call the owner's duplicate certificate. We have the instance of the registration of judgments, writs of attachment, mechanical liens and adverse claims may be registered.

The great argument that is made in favor of a Torren's certificate is that when you read that certificate you have the whole story. As a plain fact, we have so educated our public that they know that is not true. That is not true in my part of the United States, where the Torrens Act is in operation. We have a Registrar and I think it is true in any jurisdictions, that he closes his eyes to the matter of street openings, road openings and things of that kind.

You have certificates apparently carrying title to large tracts of land but when you come to parcel them down and cut out streets, roads, railroads and other public improvements there is very little of the land left. It causes as a result the perpetration of fraud. A man can produce a certificate of title apparently conveying a full tract of land when as a matter of fact it conveys only a small decimal portion of it.

The certificate that we issue tends to fill out these various wants. We issue a certificate very simple in terms which certifies that the examiner's report has been followed, that the parties recommended by the examiner have been made parties to the suit, that the instruments recorded with the Registrar are sufficient in form and execution, that there are no judgments in the United States courts against the various grantors and finally that the taxes and assessments are paid or not, as the case happens to be, and that closes or fills out a Torrens certificate.

We claim that when a man has a Torrens title, and then has our certificate, combining the two together, he can read himself a perfect title to the land. We have been rather successful in convincing our public that that is true. The best selling argument that we have is actual cases. When we find a doubting Thomas we have a file in our office that we gladly turn over to him and just suggest that he read over the various reports and there he finds judgments without any foundation, summons published where a lot and block is omitted, parties not brought into courts, judgments recited in conveyances not showing of record and finally street openings that almost take away the whole property that is registered.

It is true that these are the exceptions but that is all that any of us try to insure—the exceptions. The certificates that we have issued ond originated have their birth, I think, when we have one of these sour-visaged stiffs who used to come and lean on our counter and say "You know I closed a deal the other day and it is a registered title and I don't need your services any more, do I?" then we tell him about this service and by the time we get through we convince him that this certificate isn't all that he says it is.

We have convinced the loaning fraternity that that is true. We have convinced the Realtor that that is true and the demand for registered property certificates now is coming from the prospective purchasers themselves. The result is that today we are making as many Torrens reports on deals closed under the Torrens system as we make abstracts closed under the abstract title system. We do not feel it is a wise policy to oppose the Torrens system.

I had a very amusing instance of that here. A gentleman sat next to me the other night and he said in his state an organization of farmers, the Grange, decided they were going to agitate for the passage of a Torrens system in their state and they got an attorney to draw up the act and were going to present it to the Legislature when they found the law had been on the statute books for twenty years. If it wasn't for the fact that somebody thinks they are putting the abstracters out of business, you wouldn't have any Torrens business on any of our statute books, because I don't think it serves much of a purpose except that of a very well-guarded action to quiet title.

Yet I presume it is human to think that there must be some system better than the one we are operating under and I suppose that is true. The old system isn't any too good, and people feel if they could possibly get away from the abstracter it would be a perfectly wonderful state. I think that causes a good many to rush in to have their titles registered when they really have no advantage to serve.

I feel that when an abstracter goes out and argues against the Torrens system, he is the best booster that the system ever had.

If a man comes to us who wants his title registered we will never say a word that will keep him from registering his title. We have a selfish purpose to serve, perhaps, when I come here today. I feel that we inaugurated this system of reporting Torrens titles. We charge, of course, for this service and as we charge for every other service that is connected with the Torrens system, it has brought this business back to our office and it is just as profitable to us as is the abstract business, but it will make the going a good deal easier year after year if we get all our neighbors to just do exactly as we are doing—if it becomes a common, accepted thing for a man who deals with registered land in any part of the United States where the Torrens law is in effect to get a registered property certificate. People will get in the habit of securing a registered property certificate like I hope they will all eventually get the habit of asking for the title insurance for it.

That is why I am here today. I would like you all to adopt this scheme of adding some way of increasing your revenues.

Question: What do you get for those certificates?

MR. SOUCHERAY: We get now an average of $3.50. That seems a small fee but when you figure that in four years we have issued 11,000 or more of those certificates and that the work of the examination, when once you have examined a Torrens file, is practically done,—then it takes on a different meaning.

MR. JOHNSON: What liability have you back of that certificate?

MR. SOUCHERAY: The same liability we put back of our abstracts.

Question: Do you have any competition with lawyers?

MR. SOUCHERAY: No, they are not in position to examine them because they have no index of the instruments and although they could ferret out the instrument it would take them so long that they are really not active competitors.

MR. GENTRY (Denver): We know that most branches of the Government do not now accept or approve of title insurance policies. Do you know if that same thing applies to the Torrens registration?

MR. SOUCHERAY: I can only speak of the Federal Land Bank that operates in Minnesota, Wisconsin and Michigan, which insists on a complete abstract of registered property regardless of the Torrens proceeding and if the whole proceeding shows up regularly, then they accept the title.

THE CHAIRMAN: Progress in title insurance on scientific lines logically raises the question as to whether it is wise to establish a Board of Actuaries to produce data as to conditions, matter of losses and kindred subjects,—and that subject will be discussed by Mr. Guy P. Long, Vice-President of the Union Planters Bank and Trust Company of Memphis, Tenn. Mr. Long.

The
Official Directory
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Organization for 1928
giving names of all officers and the personnel of committees for the coming year appears on
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Should There Be a Board of Title Insurance Actuaries

By Guy P. Long, Memphis, Tenn.

MR. LONG: By way of preface and apology, I want to say that Mr. H. N. Camp, Jr., of Knoxville, was the chairman of the committee and the gentleman who was scheduled to talk on this subject today. Unfortunately he was unable to come and sent to me a written report of the activities of the committee that was appointed at Atlantic City last year.

I realize that this is the close of a wonderful session of this organization. I also realize that those of us who have sat at the feet of the eloquent speakers have gathered the wisdom that we should get from listening to them,—have had the cold chills chased up and down our spine by a discourse on perpetuities, have just about reached the saturation point.

There is a saying that brevity is the soul of wit. If that be true, I can promise you that this will be the wittiest speech of the whole convention.

For the benefit of those here who were not present at Atlantic City when the resolution was offered, I will briefly outline the purpose of it. Those of us who have been in the title guarantee business for any length of time have realized that with the growth and development it has had in the last few years, sooner or later—more likely sooner—it is going to attract the attention of our legislators to the business. They are going to classify it as an insurance business, and as all people know, there are certain things that are necessary to the successful conduct of an insurance business and one is the establishment of a proper reserve.

It has been my pleasure at these meetings to meet and talk with many title guaranty men and I find that without exception they all provide for a reserve. That is as it should be and shows that they realize that it is necessary and proper. Those reserves range from two and a half to ten per cent, of their gross premium.

When our friends, the legislators, get busy with us they are going to take the best available material to compute the percentage of losses and the laws will be framed accordingly. In other words, I want to say to you gentlemen that those statistics are going to be gathered. They will either be gathered by the members of this Association, whose men are engaged in the title guaranty business, who realize the importance of getting these accurate figures, or they will be gathered by actuaries or politicians or insurance commissioners who have no knowledge of the title guaranty business and can take only as a parallel the statistics and history of insurance businesses of other lines. This Committee should be continued and something done to definitely form a Board of Title Insurance Actuaries.

In conclusion, gentlemen, I want to say just this: It is not a minority report, but I don't want this Association to be in the attitude of the well-known ostrich that buries its head in the sand and thinks it's hidden. I think that this Association should take such action so that we could intelligently inform ourselves and the public what a proper reserve would be, based on a measure of loss as shown by actual statistics.

MR. POTTER (Pittsburgh): I wish to state that this is one of the most important questions that has ever been brought before the Title Insurance Section of this Association. I am very much pleased with this report and heartily approve of it.

I had a very startling example in Pennsylvania. There were some of these wiseacres down in Philadelphia who actually introduced a bill in the legislature providing that 90% of all premiums should be put in reserve. That is the percentage that is required in fire insurance. They simply took the same amount showing how absolutely ignorant they were, and if they hadn't had the State Title Association and the Legislative Committee of that Association on the job, that bill would have gone through.

If we don't do this ourselves, it's going to be done for us by the people who are opposed to title insurance; and I am very anxious that the work of this committee be followed up and they be given instructions that if possible they shall bring in a positive report at the next convention, if possible, and recommendation as to the details. I hope this may be done. It can't be emphasized any too strongly that this is the most important question the title insurance people ever had before us. If we don't do it ourselves, it's going to be done for us.

THE CHAIRMAN: Ben Henley found it impossible at the last moment to be with us and discuss the question of Title Insurance Rate Schedules, but the subject will be presented by Dick Hall.

MR. HALL: Mr. Chairman, Ladies and Gentlemen: Believe it or not, I am standing up, despite the fact that I do not come from either Oregon or Tennessee. In addition to that, this is going to be a quick change act in which I will not attempt to give you some kind of an evangelical meeting, but will impersonate three characters in three parts.

There are two hold-over matters and, as usual, they said to the scullery maid, "Get the mop and let's clean up," so here goes.

The first report I want to make is a report of the national advertising campaign conducted by the Title Insurance Section during the past few months. This is the first attempt ever made to nationally present the title business. It was undertaken and confined to title insurance because the title insurance companies furnished the money and there was a logical medium for presenting the subject. That was title insurance and not the general title business. The effect has been, however, that the entire title business has for the first time in the country been presented in a nation-wide manner to all users of title service, whether abstracts or otherwise and that these people know there is a functioning, nation-wide Title Association, if the knowledge has not reached them otherwise.

In addition, these ads have been so constructed and an attempt has been made to so word them as to convey not only a message of title insurance but also a message of general strengthening of the respect for the entire title business in any of its branches.

About a year ago a letter was sent by Mr. Edwin H. Lindow, who undertook the campaign, to all of the title insurance companies, asking them to contribute to a fund to conduct this campaign. A total of $2,455 was pledged. That was some short of what he had hoped to have available. These ads were confined, and are being confined for the present, to the National Real Estate Journal, the official publication of the National Association of Real Estate Boards. Eight of these ads will have appeared by the time this convention is over; the rest are prepared and will be published as the funds permit, or in other words, until the sum is exhausted.

Six of these ads are on display out in the advertising exhibit room and you are asked to inspect them.

The observations from this campaign and its results are very interesting but it has not progressed far enough to give you any comprehensive idea of the result of reaction of this first title advertising campaign.

The second impersonation in which I appear in my true self is that of the Executive Secretary, acting under orders from the mid-winter meeting, reporting on the Government's attitude towards using title insurance.

The Governments' Attitude on Use of Title Insurance

By Richard B. Hall, Executive Secretary

At the Mid-Winter Meeting the matter of the Government using title insurance was presented and discussed. As a result the Executive Secretary was instructed to further investigate the matter and, if possible, secure some action that would result in title insurance policies meeting with acceptance by the various Governmental Departments. I therefore submit the following as the result of my efforts and investigations:

From the information that has come to my notice since the Mid-Winter Meeting, I am of the opinion that this is merely a matter of the usual inconsistency of the Government and discrepancies can undoubtedly be overcome by some defined action directed in the right channels.

It seems that in some instances a policy of title insurance is accepted without question while in others of an exact nature, title insurance is refused and an abstract required. There seems to be a bit of irony in the fact that abstracts have more often been demanded in places where only title insurance is used and title insurance readily accepted in what might be termed abstract communities. Title companies have endeavored to persuade the Government to use title insurance at various times by citing as examples the many times it was accepted during the war when the Government was selecting sites and purchasing land for cantonments. The details, in fact the entire proceedings, of such purchases were in the hands of one man. This gentleman was from one of the larger cities and required title insurance in every case. In this emergency the Government employed civilians to transact these matters, giving them full authority, so this precedent can be given no weight in present proceedings.

The Government's contention for abstracts is, of course, based upon a ruling from the Attorney General's office. They base their stand upon the following excerpt from an act of Congress:

No public money shall be expended upon any site or land purchased by the United States for the purpose of erecting thereon any armory, arsenal, fort, fortification, navy-yard, custom-house, light-house, or other public building, of any kind whatever, until the written opinion of the Attorney General shall be had in favor of the validity of the title, nor until the consent of the legislature of the State in which the land or site may be, to such purchase, has been given. The district attorneys of the United States, upon the application of the Attorney General, shall furnish any assistance or information in their power in relation to the titles of the public property lying within their respective districts. And the Secretaries of the Departments, upon the application of the Attorney General, shall procure any additional evidence of title which he may deem necessary, and which may not be in the possession of the officers of the Government, and the expense of procuring it shall be paid out of the appropriations made for the contingencies of the Departments respectively. (P. P. 6902, Comp. Stat. 1916.)

In explanation of this I quote from a letter from the Department of Justice as follows:

"The trouble the Attorney General has found with certificates of title is that the certificate is a conclusion of certain facts which are supposed to be taken from the records, and it is the same thing that the Attorney General is expected to find. His acceptance of a certificate of title simply means that he is vouching for the facts that support it, without reviewing these facts. From the various abstracts of title which come to the Department from attorneys and abstracting companies throughout the United States and its possessions, it is hardly thought that it is a safe course to follow to simply take a certificate of a conclusion drawn from these facts without reviewing these facts. For this reason the Attorney General insists that he should be given an abstract of title from its very source down to the present owner, so that he may come to a conclusion upon the strength of that title. There has been prepared in the Department here a form of certificate which should be attached to the abstract. In this certificate there is an attempt to show what records should be examined in order to come to a conclusion on the title. Other forms of certificates are accepted but this is simply furnished as a guide as to what the Department thinks should be examined in order to determine the strength of the title."

When it was explained that title insurance would amply protect the Government, the reply was received stating that the Attorney General did not care to accept the title as insured by some insurance company because they desire to comply with the law as quoted.

In a bulletin under date of August 14, 1925 and issued by John G. Sargent, Attorney General, containing some twenty-three paragraphs of instructions, rules and regulations are prescribed for the convenience of those who may have occasion to draw conveyances, make abstracts or collect evidence of title to lands in cases where it may be the duty of the Attorney General to certify the validity of title, paragraph No. 5 of this bulletin quotes the following:

An accurate abstract of title is required which must be printed or typewritten, showing the transmission of each parcel of land from the original source to the grantor. The items of the abstract must be chronologically arranged, the oldest being first stated and the others following in proper order of time down to the latest. The name of each grantor and grantee must be written at length, and the date of the execution, acknowledgment, and recordation of each conveyance given. The abstract should be so arranged as to every item and entry that the land can be traced by measurements, or by number and block in case of an original lot, from one conveyance to another without reference to other papers, and the entire chain of title to each parcel must be separately stated without reference to other parcels.

It must note every fact on which the validity of the title depends, whether it be proved by matter of record, by deed, or en pais. United States Land Office entries showing the devolution of the title from the United States should be procured when needed.

The above mentioned matters evidently define the Attorney General's stand upon the matter, and the experiences of those who have dealt with this particular office in furnishing the Government with any title evidences or services has proved they continue to take this stand, and abide by it. From what I can learn, however, it is only when matters originate from or are referred to the Attorney General's office that abstracts are demanded in place of title insurance. There are numerous instances where title insurance policies have been furnished in all parts of the country for Government buildings and lands. In all of these cases, however, the business seems to have been handled by the United States District Attorney in that vicinity acting for the Attorney General's office, some Department of the Government, or else coming direct from a Department in Washington. There are numerous cases where Federal Land Banks and Federal Reserve Banks' buildings have been handled entirely by title companies and title insurance policies used.

In all of these cases the business orginated from the president of the Federal Land Bank, governor of the Federal Reserve Bank, or their attorneys.

It is also found that in many cases for miscellaneous Government buildings and lands, such as post offices and other sites, title insurance policies have been furnished, but in all of these cases the business has been placed under the supervision of the United States District Attorney in that jurisdiction.

The solicitor of the Department of the Interior has accepted title insurance for the purchase of land for that Department and the Forestry Department of the Department of Agriculture has also accepted it in cases. I find that in some of these instances these matters have not even been handled by the United States District Attorney, but by the district foresters and other representatives of these Departments. However, someone must be coaching them and giving them good advice because in every instance where a title policy seems to have been placed in favor of the Government, certain exceptions and changes have been required. In the instances referred to above where title insurance had been furnished to Federal Reserve and Land Banks, the policy was in favor of those institutions. Where land has been taken for other purposes such as post office, forestry, Indian, and other lands for the Department of the Interior, the Government has required that it be made in favor of the United States of America, and in every instance many changes have been required in the form of the conditions of the policy. Likewise, it has been required that convincing evidence be furnished of both the solvency and qualifications of the company issuing same. It is required that a certificate from the insurance or banking commission of the State (whichever has immediate supervision of title companies) showing that they are properly qualified to do business in the State, and further, that a sworn financial statement accompany it. In some instances it has been required that the policy contain no printed exceptions of any kind, while in others certain changes must be made so that there will be no conditions requiring the Government give notice in case of loss, or any reference to the Government being a party to a suit or being involved in any litigation whatsoever, which of course is an impossibility.

In short, the general requirements seem to be that the policy should insure the United States Government and its assigns; that all references and statements in the form which can be construed as requiring the United States as a possibly party, or sanctioning the use of its name in any manner in litigation be eliminated; that the policy contain provisions to the effect that failure of the Government or any of its officers to timely or otherwise take action or give notice to the company will not forfeit or effect in any way its right to recover full indemnity, and that a full insurance of marketability be included.

I also desire to quote from an opinion of George L. Allin, who at the date of its rendering was Solicitor for The Title Guarantee & Trust Company of New York City:

"We do not find anything in the Federal Statutes which makes it obligatory upon the Federal Government to take policy of title insurance. We do not find anything which makes it obligatory upon the Federal Government to have the title examined otherwise.

We find the following provisions in the United States Compiled Statutes 1918 Edition under title No. 43A.

Section 6902, R. S. Section 355. No public money shall be expended upon any land purchased by the United States for the purpose of any public building until the written opinion of the Attorney General shall be had in favor of the validity of the title to the land.

The United States District Attorneys upon the application of the Attorney General, shall furnish any assistance or information in relation to the titles in their districts and the Secretaries of the Departments, upon the application of the Attorney General, shall procure any additional evidence of title which he may deem necessary.

Section 6904, Chapter 411, Section 125, Statute 941, March 2, 1889. Hereafter all legal services connected with the procurement of titles to sites of all public buildings shall be rendered by the United States District Attorneys, provided that it shall be the duty of the Attorney General to require of the grantors in each case to furnish free of expense to the Government all requisite abstracts, official certificates, and evidences of title that the Attorney General may deem necessary.

These sections clearly leave it to the Attorney General to determine what evidences of title he may desire. Of course we have frequently furnished abstracts of title to accompany title policies to many clients so that a demand for an abstract of title does not negative the issuance of a title policy in the same transaction."

From all of this evidence it is apparent that any and all business originating from the office of the United States District Attorney will require an abstract but that when coming from any other Department of the Government, or its local agents, they will abide by local practices and customs.

The conclusion that can be drawn from this is that there is no understanding among governmental agencies or officials as to the condition of things and that no action has ever been taken, other than correspondence, to correct the matter. I believe the proper course to take is for someone to personally visit Washington, gain an audience with the Attorney General himself, and the whole matter presented to him first-hand. In case this is not effective, then further attempts will have to be made by enlisting the support of those with the proper influence and entree to accomplish the desired.

In other words, I believe that if you go down there to Washington and we take some action to have someone there explain this matter, probably some of those attorney generals who handle all this correspondence have never heard of title insurance and if it is presented to the boss himself an order may go down that will make title insurance acceptable.

Report of Committee on Rate Schedules

I now appear in the role of the next speaker, Benjamin Henley. Those of you who attended the Atlantic City convention last year will remember that one of the most outstanding addresses and bits of intelligent information ever rendered the industry was given by Ben Henley, who outlined certain things in his report on Theory and Practice in Title Insurance Rate Schedules. This came about as a result of a resolution introduced a year before by Mr. L. S. Booth in which he recommended that a committee be appointed to study the advisability of recommending uniform rates.

I do not know whether Mr. Booth's idea was to recommend a rate, the charge itself, or to recommend a theory of charges and a real scientific method of basing them. Mr. Henley early abandoned the idea that no consideration could be given to any recommendation to a specific charge in any place, but that there was a great opportunity to study some scientific plan upon which rates would be based. He made that report and showed that in no city in the United States and in no two cities is there any uniformity followed in the conduct of the title business either in its mechanics and procedure or in the theory of establishing rates. Every city has its own ideas and customs. Very few real scientific ideas or any logical reasons are given for the establishment of present schedules charged in title insurance other than that they are like Topsy, they just growed up.

The idea seems to have been to make title insurance as low as could be, in order to combine the present scheme used in evidencing of title, its examination plus some fee for insurance.

The most outstanding thing Mr. Henley finds in this is the fact that there are, you might say, two real schemes for charging for title insurance and the second of these has two divisions. First that in some places an abstract, formal abstract, is prepared and charged for at its regular rate. Then the title insurance premium is based upon the cost of an examination plus so much for the insurance. The

other or second scheme is that when you pay a premium you get the entire service, the evidence, the insurance and the examination.

That is divided into two classes: One of these schedules, which includes an escrow service and the other, which does not include an escrow service—depending upon the customer. Where the escrow is combined with an insurance premium, it is higher; where it is not, we find separate fees charged for title insurance and for escrow where it is desired. It seems to be the custom in either case to have a minimum fee of some amount as a minimum for the insurance and then the rest of the schedule shall be based on so much per thousand.

The prevailing scheme is to have a graduated scale so that in the higher brackets you get into a decreasing rate per thousand. The greatest differences in uniformity is found in other than owner's policy. An owner's policy schedule, regardless of whether based upon any one of the two basic principles, is found to run along in one line, but when you get into the mortgagee's insurance, you will find even greater discrepancies in nearly every place. A mortgagee's policy can be written out of an owner's policy in some places.

In others you have to have a separate mortgagee's policy and then when you get into the matter of re-issues of already existing insurance, you find an even greater discrepancy. There is also a greater difference when there is an outstanding owner's policy and when you have made application for a mortgagee's policy, where (in some places) you have no outstanding owner's policy and make an application for a mortgagee's policy, you are charged the same rate as you would be for owner's. In other cases this fee is less, irrespective of the fact that the title has never been examined before.

The mortgage rates are very different all over. The re-issue of some of them is at no reduction; in others, at a certain percentage or less. Mr. Henley calls attention to the fact that all of these differences are varied in every city and that it is altogether a mess. He emphasizes the fact that there is need for a basic scheme of establishing title insurance; that whether or not these customs are prevailing in certain cities, they can more or less be drawn together.

In other words, if in cities where there are no re-issue rates granted but everything is new business, that is good and well but in cities where there is a re-issue rate given and a reduction which prevails in the great majority of cases, that could be established along some standard lines. In some cities it depends upon the length of time since the original policy was issued. In others it depends upon the lapse they follow a continuation on an abstract system. After you pay the original premium for the original policy, from then on you pay at a half or 66-2-3 but you pay for a title search in addition.

Mr. Henley sent out a questionnaire to all of the title insurance companies in the United States and it contained 21 questions and from which he got a nation-wide analysis and viewpoint of all the different schemes and customs followed in the United States. These questionnaires are still coming in and he is unable to compile a complete digest at this time. This will be prepared and a formal printed report and analysis of the rate schedules charged in this country will be available. When you get it you will find there are just as many different ideas and schemes as there are cities in the United States.

He will also have some basic recommendations to make and I quote from a letter from him which he asks to be read:

"The Committee concluded that before recommending a rate schedule, it should have before it all available information concerning the practices existing in different parts of the country. This information has been secured and will be broadcast."

To ascertain the present attitude of title companies relative to adopting a new rate schedule, the following question was asked: "Will it be possible, in your opinion, to adopt in your community a system of charging essentially different from that now followed? If the American Title Association should find good reasons for the adoption of a different system as a uniform basis for determining and establishing charges?"

To this question fifty-three affirmative replies were received, seventeen were positively negative and thirty-one were doubtful. Twelve did not answer the question. It is the opinion of the Committee that in devising the rate schedule for use throughout the country, two considerations are of prime importance. They are shown in the following formal report from Mr. Henley:

REPORT OF SPECIAL COMMITTEE TO CONSIDER UNIFORMITY OF TITLE INSURANCE RATES.

At the Atlantic City Convention, on motion of Mr. Laurence S. Booth of the Washington Title Insurance Company of Seattle, it was resolved that a Committee consisting of five members be appointed by the Chairman of the Title Insurance Section to recommend a schedule of rates to be charged for original and subsequent policies of title insurance, and that the Committee be requested to file its report with the Secretary thirty days before the date of the next annual meeting of the Section.

Chairman Snyder appointed on this Committee, in addition to Benj. J. Henley of the California Pacific Title & Trust Company, San Francisco, California, as Chairman, Harry C. Bare of the Merion Title & Trust Company, Ardmore, Pa., Mark Anderson of the Title Guaranty Trust Company of St. Louis, Mo., Cyrus B. Hillis of the Des Moines Title Company, Des Moines, Iowa, and John T. Egan of the Title Guaranty & Trust Company of New York City.

The Committee concluded that before recommending a rate schedule it should have before it all available information concerning the practices existing in different parts of the country. Therefore, at the Mid-Winter Conference held at Kansas City early in February, the Committee approved a form of questionnaire which was thereafter mailed to every member of the Association. Title companies in thirty states responded by mailing to the Chairman of the Committee 113 questionnaires.

This questionnaire contained twenty-one interrogatories relating to the matter of rates, and it has been impossible in the time which has elapsed since their return to tabulate the answers and place their substance in the hands of several members of the Committee for consideration. However, the most cursory consideration of the data only emphasizes the diversity in rate schedules and practices already recognized by the members of the Association. The differences are so great as to make it inadvisable, in the opinion of the Committee, to recommend a schedule of rates to be used throughout the country without further study. A rate schedule will be generally adopted where it differs essentially from existing schedules only if it be supported by sound reasoning. To ascertain the present attitude of title companies relative to adopting a new rate schedule the following question was asked:

"Will it be possible, in your opinion, to adopt in your community a system of charging essentially different than that now followed, if the American Title Association should find good reasons for the adoption of a different system as a uniform basis for determining and establishing charges?"

To this question 53 affirmative replies were received. 17 were positively negative and 31 were doubtful. 12 did not answer the question.

It is the opinion of the Committee that in devising a rate schedule for general use throughout the country, two considerations are of prime importance:

1. That such rate schedule should, so far as possible, be scientifically formulated with proper recognition of the fundamental underlying elements of the business.

2. With number 1 controlling such rate schedule should, so far as possible, adhere in principle to the most prevalent theories now followed.

In order that a schedule can be built to these specifications further study of the elements which effect the rate schedule and a more thorough analysis of existing practices must be made.

It is the view of the Committee that progress towards uniformity in rate schedules can be best accomplished through State Associations. This Association can, however, perform a great service by continuing the study of the subject commenced by this Com-

mittee and placing the results of such investigation in the hands of the State Associations for their use.

The Committee concludes that it should not report a proposed schedule of rates without further study of the problem. If a similar committee should be appointed for the coming year it is possible that it would be justified after a complete analysis of the data now in hand in offering at the next convention a schedule or a statement of the general principles upon which a schedule should be drafted for general adoption.

THE CHAIRMAN: I want to ask your indulgence for a few moments longer. It would be difficult to overestimate—to exaggerate—the importance of our contacts with the large life insurance companies. Literally hundreds of millions of dollars are invested every year, which business, every dollar of it, utilizes the services of some one of you or me.

The Travelers' Insurance Company of Hartford has been sufficiently interested in the activities of the American Title Association to send a representative, Mr. Rhodes, of their legal staff who has attended all of our meetings and I'd be very happy at this time to have Mr. Rhodes, on behalf of the Travelers' Insurance Company, give us a few words as to his reactions at this convention.

MR. RHODES: I surely will be very glad to give you the reactions which I have experienced through attendance at this session, at practically all of the sessions of the convention.

I might say in the beginning that I have taken particular pains to correlate in my mind the policies you are pursuing. Let me tell you I think Mr. Schaefer's paper was a splendid contribution. Up to date the name Schaefer has been associated in my mind with the attempt to market the fountain pen in competition with Waterman, but from now on it will be associated with what is to my mind the most far-reaching, constructive paper, the most meaty lot of suggestions that have ever been presented to a body of this kind. I consider that that paper which Mr. Schaefer delivered this morning and to which I listened with deep interest, should really be taken as the basis of your future action in order to put over this proposition of title insurance.

I don't want Mr. Johns to think for a minute that I underestimate the importance of either the abstracter or the examiner, for you have to have the services of both of them before you can insure the titles; really, you need them worse than they need you.

As the Chairman of the Section told me he'd like to have me talk about two minutes, I warn you I think I shan't get through in that time.

I am here representing primarily the prospect for title insurance. The organization and organizations generally which I have the honor to represent here do not actually purchase title policies but at the same time if you sell the idea to the big life insurance companies who have hundreds of millions of dollars invested in real estate mortgages at the present time and who have that constant flow of millions coming into their coffers every day in the year, the investment of a considerable proportion of which goes into first mortgages on approved real estate, you have done a great deal to put the idea over.

To the best of my knowledge there is only one other such institution represented at your meeting here,—the Northwestern Mutual Life Insurance Company of Milwaukee, very ably represented, and which has something over three millions of dollars, approximately 40% of their assets, invested in real estate mortgages. That company is represented here, and the organization which I have the honor to represent had approximately a hundred ten million dollars of our assets in real estate mortgages according to the last statement.

Some companies, as you know, have adopted the definite policy of having the greater proportion of their assets invested in real estate mortgages. The Northwestern is one of them. It is located here in the center of a farming community. It has adopted that policy and it has helped to build up the business. The Union Central of Cincinnati is another.

In my own city the one company which has adopted the policy of having a certain proportion of its assets invested in real estate mortgages is the Phoenix Life Insurance Company and I understand they have approximately two-thirds of their assets in that kind of security. My own company has approximately 25% of our assets invested in that form.

You want to know the reaction I have experienced from this meeting. I am going to give it to you. In the first place, I might say that I have been asked by friends of mine with whom I have been in Detroit, what my opinion of this convention is. I have told them this: In spite of the levity regarding the consumption of cigars by the modest and retiring President, the reaction that I have received is that this is a body of men and women with a very serious purpose in view and an attempt to establish what is coming to be regarded as an essential form of insurance.

My reaction also is that in the growing pains you have been going through exactly the same stages which every other branch of underwriting has encountered.

The reaction that I get in the first place is that title insurance as conducted at the present time is merely a local institution.

In the second place, the reaction which I have obtained from this meeting is that the basic principle of the risk which you undertake in the insurance of title is practically the same as it is in Maine, as it is in California, in Minnesota, in Texas. In connection with the line of insurance with which I am connected, I am familiar with a high degree of standardization. Some of that standardization has been applied by statutes, having been passed by the legislators who told us what to do; others have been reached by company practices.

Take the policy, for instance. The fire company is told practically in most states the very wording of its policy by the legislature. The accident company has a set of standard provisions described by the legislature which it must incorporate into every policy written in that state. The life policy, though the language of it is not specified by statute, must contain certain provisions as to extending securities, loan value, surrender value, etc., and the practice as to rates on life insurance is dictated by what we always have conceived as almost the unerring occurrence of deaths, although during the past few years the efforts of the life companies together with other agencies have improved living conditions, sanitary conditions, which will undoubtedly show longer life and consequently lower mortality rates; consequently, lessening of life rates by non-participating companies.

Compensation insurance is a very large factor in underwriting at the present time. The legislature states that a compensation clause must contain certain provisions which must appear in every compensation policy written. In that connection I want to say that compensation, I believe, furnishes a lesson which can be applied to any form of insurance. While the provisions of the compensation laws vary in the different states, at the same time any company writing compensation insurance can have one form of policy to which they may add an amendment or rider specifying an obligation which they can assume, which can be put on the policy and in that way, in spite of variations, can use one policy form throughout the United States.

How can you expect to put over this branch of insurance with us, whose lives have been spent in other forms of insurance, and get us to recognize the legality of forms of insurance which you write, unless you come together on some uniform practices and show us that you have the same policy in New York which we are asked to accept in Tennessee.

We accept a great many policies. In Memphis, Tenn., we rely practically entirely on title insurance.

Speaking wholly unofficially on behalf of the institution which I represent, it is my belief that we will see the growing necessity for this form of insurance and I really think that you can rely upon us to help you, as much as we can in our feeble way, to put the proposition over. (Applause)

THE CHAIRMAN: Before turning this meeting back to Jim Woodford,

I want to pay tribute and give public thanks to Jim Woodford and Dick Hall, who gave tremendous help, real value, in the selection of the various speakers and the subjects they were to handle, and also to publicly thank the speakers who so very greatly contributed to the success of the noonday meetings. I thank these men very sincerely and heartily.

FRIDAY AFTERNOON SESSION.

Following the noonday luncheon conference, President Woodford took up the program for the afternoon session.

THE PRESIDENT: If you will bear with us now for about ten minutes, we will be through with the business of this convention. Harry, in his anxiety to get this meeting back to the general session without consuming too much time, overlooked the very able assistance Mr. Rhodes rendered the committee on Uniformity, which is operating in the American Title Association. I think it is the biggest boost towards uniformity or for uniformity that has been given by anybody or from any source.

May I have the report of the Resolutions Committee?

MR. KEOGH: "We wish to express our sincere thanks and appreciation to the Michigan Title Association, the members of the Detroit Title companies and especially to Mr. Edwin H. Lindow and the members of his committees, for the splendid entertainment and arrangements of this our largest and most successful convention. Their many courtesies extended to the members and their ladies have been such that our visit to Detroit will always be a pleasant memory in our lives.

We regret to announce that we have lost from our membership by death during the past year:

W. E. Crittenden, James Flynn, John Greene, Ohio.

Judge W. P. Freeman, of California.

Robert P. Spillman, of Kansas.

Paul Savage, of Alabama,

all of whom were frequent attenders at our conventions. We express our deep and sincere sympathy to their loved ones. We miss them from our gatherings, where their friendship and counsel had always been so helpful.

We feel the absence of our staunch friend and advisor, Col. Sheldon Potter, of Germantown, Pa., and send sincere hopes for his steady convalescence in his recent serious illness.

I move the adoption of the above resolutions.

(Motion seconded and carried.)

THE PRESIDENT: Does the Committee on the Revision of the Association Code of Ethics have a report?

MR. BOUSLOG: The Committee gave careful consideration to this matter and reached the conclusion that our present Code of Ethics adequately expresses and covers the efforts of our business and mode of conduct.

THE PRESIDENT: I have a letter here from Tom Dilworth of the Advertising Committee, which I will not read as the expressions of regret on Tom's part have been read heretofore. I merely want to pay this tribute to him: That the work of the Advertising Committee in the past two years has been of untold value to the members of the Association. I don't know what the policy will be in the future but I believe an immense amount of good is derived by the members from the work of the Advertising Committee.

It is now my pleasure to call to the chair the new President, but before I do so I want to take this occasion to thank every member of the Association for the support which they have given me during the past year. If the support had not been spontaneous, the work of administering the affairs of the American Title Association could not have been so easily and effectively carried on by the Executive Secretary and myself.

Will you come forward, Mr. Daly, and take charge?

PRESIDENT DALY: At this time it is the custom for the new President to introduce the newly elected members of the organization. Will the new officers who have been elected please stand for an introduction to this assemblage?

(Introduction of officers who are present.)

Ladies and Gentlemen, this is Mr. Edward Wyckoff, who has served us during the past year as Treasurer of the Association and will now succeed himself as Vice-President. Mr. Wyckoff. (Applause)

MR. WYCKOFF: The hour is late and I shall only express appreciation, now, of this new honor which has been shown me by this Association, and say in the words of the redoubtable John, "I am willing to take off my coat and roll up my sleeves and work and fight for the Association." (Applause)

PRESIDENT DALY: The new Chairman of our Title Insurance Section needs no introduction—Mr. Lindow.

MR. LINDOW: I have been doing too much speaking, anyway. All I have to say is that I will try to fill the bill. Thank you. (Applause)

PRESIDENT DALY: Next in order is Unfinished Business.

MR. WOODFORD: In making the report for the Budget Committee, I beg to advise that this budget has been made up by the Committee and has been approved by the Executive Committee and is now submitted to the convention for its adoption for the next year, 1927-28. The items are as follows:

Salaries, Executive Secretary and Assistants	$ 7700.00
Office Rent	980.00
TITLE NEWS	4520.00
Traveling Expenses, State Meetings	1000.00
Stationery and Printing	750.00
Postage	500.00
Telegrams	200.00
Supplies and Miscellaneous	1500.00
Office Equipment	150.00
Expense of Sections	500.00
Expenses Executive Committee, Mid-Winter Meeting	1200.00
	$19,000.00

I move the adoption of this budget, Mr. President.

(Motion seconded and carried.)

PRESIDENT DALY: Is there any further unfinished business? New business?

MR. HARRY A. CLINE, (New York): I had the great pleasure of attending the first day's session of the American Bar Association in Buffalo, and while there I saw several commissioners of uniform laws. Those commissioners have been employed for a number of years in working up a unification of acts throughout the country to be used as a standard measure. They have at this time finally worked out and have offered for adoption to the Association an Act which they call the Uniform Mortgage Act. No doubt a great many of you gentlemen have kept up with the activities of the Commissioners in that respect.

They have worked on that thing for about eight or nine years. The Act was brought up in due form and delivered and turned in to the Association and rejected for one reason or another. They wished to send it back with the request that they keep at it. They have now finally evolved this sixth and final form which the Committee has approved and submitted to the Association.

I understood that the resolution was to be presented today by the committee to the Association asking it to adopt the Uniform Mortgage Act. As you gentlemen know and well might know, the Act is a wonderful piece of legal art; it has been prepared by the outstanding lawyers of our country, in simple and concise form, containing all the fundamentals and essentials of such a Uniform Mortgage Act.

The benefit of such an act is apparent to all of you. Speaking from the standpoint of a country abstracter of Texas, as a title insurance man and as a lawyer, I can see there is a vast amount of good to be done in the United States.

I got here too late to present a resolution to the Resolutions Committee, but I do want to say of my own personal volition that if this Act is to be carried out by lawyers in our communities back in our respective states, it will be a duty incumbent upon all of us who feel the need of this Act to bring pressure to bear upon our legislators and see that the Act is passed. It is for the very best interest not only of title companies but the legal profession and investment companies.

I believe with the proper kind of effort each of us could and should make, an Act like that can be passed by each one of the legislatures. A copy of that Act may be obtained from the Secretary of the American Bar Association.

PRESIDENT DALY: I don't sup-

pose we could have a resolution upon that but we have a committee on Uniformity and this committee has been working during the past year in connection with the Bar Association. In fact, Mr. Charles White, as you know, attended the Commission meeting in Buffalo last week as the representative of the American Title Association and the other standard acts such as Mechanics' Lien Law, have had the support of this organization from the very beginning.

Have we the report of the Auditing Committee?

MR. PINKERTON: Mr. President, Ladies and Gentlemen: The work of the Auditing Committee was made easy through the foresight and thoughtfulness of Mr. Daly, who had served on a like committee in the past and put in two days of hard labor in making the audit. Wishing to make our task lighter than his had been, he communicated in advance with Mr. Lindow, asked him for help and Mr. Lindow, through the kindness and generosity of the Union Trust Company, obtained the services of two accountants in the service of that company who made an audit of the books of the Executive Secretary and the Treasurer.

Mr. Theodore Rankin, one of the men who made that audit, made a written report and this Committee makes that report a part of its report.

The books and accounts were found correct, and the formal report has been filed with the Executive Committee.

PRESIDENT DALY: I think it is the custom at this time to appoint a General Chairman of the convention for the following year. As this convention will be held in the city of Seattle, it is my pleasure at this time to introduce to you Mr. Charlton L. Hall, who will act as General Chairman of that convention.

MR. HALL: That is no way to treat a bunk mate! I just told Jim he was going to be Chairman and then I saw him go and talk to you. You don't mean this.

MR. BOOTH: Yes, that goes!

MR. HALL: Is Mr. Lindow around here?

MR. LINDOW: Greetings to you, Mr. Hall!

MR. HALL: I want to learn a lot of things from you in the next hour.

I will do my best, however, to make things go smoothly there when you come, but I want to say that Detroit has set a pace that it's going to be hard for us to follow. (Applause.)

PRESIDENT DALY: Mr. Hall, as you may know, is the General Manager of the Washington Title Insurance Company. I think this is the first time we have heard from him during this meeting.

Is there anything further?

If not, we will stand adjourned until Seattle in 1928.

ADJOURNMENT

REPORT OF EXECUTIVE SECRETARY.

Year of 1926-1927.

Received from Dues:	
Title Examiners	$ 735.00
Individual Members	390.00
State Association Dues	4,673.00
TOTAL DUES	$ 5,798.00
Received from Sustaining Fund	13,510.00
Received from Misc. (Sub. Title News & Directory	321.92
TOTAL RECEIPTS	$19,629.92

REMITTANCES TO TREASURER.

	Examiners	*State Dues*	*Indiv. Dues*	*Sust. Fund*	Misc.	*Total*
Sept.	$ 15.00	$ 18.00	$ 15.00	$ 85.00	$ 1.50	$ 134.50
Oct.	5.00	19.00	5.00	55.00	151.20	235.20
Nov.	5.00	65.00	5.00	542.00	6.00	623.00
Dec.	180.00	134.00	150.00	376.50	16.50	857.00
Jan.	135.00	587.00	135.00	7,212.50	4.00	8,073.50
Feb.	170.00	560.00	55.00	1,593.00	12.00	2,390.00
Mar.	135.00	2,042.00	20.00	285.00	8.00	2,490.00
April	30.00	788.00	.....	755.00	.....	1,573.00
May	20.00	26.00	.....	794.50	4.00	844.50
June	15.00	278.00	5.00	640.00	2.00	940.00
July	15.00	146.00	.....	911.50	2.00	1,074.50
Aug.	10.00	10.00	.....	260.00	114.72	394.72
	$735.00	$4,673.00	$390.00	$13,510.00	$321.92	$19,629.92

RECEIPTS BY STATES.

States	*Examiners*	*State Dues*	*Indiv.*	*Sust. Fund*	*Total*
Alabama	$ 5.00	.....	$ 90.00	$ 195.00	$ 290.00
Arizona	10.00	.....	55.00	65.00	130.00
Arkansas	.....	$ 202.00	.....	90.00	292.00
California	20.00	150.00	.....	3,076.00	3.246.00
Colorado	115.00	84.00	.....	225.00	424.00
Connecticut	15.00	.....	15.00	210.00	240.00
District of Columbia	5.00	.....	5.00	10.00	20.00
Florida	5.00	60.00	.....	395.00	460.00
Georgia	.....	.....	20.00	50.00	70.00
Idaho	.....	66.00	.....	36.50	102.50
Illinois	55.00	504.00	.....	517.50	1,076.50
Indiana	30.00	118.00	.....	127.50	275.50
Iowa	30.00	232.00	.....	312.00	574.00
Kansas	30.00	260.00	.....	353.00	643.00
Kentucky	.....	.....	50.00	40.00	90.00
Louisiana	25.00	24.00	.....	110.00	159.00
Maryland	.....	.....	5.00	100.00	105.00
Massachusetts	.....	.....	10.00	.....	10.00
Michigan	15.00	158.00	.....	457.00	630.00
Minnesota	30.00	96.00	.....	221.00	347.00
Mississippi	.....	.....	20.00	.....	20.00
Missouri	30.00	272.00	.....	626.00	928.00
Montana	5.00	116.00	.....	105.50	226.50
Nebraska	25.00	240.00	.....	92.50	357.50
Nevada	.....	.....	10.00	5.00	15.00
New Jersey	35.00	80.00	.....	580.00	695.00
New Mexico	.....	35.00	.....	27.50	62.50
New York	15.00	544.00	.....	1,295.00	1,854.00
North Carolina	15.00	.....	15.00	10.00	40.00
North Dakota	.....	122.00	.....	102.50	224.50
Ohio	70.00	128.00	.....	676.00	874.00
Oklahoma	30.00	184.00	.....	317.50	531.50
Oregon	.....	82.00	.....	245.00	327.00
Pennsylvania	5.00	128.00	.....	995.00	1,128.00
Rhode Island	.....	.....	5.00	25.00	30.00
South Carolina	.....	.....	5.00	.....	5.00
South Dakota	.....	110.00	.....	30.00	140.00
Tennessee	15.00	100.00	.....	100.00	215.00
Texas	30.00	366.00	.....	747.00	1,143.00
Utah	10.00	.....	5.00	5.00	20.00
Virginia	.....	.....	20.00	305.00	325.00
Washington	15.00	106.00	.....	440.00	561.00
West Virginia	15.00	.....	10.00	.....	25.00
Wisconsin	30.00	106.00	.....	165.00	301.00
Wyoming	.....	.....	50.00	25.00	75.00
	$735.00	$4,673.00	$390.00	$13,510.00	$19,308.00
Miscellaneous					321.92
TOTAL					$19,629.92

STATEMENT OF EXPENSE.

1926-1927.

Classification	*Budget*	*Spent*
Salary, Executive Secretary	$ 6,000.00	$ 5,500.00
Stenographers	2,400.00	2,400.00
Office Rent	780.00	995.00
Title News	4,500.00	6,278.12
Traveling Expense, visiting state meetings	1,500.00	1,509.78
Stationery (also includes all printing)	850.00	1,450.53
Postage	750.00	837.26
Telegrams	250.00	257.06
Supplies and Miscellaneous Expense	1,500.00	2,558.36
Equipment, Secretary's Office	320.00	418.35
Abstracters Section	150.00	376.83
Title Examiners Section	150.00	113.60
Title Insurance Section	150.00	74.43
Traveling Expenses, Executive Committee, Mid-Winter Meeting	1,200.00	1,227.08
	$20,500.00	$23,996.40

Explanation, Principle Items, Miscellaneous:	
Telephone	$ 170.30
State Convention Letters	127.42
Sustaining Fund Letters	123.61
Atlantic City Convention, Reporting, etc.	616.00
Advertising Committee	278.38
Miscellaneous Letters	59.85
Membership Letters	107.62
Interest	73.92
Mid-Winter Meeting	154.63
	$ 1,711.73

TITLE EXAMINERS.

Marion Rushton	Montgomery, Ala.	$ 5.00
J. L. Gust	Phoenix, Ariz.	5.00
Evan S. Stallcup	Phoenix, Ariz.	5.00
Larkin Bailey	Berkeley, Calif.	5.00
Clock, McWhinney & Clock	Long Beach, Calif.	5.00
O'Melveny, Milliken & Tuller	Los Angeles, Calif.	5.00
Schauer & Ryon	Santa Barbara, Calif.	5.00
Barker, Lindstrom & Webster	Denver, Colo.	5.00
Albert R. Craig	Denver, Colo.	5.00
M. K. Edwards	Denver, Colo.	5.00
Golding Fairfield	Denver, Colo.	5.00
Fillius, Fillius & Winters	Denver, Colo.	5.00
Fowler & Fowler	Denver, Colo.	5.00
Albert J. Gould	Denver, Colo.	5.00
Richard H. Hart	Denver, Colo.	5.00
Simon J. Heller	Denver, Colo.	5.00
William E. Hutton	Denver, Colo.	5.00
Edward C. King	Denver, Colo.	5.00
George H. Lerg	Denver, Colo.	5.00
Lewis & Grant	Denver, Colo.	5.00
Ralph W. McCrillis	Denver, Colo.	5.00
Frank C. Myers	Denver, Colo.	5.00
Robert J. Pitkin	Denver, Colo.	5.00
Schaetzel & Schweed	Denver, Colo.	5.00
Smith & McMullin	Denver, Colo.	5.00
M. F. Wasson	Denver, Colo.	5.00
Daniel K. Wolfe	Denver, Colo.	5.00
Max P. Zall	Denver, Colo.	5.00
Chalkley A. Wilson	Sterling, Colo.	5.00
Chalkley A. Wilson	Akron, Colo.	5.00
William Brosmith	Hartford, Conn.	5.00

John Izard	Hartford, Conn	5.00
Clark, Hall & Peck	New Haven, Conn	5.00
Albert B. Baker	Washington, D. C	5.00
Rogers & Rogers	Lakeland, Fla	5.00
James E. Bentley	Chicago, Ill	5.00
Chas. A. Churan	Chicago, Ill	5.00
Walter L. Cohrs	Chicago, Ill	5.00
Will J. Bell	Chicago, Ill	5.00
Frank J. Palt	Chicago, Ill	5.00
Burton P. Sears	Chicago, Ill	5.00
Chas. E. Hamilton	Carbondale, Ill	5.00
W. A. Herlocker	Galesburg, Ill	5.00
Edie & Edie	Monticello, Ill	5.00
Stevens & Herndon	Springfield, Ill	5.00
Ralph Dempsey	Pekin, Ill	5.00
Osborn, Osborn & Link	LaPorte, Ind	5.00
Clarence V. Shields	LaPorte, Ind	5.00
Geo. H. Batchelor	Indianapolis, Ind	5.00
Roy C. Street	Lafayette, Ind	5.00
B. V. Marshall	Terre Haute, Ind	5.00
B. V. Marshall	Terre Haute, Ind	5.00
Seerly & Clark	Burlington, Iowa	5.00
Boyd & McKinley	Keokuk, Iowa	5.00
E. H. Pollard	Port Madison, Iowa	5.00
Orville C. Greene	Clarinda, Iowa	5.00
W. S. Ayers	Des Moines	5.00
Kimball, Peterson, Smith & Peterson	Council Bluffs, Iowa	5.00
William Easton Hutchison	Garden City, Kas	5.00
C. O. Conkey	Newton, Kas	5.00
C. J. Bryant	Independence, Kas	5.00
Charles Hall	Hutchinson, Kas	5.00
Robert C. Foulston	Wichita, Kas	5.00
H. W. Hart	Wichita, Kas	5.00
B. T. Dawkins	Alexandria, La	5.00
Solomon S. Goldman	New Orleans, La	5.00
George Montgomery	New Orleans, La	5.00
Devaille H. Theard	New Orleans, La	5.00
Philip Lieber	Shreveport, La	5.00
George E. Luther	Jackson, Mich	5.00
Willard G. Turner	Muskegon, Mich	5.00
Howard C. Baldwin	Detroit, Mich	5.00
Alice L. Kercher	Minneapolis, Minn	5.00
R. G. Patton	Minneapolis, Minn	5.00
John B. Burke	St. Paul, Minn	5.00
Martin J. Hurley	St. Paul, Minn	5.00
John E. Martin	St. Paul, Minn	5.00
John F. Scott	St. Paul, Minn	5.00
C. L. Flaugh	Kansas City, Mo	5.00
C. S. Hale	St. Louis, Mo	5.00
Theo. E. Kircher	St. Louis, Mo	5.00
Warren Rogers	St. Louis, Mo	5.00
Edward P. Wilson	St. Louis, Mo	5.00
Boyd Ewing	Nevada, Mo	5.00
Al Hansen	Baker, Mont	5.00
Loomis, Laird & Loomis	Fremont, Nebr	5.00
Edward F. Dougherty	Omaha, Nebr	5.00
E. B. Marcom	Omaha, Nebr	5.00
A. H. Murdock	Omaha, Nebr	5.00
Fred C. Foster	Lincoln, Nebr	5.00
James F. McNamara	Mays Landing, N. J	5.00
John M. Bell	East Rutherford, N. J	5.00
Clinton I. Evans	Camden, N. J. (26) (27)	10.00
H. J. Rebbeck	Laurel Spring, N. J	5.00
Edward O. Clark	Newark, N. J	5.00
Levy, Fenster & McCloskey	Newark, N. J	5.00
H. G. Dickensheets	New York City, N. Y	5.00
Frank Ewing	New York City, N. Y	5.00
Leroy A. Lincoln	New York City, N. Y	5.00
George H. Wright	Asheville, N. C	5.00
Joseph L. Cockerham	Raleigh, N. C	5.00
J. L. Morehead	Durham, N. C	5.00
W. S. Adams	Cleveland, Ohio	5.00
C. R. Cross	Cleveland, Ohio (26) (27)	10.00
John J. Babka	Cleveland, Ohio	5.00
Armand L. Koethen	Cleveland, Ohio	5.00
J. H. Neece	Cleveland, Ohio	5.00
Frank S. Taylor	Cleveland, Ohio	5.00
John C. Stoddart	Columbus, Ohio	5.00
Thomas H. Ford	Dayton, Ohio	5.00
B. D. Moore	Dayton, Ohio	5.00
John H. Sutton	Dayton, Ohio	5.00
Alvord, Blakely, Ostrander & Slocum	Painesville, Ohio	5.00
H. G. Workman	Akron, Ohio	5.00
Fillius & Fillius	Warren, Ohio	5.00
J. H. Cruthis	Talihina, Okla	5.00
Mont F. Highley	Oklahoma City, Okla	5.00
Park Wyatt	Shawnee, Okla	5.00
F. Hiner Hale	Guyman, Okla	5.00
A. J. Kriete	Tulsa, Okla	5.00
J. T. Shipman	Bartlesville, Okla	5.00
William A. Gretzinger	Philadelphia, Pa	5.00
J. M. Peebles	Nashville, Tenn	5.00
J. B. Templeton	Winchester, Tenn	5.00
L. Z. Turpin	Columbus, Tenn	5.00
Rhodes S. Baker	Dallas, Texas	5.00
Ferguson, Golden & Croly	Dallas, Texas (26) (27)	10.00
Leon L. Mott	Houston, Texas	5.00
Polk & Sansom	Fort Worth, Texas	5.00
G. F. Zimmerman	Austin, Texas	5.00
Fred C. Bush	Salt Lake City, Utah	5.00
Stewart, Alexander & Budge	Salt Lake City, Utah	5.00
Bigelow & Manier	Olympia, Washington	5.00
John W. Roberts	Seattle, Washington	5.00
S. A. Gagliardi	Tacoma, Washington	5.00
Morton, Mohler & Peters	Charleston, W. Va	5.00
George E. Price	Charleston, W. Va. (26) (27)	10.00
Lawrence Conlan	Milwaukee, Wis	5.00
W. E. Furlong	Milwaukee, Wis	5.00
Earl B. Hawkes	Milwaukee, Wis	5.00
Lawrence A. Olwell	Milwaukee, Wis	5.00
W. R. Nethercut	Milwaukee, Wis	5.00
Lockney & Lowry	Waukesha, Wis	5.00
		$735.00

Alabama.

Title Insurance Company, Mobile	$25.00	
Etowah Abstract Company, Gadsden	25.00	
E. P. Quigley, Birmingham	5.00	
Ballard Brothers, Troy	5.00	
Alabama Title & Trust Compnay, Birmingham	100.00	
Title Insurance Company, Mobile	25.00	
Title Guarantee & Loan Company, Birmingham	10.00	
		$ 195.00

Arizona.

Coggins Title Company, Phoenix	10.00	
Tucson Title Company, Tucson	5.00	
Phoenix Title & Trust Company, Phoenix	50.00	
		$ 65.00

Arkansas.

Scott County Abst. & Land Title Co., Waldron	5.00	
Augusta Title Company, Augusta	5.00	
Arkansas Trust Company, Hot Springs	5.00	
N. W. Denty, Hope (26)	5.00	
N. W. Denty, Hope	5.00	
Guaranty Abstract Company, Marion	15.00	
Greer Abstract Company, Fayetteville	5.00	
Shemwell Abst. & Realty Company, Heber Springs	5.00	
Saline Co. Abst. & Guar. Company, Benton	5.00	
J. L. Robertson, Piggott	5.00	
South Arkansas Abstract Company, Camden	5.00	
Little Rock Abstract & Grty. Company, Little Rock	25.00	
		$ 90.00

California.

Butte County Title Abstract Company, Oroville	5.00	
A. C. Tucker, Nevada City	3.00	
Inter County Title Company, Nevada City	3.00	
Plumas County Abstract Company, Quincy	5.00	
San Rafael Land Title Company, San Rafael	10.00	
The San Joaquin Abstract Company, Fresno	25.00	
Title Guarantee & Trust Company, Los Angeles	250.00	
Oakland Title Ins. & Guaranty Company, Oakland	250.00	
George H. Rice Abstract Company, Redwood City	50.00	
Orange County Title Company, Santa Ana	25.00	
Lake County Title & Abstract Company, Lakeport	10.00	
Napa County Title Company, Napa	50.00	
Sacramento Abstract & Title Company, Sacramento	50.00	
California Title Insurance Company, Los Angeles	250.00	
Richmond-Martinez Abst. & Title Company, Martinez	10.00	
Title Insurance & Trust Company, Los Angeles	250.00	
Union Title Insurance Company, San Diego	250.00	
Contra Costa Abst. & Title Company, Martinez	50.00	
Kings County Abstract Company, Hanford	10.00	
Security Title Ins. & Grty. Company, Los Angeles	250.00	
Southern Title Guarantee Company, San Diego	50.00	
Title Insurance & Guaranty Company, San Francisco	250.00	
San Jose Abst. & Title Ins. Company, San Jose	150.00	
Stockton Abstract & Title Company, Stockton	10.00	
Pioneer Title Insurance Company, San Bernardino	100.00	
Cal.-Pacific Title & Trust Company, San Francisco	250.00	
Alameda County Title Insurance Company, Oakland	250.00	
Santa Cruz Land Title Company, Santa Cruz	10.00	
City Title Insurance Company, San Francisco	25.00	
Capital City Title Company, Sacramento	50.00	
Sonoma County Abstract Bureau, Santa Rosa	10.00	
Belcher Abstract & Title Company, Eureka	15.00	
Siskiyou County Abstract Company, Yreka	10.00	
Northern Co. Title Ins. Company, San Francisco	10.00	
Marin County Abstract Company, San Rafael	50.00	
East Bay Title Insurance Company, Oakland	25.00	
Solano County Title Company, Fairfield	5.00	
		$ 3,076.00

Colorado.

Kit Carson Co. Abstract Company, Burlington	5.00	
Cheyenne Co. Abstract Company, Cheyenne Wells	5.00	
Menke Abstract Company, Conejos	10.00	
The Winchell Abstract Company, La Junta	10.00	
The Weld Co. Abst. & Inv. Company, Greeley	10.00	
Zimmerman Abstract Title Company, Steamboat Springs	10.00	
Crowley County Abstract Company, Ordway	5.00	
Jefferson County Title Company, Denver	5.00	
Title Guaranty Company, Denver	100.00	
The Landon Abstract Company, Denver	10.00	
F. J. Henderson Abstract Company, Sterling	10.00	
Trinidad Abstract & Title Company, Trinidad	10.00	
Otero County Abstract Company, La Junta	10.00	
Painter Abst. & Insurance Agency Co., Telluride	10.00	
Morgan County Abst. & Inv. Company, Ft. Morgan	10.00	
Yuma County Abstract Company, Wray	5.00	
		$ 225.00

Connecticut.

Bridgeport Land & Title Company, Bridgeport (26)	75.00	
Clark, Hall & Peck, New Haven	10.00	
Western Connecticut Title & Mtg. Co., Stamford	50.00	
Bridgeport Land & Title Company, Bridgeport	75.00	
		$ 210.00

District of Columbia.

Washington Title Insurance Company	10.00	
		$ 10.00

Florida.

Volusia County Abst. Company, DeLand (26)	10.00	
Florida Title Company, Miami (26)	50.00	
Florida Title Insurance Company, Miami	50.00	
Tampa Abst. & Title Ins. Company, Tampa	25.00	
Lauderdale Abst. & Grty. Title Co., Lauderdale	20.00	
Atlantic Title Company, West Palm Beach	75.00	
Alachua County Abstract Company, Gainesville	5.00	
Central Florida Abst. & Title Grty. Co., Orlando	25.00	
Volusia County Abstract Company, DeLand	10.00	
Florida Title Company, Miami	100.00	
Lake Abst. & Title Grty. Company, Tavares	25.00	
		395.00

Georgia.

Atlanta Title & Trust Company, Atlanta	50.00	
		50.00

Idaho.

Clark County Abst. & Realty Company, DuBois	2.50
Lost River Title Company, Arco	2.00
Bonner County Abstract Company, Ltd., Sandpoint	5.00
Panhandle Abstract Company, Coeur d'Alene	5.00
Gem County Abstract Company, Emmett	2.00
Camas Abstract Company, Fairfield	5.00
Fremont Abstract Company, St. Anthony	5.00
Twin Falls Title & Abstract Company, Twin Falls	10.00
	36.50

Illinois.

Chicago Title & Trust Company, Chicago	$250.00
McLean County Abstract Comapny, Bloomington	15.00
Montgomery County Abstract Company, Hillsboro	2.50
Security Title & Trust Company, Waukegan	10.00
C. E. Joyner, Harrisburg, Ill	5.00
Leland & Wilson, Ottawa	5.00
Kane County Abstract Company, Geneva	25.00
Title & Trust Company, Peoria	25.00
DeKalb County Abstract Company, Sycamore	5.00
St. Clair Guar. & Title Company, Belleville	25.00
Rock Island Abst. & Title Guar. Company, Rock Island	15.00
McHenry County Abstract Company, Woodstock	10.00
Champaign County Abstract Company, Champaign	25.00
Sangamon County Abstract Company, Springfield	25.00
Chas. D. Etnyre, Oregon	5.00
Taylor Abstract Company, Clinton	10.00
E. J. Tupper Company, Galesburg	10.00
E. P. Easterday, Mound City	5.00
Charles H. Roe, Pickneyville	5.00
Vemillion County Abstract Company, Danville	5.00
Hancock County Abstract Company, Carthage	5.00
Nelson Title & Trust Company, Paris	5.00
H. C. Gerke, Edwardsville	25.00
	$ 517.50

Indiana.

LaPorte County Abstract Co., LaPorte	$10.00
Lake County Title & Grty, Co., Crown Point	20.00
Michigan City Title & Grty. Co., Michigan City	10.00
Koscuisko Abst. & Title Grty. Co., Warsaw	5.00
Floyd County Abstract Co., New Albany	5.00
Wayne County Abstract Co., Richmond	10.00
W. H. Becher, LaPorte	5.00
Spahr-Morrison Abstract Co., Frankfort	7.50
Bryan & Strollard Abstract Co., Lafayette	10.00
Indiana Abstract Co., Goshen	5.00
Indiana Title & Loan Co., South Bend	15.00
Marks Abstract Co., Salem	5.00
Jones Abstract Co., Huntington	5.00
Huntington Abstract Co., Huntington	5.00
Allen E. Hogue, Vincennes	5.00
Chas. W. Benton, Princeton	5.00
	$ 127.50

Iowa.

C. L. Clark, Corydon	$ 5.00
Security Abstract Co., Iowa City	10.00
Marshall County Abstract Co., Marshalltown	5.00
Clay County Abstract Co., Spencer	5.00
Hardin County Abstract Co., El Dora	5.00
Winnebago County Abstract Co., Forest City	5.00
C. A. Batman, Nevada	5.00
Sioux Abstract Co., Orange City	10.00
Talley Harvey Co., Sioux City	10.00
Carlton Abstract Co., Spirit Lake	5.00
Carl H. Mather, Tipton	2.00
Livingston & Eicher, Washington	5.00
Linn County Abstract Co., Cedar Rapids	10.00
Security Abstract Co., Mason City	5.00
Benson & Runkle, Toledo	10.00
Southern Surety Co., Des Moines	50.00
Sedgwich-Lichty Abstract Co., Waterloo	15.00
Madden & Madden, Muscatine	10.00
Chas. E. Moore, Cherokee	10.00
Craig-Ray Abstract Co., Allison	5.00
Davenport Abstract Co., Davenport	10.00
C. C. Sedgwick Abstract Co., Sioux City	25.00
Monona County Abstract Co., Onawa	5.00
Washington Title & Grty. Co., Washington	5.00
Loomis Abstract Co., Red Oak	5.00
D. McCaren & Son, Anamosa	5.00
Boone County Abst. & Loan Co., Boone	10.00
Iowa Land Loan & Abst. Co., Rock Rapids	5.00
Black Hawk County Abstract Co., Waterloo	15.00
Johnston Abstract Co., Oskaloosa	5.00
Shelby County Abstract Co., Harlan	5.00
Delaware County Abst. & Loan Co., Manchester	5.00
Hugh H. Shepard, Mason City	5.00
Johnston County Abst. & Title Guar. Co., Iowa City	5.00
Spencer Loan & Abst. Co., Spencer	5.00
Fidelity Abstract Co., Pocahontas	10.00
	$312.00

Kansas.

Saline County Abst. Co., Salina	$ 5.00
Barbour-Collinson Abst. Co., Winfield (26)	5.00
L. B. Beil, Beloit	1.00
Pearl K. Jeffery, Columbus	15.00
Rogers Abstract Co., Wellington (26)	10.00
C. C. Porter, Russell Springs	10.00
C. M. Williams, Sedan	10.00
W. G. Fink, Fredonia	5.00
H. Llewellyn Jones, Meade	5.00
Sumner County Abstract Co., Wellington	5.00
W. G. Carson, Ashland	5.00
John C. Emick, Lawrence	5.00
Misel & Son, Concordia	2.00
Guar. Title & Trust Co., Wichita	75.00
C. A. Wilkin & Co., Parsons	5.00
George C. Weber, LaCrosse	5.00
Benton & Hopkins, Oberlin	5.00
Ray H. Crumley, Colby	5.00
Montgomery County Abst. Co., Independence	10.00
Security Abstract Co., Independence	10.00
Home Mtg. Title & Trust Co., Wichita	50.00
Greenwood County Abst. Co., Eureka	10.00
Jas. H. Patrick, Santanta	5.00
C. W. Lynn Abstract Co., Salina	5.00
Crawford County Abst. Co., Girard	5.00
Cragun Abstract Co., Kingman	5.00
Topeka Title & Bond Co., Topeka	10.00
Leo T. Gibbons, Scott City	5.00
Pioneer Mortgage Co., Topeka	5.00
Barbour-Collinson Abst. Co., Winfield	5.00
Moore Abst. & Title Co., Eureka	5.00
Harold C. Short, Leavenworth	5.00
Rogers Abstract & Title Co., Wellington	10.00
M. J. Stevenson, Ashland	5.00
Robert B. Spilman, Manhattan	5.00
J. M. Schaefer, Hays City	5.00
Harvey County Abst. Co., Newton	5.00
Hall Abst. & Title Co., Hutchinson	10.00
	$353.00

Kentucky.

Louisville Title Co., Louisville	$25.00
Kentucky Title Co., Louisville	10.00
Edgar E. Sullivan, Taylorsville	5.00
	$ 40.00

Louisiana.

Union Title Guar. Co., New Orleans	100.00
Ouachita Abst. & Title Guar. Co., Monroe	5.00
Bossier Abstract & Title Co., Benton	5.00
	$110.00

Maryland.

Maryland Title Guar. Co., Baltimore	$100.00
	$100.00

Michigan.

C. C. Wells, Traverse City	$ 5.00
Berrien County Abst. Co., St. Joseph	20.00
Edmund Ashford, Manistique	2.00
Union Title & Guaranty Co., Detroit	250.00
Guar. Bond & Mortgage Co., Grand Rapids	25.00
Muskegon Trust Co., Muskegon	10.00
Eaton County Abstract Co., Charlotte	5.00
Gratoit County Abstract Co., Ithaca	5.00
Monroe County Abstract Co., Monroe	25.00
Lake County Abstract Co., Baldwin	5.00
Northern Title & Trust Co., Bay City	15.00
Lapeer County Abstract Co., Lapeer	5.00
Title Bond & Mortgage Co., Kalamazoo	50.00
Iosco County Abstract Office, Tawas City	5.00
Emmett County Abst. & Title Co., Petoskey	5.00
Chas. E. Thompson Abstract Co., Bad Axe	5.00
Oceana County Abstract Office, Hart	5.00
Taylor Abstract Co., Lansing	10.00
Guaranty Title & Mortgage Co., Flint	5.00
	$457.00

Minnesota.

Watonwan County Abstract Co., St. James	$ 6.00
Consolidated Abstract Co., Duluth	15.00
Freeborn County Abstract Co., Albert Lea	5.00
Winona County Abstract Co., Winona	5.00
Aitkin County Abstract Co., Aitkin	5.00
St. Paul Abstract Co., St. Paul	50.00
Blue Earth County Abstract Co., Mankato	5.00
Merrill Abstract Corporation, Minneapolis	25.00
Real Estate Title Insurance Co., Minneapolis	100.00
Todd County Abstract Co., Long Prairie	5.00
	$221.00

Missouri.

Felix J. Parkin, Fredericktown	1.00
Williams & Pottorf, Nevada	5.00
E. E. Richards, Oregon	10.00
Ryan & Carnahan, Chillicothe	5.00
Cole County Abstract Co., Jefferson City	10.00
V. V. Hall, St. Joseph	5.00
J. V. Davis, Bowling Green	5.00
More Harris Abstract Co., Benton	5.00
Missouri Abst. & Guar. Co., Kansas City	25.00
Henry County Abstract Co., Clinton	5.00
Edward G. Schall, St. Louis	25.00
Newton County Abst. & Title Co., Neosho	5.00
Title Guar. Trust Co., St. Louis	150.00
Landman Abstract & Title Co., Sedalia	5.00
Arthur Conger, Harrisonville	5.00
St. Louis County Land Title Co., Clayton	50.00
Murdock & Newby, Platte City	5.00
Trust Company of St. Louis County, Clayton	25.00
Scott County Abstract Co., Benton	5.00
J. A. Selby, Gallatin	5.00
Linn County Abstract Co., Linneus	10.00
Kansas City Title & Trust Co., Kansas City	250.00
Hamilton Abstract Co., Huntsville	5.00
D. D. Hamilton, Marshfield	5.00
	$626.00

Montana.

Burt Moylan, Malta	$ 3.00
Gallatin County Abstract Co., Bozeman	5.00
McCone County Abstract Co., Circle	10.00
Glacier County Abstract Co., Cut Bank	2.50
Custer Abstract Co., Miles City	10.00
Northwestern Title Co., Forsyth	5.00
C. M. Kelley, Lewiston	5.00
Toole County Abstract Co.	5.00
Title Abstract Co., Billings	5.00
Musselshell County Abst. & Title Co., Roundup	5.00
Judith Basin County Abstract Co., Stanford	5.00
Hubbard Abstract Co., Great Falls	10.00
Hill County Abstract Co., Havre	5.00
Golden Valley County Abstract Co., Ryegate	10.00
Montana Loan & Title Co., Glendive	10.00
Pondera County Abstract Co., Conrad	5.00
Wheatland Abstract Co., Harlowton	5.00
	$105.00

Nebraska.

J. Monroe Davis, Hebron	$10.00
J. C. Moore, Tecumseh	5.00
Franklin County Abstract Co., Bloomington	5.00
C. A. Yeoman, Elwood	5 00
Gage County Abstract Co., Beatrice	5.00
A. C. Wittera, Kearney	5.00
John E. Kelley & Son, McCook	10.00
John W. Lamson, Neligh	5.00
J. F. Hanson & Co., Fremont	10.00
H. O. Smith, Lexington	10.00
Adams County Abstract Co., Hastings	5.00
Thomas Walling Co., Plattsmouth	5.00
Union Abstract & Title Co., Omaha	10.00
J. M. McCormick, Chappell	2.50
	$ 92.50

Nevada

Title & Trust Co., of Nevada, Las Vegas	$ 5.00
	$ 5.00

New Jersey.

West Jersey Title & Guar. Co., Camden	$100.00
Chelsea Title & Guar. Co., Atlantic City	10.00
Ocean County Title Co., Toms River	5.00
Asbury Park Trust Co., Asbury Park	10.00
Land Title Guaranty Co., of New Jersey, Camden	25.00
Ocean City Title & Trust Co., Ocean City	25.00
Fid. Union Title & Mtg. Grty. Co., Newark	125.00
Middlesex Title Guar. & Trust Co., New Brunswick	25.00
Fid. Title & Mtg. Grty. Co., Ridgewood	50.00
New Jersey Title Guar. & Trust Co., Jersey City	50.00
Watchung Title & Mtg. Grty. Co., Montclair	10.00
Cape May County Title & Trust Co., Cape May	25.00
Monmouth Title Co., Freehold	50.00
Lawyers Mtg. & Title Grty. Co., Newark	25.00
Plainfield Title & Mtg. Grty. Co., Plainfield	25.00
Title Abstract Co., Camden	10.00
South Jersey Title & Finance Co., Atlantic City	10.00
	$ 580.00

New Mexico.

Avery Bowman Co., Santa Fe	$10.00
E. G. Twitty Abstract Co., Raton	7.50
Southwestern Abst. & Title Co., Las Cruces	5.00
Fidelity Abstract Co., Santa Rosa	5.00
	$ 27.50

New York.

Title Guar. & Trust Co., New York	$250.00
Chautaugua Abstract Co., Mayville	25.00
Title Mtg. Guar. Co., Buffalo	50.00
Elwood Roberts, Goshen	5.00
Hudson Counties Title & Mtg. Co., Newburgh	100.00
Butler, Kilmer, Hoey & Butler, Saratoga Springs	10.00
New York Title & Mortgage Co., New York	250.00
New York Central Abstract & Title Co., Utica	20.00
Home Title Insurance Co., Brooklyn	100.00
Westchester Title & Trust Co., White Plains	100.00
Mohawk Abstract Corporation, Schenectady	10.00
Lawyers Title & Grty. Co., New York	250.00
Abstract Guaranty Co., Rochester	25.00
Title Guaranty Corporation of Rochester, Rochester	25.00
U. S. Abstract & Surety Co., Albany	50.00
F. M. Hosmer, Auburn	10.00
North American Title Guar. Co., New York	5.00
Central New York Title Guar. Co., Albany	10.00
	$1,295.00

North Carolina.

Title Guaranty Insurance Co., Raleigh	$10.00
	$ 10.00

North Dakota.

The Butler Co., Lisbon	$ 5.00
Williams County Abst. Co., Williston	10.00
Mercer County Abstract Co., Stanton	5.00
Treuman Abstract Co., Grafton	5.00
Sargent County Abstract & Title Guar. Co., Forman	5.00
The H. Bendeke Co., Grand Forks	5.00
Bowman County Abstract Co., Bowman	5.00
The Mandan Abstract Co., Mandan	10.00
Northern Abstract Co., Fargo	5.00
M. J. Ruemmele, Ashley	5.00
Mountrail County Abstract Co., Stanley	7.50
Williams County Abstract Co., Williston (26)	10.00
Burleigh County Abstract Co., Bismarck	10.00
Bottineau County Abstract Co., Bottineau	5.00
G. D. Stout, Ellendale	5.00
Security Abstract & Title Co., Stanley	5.00
	$ 102.50

Ohio.

The Title Guar. & Trust Co., Toledo (26)	50.00
Bankers Guar. Title & Trust Co., Akron	50.00
W. E. Peters, Athens	10.00
Title Guar. & Trust Co., Cincinnati	25.00
Title Guar. & Trust Co., Toledo	50.00
Land Title Abstract & Trust Co., Cleveland	150.00
Guar. Title & Trust Co., Cleveland	150.00
G. W. Cornell Abstract Co., Jefferson	5.00
Cuyahoga Abstract Title & Trust Co., Cleveland	150.00
Real Estate Abstract Co., Toledo	25.00
Thraves Abstract & Title Co., Fremont	5.00
Adele M. Kagay, Marysville	5.00
O. R. Barnes, Jefferson	1.00
	$ 676.00

Oklahoma.

Johnson Abstract & Loan Co., Claremore	$10.00
Poteau Abstract Co, Poteau	5.00
Security Abstract Co., Newkirk	10.00
Sleif-Vaughn Abstract Co., Cheyenne	2.00
Abstract & Guaranty Co., Chandler	5.00
Albright Title & Trust Co., Newkirk	25.00
Lincoln County Abstract Co., Chandler	5.00
American National Co., Oklahoma City	25.00
Osage County Abstract Co., Pawhuska	10.00
Cherokee Capital Abstract Co., Tahlequak	7.50
Cotton County Abstract Co., Walgers	5.00
El Reno Abstract Co., El Reno	10.00
Title Abstract Co., Nowata	5.00
Bryan County Abstract Co., Durant	5.00
Title Guar. & Trust Co., Tulsa	50.00
Creek County Abstract Co., Supulpa	5.00
Guaranty Trust Co. of Muskogee, Muskogee	25.00
Okemah Abstract & Title Co	3 00
Lacey-Pioneer Abstract Co., Anadarko	10.00
Washington County Abstract Co., Bartlesville	10.00
Sater Abstract & Loan Co., Stillwater	25.00
Photo Abstract Co., Miami	10.00
Lafe Speer Abstract Co., Sapulpa	10.00
Mayes County Abstract Co., Pryor	5.00
Rogers County Abstract Co., Claremore	2.50
Boise City Abstract Office, Boise City	7.50
Sulphur Abstract & Title Co., Sulphur	5.00
Wagoner County Abstract Co., Wagoner	10.00
Meurer Abstract Company, Pawnee	10.00
	$ 317.50

Oregon.

Hartman Abstract Co., Pendleton	$25.00
Jackson County Abstract Co., Medford	10.00
Title & Trust Co., Portland	100.00
Wilson Abstract Co., Klamath Falls	15.00
Columbia County Abstract Co., St. Helens	10.00
Union Abstract Co., Portland	50.00
Abstract & Title Co., LaGrande	5.00
Union Abstract Co., Salem	5.00
Astoria Abstract Co., Astoria	5.00
Deschutes County Abstract Co., Bend	10.00
Bowers Abstract Co., Baker	10.00
	$ 245.00

Pennsylvania.

Union Fidelity Title Ins. Co., Pittsburgh	$50.00
Chelton Trust Co., Philadelphia	150.00
Pennsylvania Trust Co., Reading	25.00
Merion Title & Trust Co., Ardmore	100.00
Ninth Bank & Trust Co., Philadelphia	50.00
North Philadelphia Trust Co., Philadelphia	100.00
West Philadelphia Title & Trust Co., Philadelphia	25.00
Industrial Trust & Sav. Co., Philadelphia	50.00
Potter Title & Trust Co., Pittsburgh	150.00
Peoples Bank & Trust Co., Philadelphia	25.00
Willow Grove Trust Co., Willow Grove	10.00
Erie Abstract Title Co., Erie	10.00
Title Guaranty Co., Pittsburgh	100.00
Real Estate Title Ins. & Trust Co., Philadelphia	50.00
Land Title & Trust Co., Philadelphia	100.00
	$ 995.00

Rhode Island.

Title Guar. Co. of Rhode Island, Providence	$25.00
	$ 25.00

South Dakota.

Dakota Title & Investment Co., Rapid City	$ 5.00
Carson County Land & Title Co., McIntosh	5.00
Southwick Abstract Co. Watertown	5.00
Brown Brothers, Inc., Bison	5.00
Campbell County Abstract Co., Mound City	5.00
Spink County Abstract Co., Redfield	5.00
	$ 30.00

Tennessee.

Title Grty. & Trust Co., Chattanooga	$50.00
Guaranty Title & Trust Co., Nashville	50.00
	$ 100.00

Texas.

Colorado County Abstract Co., Columbus	$ 7.00
O'Neal Abstract Co., Panhandle	10.00
Donegan Abstract Co., Sequin	5.00
Texarkana Abstract Co., Texarkana	10.00
Texas Abstract Co., Houston	10.00
Cherokee County Abstract Co., Rusk	10.00
Pioneer Abstract Co., Tahoka	5.00
Montague County Abstract Co., Montague	5.00
Love Abstract Co., Franklin	5.00
Guarantee Abstract Co., Georgetown	7.50
Guaranty Title Co., Corpus Christi	50.00
Jefferson County Abstract Co., Beaumont	10.00
Home Abstract Co., Fort Worth	25.00
Houston Abstract Co., Houston	15.00
Port Arthur Abstract Co., Port Arthur	25.00
Houston Title Grty. Co., Houston	15.00
Chas. L. Pickett, Post	2.50
San Antonio Abst. & Title Co.	10.00
Archer County Abstract Co., Archer City	10.00
Texas Title Grty. Co., San Antonio	50.00
Grty. Abstract Co., Archer City	5.00
Standard Abstract Co., Lubbock	10.00
Pioneer Abstract & Guar. Title Co., El Paso	100.00
C. R. Rambo, Brownfield	5.00
Live Oak Title Co., George West	2.50
Guaranty Abstract & Title Co., Wichitta Falls	5.00
W. R. Garrett, Cuero	2.00
Stewart Title Grty. Co., Houston	250.00
Gracy Title Grty. Co., Austin	10.00
Homer Garrison, Lufkin	5.00
Harris County Abstract Co., Houston	10.00
W. F. Goodrich Abstract Co., Hemphill	10.00
Stephens County Abstract Co., Breckenridge	5.00
Briscoe County Abstract Co., Silverton	2.50
Palo Pinto County Abstract Co., Mineral Wells	5.00
Kincy Abstract Co., Greenville	10.00
Eastland Title Guar. Co., Hillsboro	10.00
Woodrash Abstract & Realty Co., Caldwell	3.00
Grty. Abstract & Title Co., Amarillo	10.00
	$ 747.00

Utah.

Fred C. Bush, Salt Lake City	$ 5.00	
		$ 5.00

Virginia.

Title Insurance Co., Richmond (26)	$100.00	
Title Guar. Trust & Sav. Bank, Roanoke	5.00	
Title Insurance Co., Richmond	100.00	
Lawyers Title Insurance Corp., Richmond	100.00	
		$ 305.00

Washington.

Franklin Abstract & Loan Co., Pasco (26)	$ 5.00	
Port Orchard Abstract Co., Bremerton	5.00	
Thurston County Abstract Co., Olympia	5.00	
Franklin Abstract & Loan Co., Pasco	5.00	
Garfield County Abstract Co., Pomeroy	5.00	
Dean McLean Abstract Co., Walla Walla	5.00	
Yakima Abstract & Title Co., Yakima	5.00	
Kittitas County Abstract Co., Ellensburg	10.00	
Northwestern Ins. Co., Spokane	75.00	
Washington Title Ins. Co., Seattle	250.00	
Mason County Abstract & Title Co., Shelton	5.00	
Whatcom County Abstract Co., Bellingham	10.00	
Citizens Abstract Co., Pasco	5.00	
Clarke County Abstract Co., Vancouver	10.00	
Chelan County Abstract Co., Wenatchee	5.00	
A. L. Bell, Shelton	5.00	
Grays Harbor Title Co., Montesano	10.00	
Grant County Title Abstract Co., Ephrata	10.00	
Skagit County Abstract Co., Mt. Vernon	10.00	
		$ 440.00

Wisconsin.

Walworth County Abstract Co., Elkhorn	$ 5.00	
First Bond & Mortgage Co., Wisconsin Rapids	5.00	
Milwaukee Title Grty. Abstract Co., Milwaukee	50.00	
Citizens Abstract & Title Co., Milwaukee	10.00	
Door County Abstract Co., Sturgeon Bay	5.00	
Rusk County Abstract Co., Ladysmith	10.00	
Oneida County Land & Title Co., Rhinelander	10.00	
Barron County Abstract Co., Barron	5.00	
Edward Koellmer, Sheboygan	10.00	
Marinette County Abstract & Land Co., Marinette	5.00	
Security Abstract & Title Co., Milwaukee	25.00	
Dodge County Title & Abstract Co., Juneau	25.00	
		$ 165.00

Wyoming.

Natrona County Abstract & Loan Co., Casper	$10.00	
Security Trust & Title Co., Sundance	5.00	
Western Title & Loan Co., Basin	5.00	
Laramie County Abstract Co., Cheyenne	5.00	
		$ 25.00

REPORT OF TREASURER.

Statement of Receipts and Disbursements, Sept. 1, 1926 to Aug. 18, 1927

RECEIPTS:		
Balance Sept. 1, 1926	$ 1,879.91	
State Dues	4,691.00	
Miscellaneous and Title Examiners	1,321.20	
Sustaining Fund	13,505.00	
Interest on Investments	219.97	
Interest on Bank Deposits	13.05	
Advertising	112.72	
Fidelity Union Trust Co. (Loan)	6,450.00	
Total Receipts		$28,192.85
DISBURSEMENTS:		
Salary—Executive Secretary	$5,500.00	
Stenographers	2,400.00	
Office Rents	995.00	
TITLE NEWS	5,955.26	
Convention Proceedings	501.98	
Traveling Expenses of representatives from the American Association to various State Conventions	1,992.33	
Postage	1,145.37	
Telegrams	428.88	
Stationery	2,273.23	
Supplies and Miscellaneous Expense	1,165.20	
Office Equipment	412.10	
Traveling Expense Executive Committee to Midwinter Conference	1,227.98	
Petty Cash Fund	250.00	
Fidelity Union Trust Co. (Loan)	3,250.00	
Total Disbursements		$27,497.33
Balance Aug. 18, 1927		$ 695.52

Those in Attendance, Twenty-first Convention

Alabama.

C. C. Adams	Alabama Title & Trust Co.	Birmingham
J. A. Norman	Alabama Title & Trust Co.	Birmingham
H. S. Patterson	Etowah Abstract Co.	Gadsden
Josephine Patterson		Gadsden
Walter Smith	Tuscaloosa Abstract Co.	Tuscaloosa
Mrs. Walter Smith		Tuscaloosa

Arkansas.

Bruce B. Caulder	Lonoke Real Estate & Abstract Co.	Lonoke
Mrs. Bruce B. Caulder		Lonoke
Elmer McClure	Little Rock Title Insurance Co.	Little Rock
Mrs. Elmer McClure		Little Rock

California.

R. F. Chilcott	Western Title Insurance Co.	San Francisco
Frank P. Doherty	California Title Insurance Co.	Los Angeles
George Hope	San Rafael Land Title Co.	San Rafael
M. A. Hope	California-Pacific Title Insurance Co.	San Francisco
John F. Keogh	Title Guarantee & Trust Co.	Los Angeles
Morgan E. LaRue	Sacramento Abstract & Title Co.	Sacramento
Mrs. Morgan E. LaRue		Sacramento
J. L. Mack	Pioneer Title Insurance & Trust Co.	San Bernardino
R. C. Mize	Orange County Title Co.	Santa Ana
Mrs. R. C. Mize		Santa Ana
L. E. Mullen	Contra Costa Abstract & Title Co.	Martinez
T. G. Morton	Western Title Insurance Co.	Santa Cruz
Stuart O'Melveny	Title Insurance & Trust Co.	Los Angeles
Bert Paolinelli	City Title Insurance Co.	San Francisco
Glenn A. Schaefer	Security Title & Guarantee Co.	Los Angeles
Mrs. Glenn A. Schaefer		Los Angeles
Donzel Stoney	Title Insurance & Guaranty Co.	San Francisco
Mrs. Donzel Stoney		San Francisco
W. P. Waggoner	California Title Insurance Co.	Los Angeles

Colorado.

G. Fairfield	The Title Guaranty Co.	Denver
Foster B. Gentry	Republic Title Guaranty Co.	Denver
Walter Lacher	Montrose County Abstract Co.	Montrose
Jacob V. Schaetzel	Republic Title Guaranty Co.	Denver
J. Emery Treat	Trinidad Abstract & Title Co.	Trinidad

Connecticut.

James E. Rhodes	Travelers Insurance Co.	Hartford
William Webb	Bridgeport Land & Title Co.	Bridgeport

Florida.

Lore Alford	Atlantic Title Co.	Palm Beach
William Beardall	Fidelity Title & Loan Co.	Orlando
Mia Beck	Central Florida Abstract & Title Guaranty Co.	Orlando
C. E. Chambers	Guaranty Title & Abstract Co.	St. Petersburg
E. D. Dodge	Dade County Abstract Title Insurance & Trust Co.	Miami
Mrs. E. D. Dodge		Miami
O. W. Gilbart	West Coast Title Co.	St. Petersburg
Mrs. O. W. Gilbart		St. Petersburg
W. J. Henry	Florida Title & Trust Co.	Miami
Richard P. Marks	Title & Trust Company of Florida	Jacksonville
George S. Nash	Nash Title Co.	Orlando
Lloyd Roberts	Guaranty Title Co.	Tampa
P. R. Robin	Guaranty Title Co.	Tampa
Albert P. Smith	The Trust Company of Sarasota	Sarasota

Georgia.

Quincy O. Arnold	Atlanta Title & Trust Co.	Atlanta
Harry M. Paschal	Atlanta Title & Trust Co.	Atlanta

Illinois.

P. E. Bailey	Groat & Lilly	Lewistown
J. Roland Cavanagh	A. R. Buckingham & Son	Chicago
J. M. Dall	Chicago Title & Trust Co.	Chicago
Benj. L. Dall		Chicago
Mrs. J. M. Dall		Chicago
Joseph P. Durkin	Title & Trust Co.	Peoria
Mrs. Joseph P. Durkin		Peoria
Coral A. Gard	Morgan County Abstract & Title Co.	Jacksonville
H. C. Gerke	Madison County Abstract & Title Co.	Edwardsville
Mrs. H. C. Gerke		Edwardsville
Cress V. Groat	Groat & Lilly	Lewistown
Mabel Haley	Morgan County Abstract & Title Co.	Jacksonville
W. R. Hickox, Jr.	Kankakee County Title & Trust Co.	Kankakee
B. F. Hiltabrand	McLean County Abstract Co.	Bloomington
R. L. Maxson	Champaign County Abstract Co.	Urbana
Mrs. R. L. Maxson		Urbana
F. L. Melin	Sangamon County Abstract Co.	Springfield
Mrs. F. L. Melin		Springfield
E. G. McAnulty	Hancock County Abstract Co.	Carthage
Mrs. E. G. McAnulty		Carthage
L. R. Parker	L. R. Parker Abstract Co.	Lincoln
J. K. Payton	Sangamon County Abstract Co.	Springfield
Mrs. J. K. Payton		Springfield
A. M. Rasmussen	Groat & Lilly	Lewistown
Miss Gladys Russell		Chicago
R. Allan Stephens	Brown, Hay & Stephens	Springfield
Eugene Whiting	Groat & Lilly	Lewistown

Indiana.

A. M. Bristor	Union Title Co.	Indianapolis
Willis N. Coval	Union Title Co.	Indianapolis
R. F. Garrettson	Michigan City Abstract & Guarantee Title Co.	Michigan City

Leona Gauthier	Lake County Title & Guaranty Co.	Crown Point
Bess Goodykoontz	Rowland Title Co.	Anderson
Adda Hyatt	Rowland Title Co.	Anderson
Earl W. Jackson	Indiana Title & Loan Co.	South Bend
Mrs. Earl W. Jackson		South Bend
Charles R. Lewinski	St. Joseph Abstract Co.	South Bend
R. W. Miles	Morgan County Abstract Co.	Martinsville
J. R. Morgan	Johnson Abstract Co.	Kokomo
Mrs. J. R. Morgan		Kokomo
L. L. Wheeler	La Porte County Abstract Co.	Michigan City
Mrs. L. L. Wheeler		Michigan City
C. E. Yockey	Union Title Co.	Indianapolis

Iowa.

O. N. Ross	Sioux Abstract Co.	Orange City
F. C. Sabourin	Southern Surety Co.	Des Moines
Mrs. F. C. Sabourin		Des Moines

Kansas.

William Mangus		Goodland
James S. Patrick		Satanta
Mrs. James S. Patrick		Satanta
Miss Glenice Patrick		Satanta
N. A. Patrick		Satanta
Richard Rohrer	Geary County Abstract Co.	Junction City
Mrs. Richard Rohrer		Junction City
E. S. Simmons	The Columbian Title & Trust Co.	Topeka
Mrs. E. S. Simmons		Topeka
Louise Small		Satanta
Fred T. Wilkin	The Security Abstract Co.	Independence

Kentucky.

Jos. W. Fowler	Franklin Title & Trust Co.	Louisville
Mrs. Jos. W. Fowler		Louisville
W. R. Rogers	Federal Land Bank	Louisville
Mrs. John Wetherly		Louisville

Massachusetts.

Theo. W. Ellis	Ellis Title & Conveyancing Co.	Springfield
O. D. Roats	Federal Land Bank	Springfield

Michigan.

W. J. Abbott	Lapeer County Abstract Co.	Lapeer
Mrs. W. J. Abbott		Lapeer
Merrill C. Adams	Union Trust Co.	Detroit
Clara Anderson	Union Title & Guaranty Co.	Detroit
W. F. Angell	Fidelity Trust Co.	Detroit
Mrs. W. F. Angell		Detroit
Lloyd Axford	Union Title & Guaranty Co.	Detroit
Mrs. Lloyd Axford		Detroit
Arthur Axford		Detroit
Louis F. Becker	Union Title & Guaranty Co.	Detroit
Theresa Bergsma	Union Title & Guaranty Co.	Detroit
Mrs. Frank Blair		Detroit
A. J. Bray	Calhoun County Abstract Co.	Battle Creek
Catherine Breitenbach	Ontonagon County Abstract Office	Ontonagon
Lula B. Bronson	Colonial Abstract Co.	Ithaca
Florence Bronson	Colonial Abstract Co.	Ithaca
John A. Brooks	Brooks Abstract Co.	Lansing
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Edna Builta		Detroit
Franc L. Burrow	St. Joseph County Abstract Co.	Centerville
C. M. Burton	Burton Abstract & Title Co.	Detroit
Agnes Burton		Detroit
Ralph Burton	Burton Abstract & Title Co.	Detroit
Mrs. Ralph Burton		Detroit
Fred Burton	Fred Burton Abstract Co.	Royal Oak
Louis Burton	Burton Abstract & Title Co.	Detroit
Mrs. Louis Burton		Detroit
Alyce Cadieux	Burton Abstract & Title Co.	Detroit
C. E. Chappell	Eaton County Abstract Co.	Charlotte
Eva Crawford	Oakland County Abstract Office	Pontiac
George A. Dankers	Union Title & Guaranty Co.	Detroit
Mrs. George A. Dankers		Detroit
Mrs. Dean DeWolf	Title Bond & Mortgage Co.	Kalamazoo
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Mrs. Lawrence C. Diebel		Detroit
Palmer Everts	Union Title & Guaranty Co.	Detroit
Mrs. Palmer Everts		Detroit
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Mrs. Robert Flattery		Detroit
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Mrs. Ralph H. Frede		Mount Clemens
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Mrs. F. W. Smith		Lansing
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Mrs. John N. Stalker		Detroit
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Mrs. George R. Thalman		Detroit
G. M. Thurston	Burton Abstract & Title Co.	Detroit
Mrs. G. M. Thurston		Detroit
Mrs. Martha Trauth	Union Title & Guaranty Co.	Detroit
Ray Trucks	Lake County Abstract Co.	Baldwin
Mrs. Ray Trucks		Baldwin
Herman Van Aalderen	Guaranty Bond & Mortgage Co.	Grand Rapids
William Wachs	National Survey Co.	Detroit
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Mrs. Edwin A. Wagner		Detroit
Mary Walsh		Marquette
G. E. Wedthoff	Northern Title & Trust Co.	Bay City
Mrs. G. E. Wedthoff		Bay City
C. C. Wells		Traverse City
Frances X. Wilcox	Union Title & Guaranty Co.	Detroit
David J. Wilke		Detroit
Mrs. David J. Wilke		Detroit
Alice Wilson	Burton Abstract & Title Co.	Detroit
D. Hazen Wode	Union Title & Guaranty Co.	Detroit
H. C. McNeil	Van Buren County Abstract Co.	Paw Paw

Minnesota.

John B. Burke		St. Paul
Mr. A. W. Koeneke		St. Paul
John E. Martin	Federal Land Bank	St. Paul
W. H. Pryor	Pryor Abstract Co.	Duluth
H. A. Schmidt	Winona County Abstract Co.	Winona
Mrs. H. A. Schmidt		Winona
John F. Scott		St. Paul
Henry C. Soucheray	St. Paul Abstract Co.	St. Paul

Mississippi.

M. P. Bouslog	Mississippi Abstract Title & Guaranty Co.	Gulfport

Missouri.

Ralph C. Becker	Mechin & Voyce Title Co.	St. Louis
McCune Gill	Title Guaranty Trust Co.	St. Louis
Mrs. McCune Gill		St. Louis
Richard B. Hall	American Title Association	Kansas City
Mrs. Richard B. Hall		Kansas City
W. A. Lincoln	Lincoln Abstract Co.	Springfield
Mrs. W. A. Lincoln		Springfield
Lex McDaniel	Kansas City Title & Trust Co.	Kansas City
Elizabeth McDaniel		Kansas City
Mrs. Lex McDaniel		Kansas City
Jas. M. Rohan	St. Louis County Land Title Co.	St. Louis
Mrs. Jas. M. Rohan		St. Louis
John Henry Smith	Kansas City Title & Trust Co.	Kansas City
C. B. Vardeman	Missouri Abstract Title Insurance Co.	Kansas City

Mrs. C. B. Vardeman		Kansas City

Montana.

C. E. Hubbard	Hubbard Abstract Co.	Great Falls
R. H. Johnson	Montana Abstract Co.	Scobey
C. C. Johnson	Sheridan County Abstract Co.	Plentywood

Nebraska.

Edward F. Dougherty	Federal Land Bank	Omaha
Mrs. Edward F. Dougherty		Omaha
Henry J. Fehrman	Peters Trust Co.	Omaha
Joseph J. Kliment	Union Abstract & Title Co.	Omaha
Mrs. Joseph J. Kliment		Omaha
E. B. Marcom	Omaha Trust Co.	Omaha

New Jersey.

E. A. Bickell	Nutley Mortgage & Title Guaranty Co.	Nutley
Mrs. E. A. Bickell		Nutley
William G. Lambert	Chelsea Title & Guaranty Co.	Atlantic City
Mrs. William G. Lambert		Atlantic City
Stephen H. McDermott	Monmouth Title & Mortgage Guaranty Co.	Asbury Park
J. Joseph McDermott		Asbury Park
Miss Catherine Norton	New Jersey Title Guaranty & Trust Co.	Jersey City
May Shannon	New Jersey Title Guaranty & Trust Co.	Jersey City
Catherine Stam	New Jersey Title Guaranty & Trust Co.	Jersey City
F. Clifton Trimble	Mortgage & Title Guaranty Co.	Westwood
Mrs. F. Clifton Trimble		Westwood
H. Wright	Lawyers Mortgage Title & Guaranty Co.	Newark
Mrs. H. Wright		Newark
Edward C. Wyckoff	Fidelity Union Title & Mortgage Guaranty Co.	Newark
Mrs. Edward C. Wyckoff		Newark

New Mexico.

D. D. Monroe	Clayton Abstract Co.	Clayton

New York.

Odell R. Blair	Title & Mortgage Guaranty Co.	Buffalo
Richard L. Blair	Title & Mortgage Guaranty Co.	Buffalo
Henry A. Cline, Jr.	North American Title Guaranty Co.	New York City
Fred P. Condit	Title Guarantee & Trust Co.	New York City
Henry J. Davenport	Home Title Insurance Co.	Brooklyn
Herbert Feehan	United States Abstract & Surety Co.	Albany
George P. Ferguson	New York Title & Mortgage Co.	New York City
H. W. Foster	New York Title & Mortgage Co.	New York City
Hugh Celston	Title & Mortgage Co.	Buffalo
Anson Getman		Albany
William L. Judson	Title & Mortgage Co.	Buffalo
George A. Loewenberg	Syracuse Title & Guaranty Co.	Syracuse
Mrs. Geo. A. Loewenberg		Syracuse
William H. McNeal	New York Title & Mortgage Co.	New York City
C. E. Russell	Title Guaranty & Trust Co.	New York City
Mrs. C. E. Russell		New York City
John Seifert	Central New York Mortgage & Title Co.	Utica
Carl Sherman	North American Title Guaranty Co.	New York City
Elwood C. Smith	Hudson Counties Title & Mortgage Co.	Newburgh
Mrs. Elwood C. Smith		Newburgh
William E. Walter	North American Title Guaranty Co.	New York City
E. M. Weaver	New York Title & Mortgage Co.	New York City

North Dakota.

A. J. Arnot	Burleigh County Abstract Co.	Bismarck

Ohio.

Frank Barr		Mansfield
Mrs. Frank Barr		Mansfield
C. L. Blacker	Guaranty Title & Trust Co.	Columbus
George L. Bremner	Cuyahoga Abstract Title & Trust Co.	Cleveland
Mrs. J. L. Chapman	Land Title Abstract & Trust Co.	Cleveland
A. C. Clay	Dayton Abstract & Land Title Co.	Dayton
George N. Coffey	Wayne County Abstract Co.	Wooster
G. W. Cornell	G. W. Cornell Abstract Co.	Jefferson
Mrs. G. W. Cornell		Jefferson
Fred R. Fuller	Guaranty Title & Trust Company	Cleveland
Rheu J. Garty	Toledo Title Co.	Toledo
J. H. Graves	Graves & Westervelt	Columbus
John F. Hunter	Toledo Title Co.	Toledo
J. H. Hildebrand		Akron
Paul D. Jones	Guarantee Title & Trust Co.	Cleveland
W. R. Kinney	Guarantee Title & Trust Co.	Cleveland
Mrs. W. R. Kinney		Cleveland
Arthur C. Longbrake	The Real Estate Abstract Co.	Toledo
R. M. Lucas	Guaranty Title & Trust Co.	Columbus
Robert C. Morris	Toledo Title Co.	Toledo
Mrs. Robert C. Morris		Toledo
O. L. Pealer	Guarantee Title & Mortgage Co.	Warren
Lawrence J. Ptak	Cuyahoga Abstract, Title & Trust Co.	Cleveland
Earl G. Smith	The Guarantee Title & Trust Co.	Akron
J. W. Thomas	Bankers Guaranty Title Co.	Akron
Mrs. J. W. Thomas		Akron
M. G. Thraves	Thraves Abstract & Title Co.	Fremont
W. O. Weir	Guarantee Title Co.	Mansfield
Mrs. W. O. Weir		Mansfield
Leo S. Werner	The Title Guarantee Trust Co.	Toledo
Mrs. Leo S. Werner		Toledo
Charles C. White	The Land Title Abstract & Trust Co.	Cleveland
F. S. Wilkins	Eggert Abstract Co.	Canton
Mrs. F. S. Wilkins		Canton

Oklahoma.

J. Lacy Ballenger	Oklahoma Abstract Co.	Tulsa
J. W. Banker	The Cherokee Capital Abstract Co.	Tahlequah
M. B. Brewer	Godfrey Investment Co.	Oklahoma City
Mrs. M. B. Brewer		Oklahoma City
Fred C. Groshong	Security Abstract Co.	Newkirk
Mrs. Pearl J. Groshong		Newkirk
Roy S. Johnson	Albright Title & Trust Co.	Newkirk
T. H. McConnell	The American First Trust Co.	Oklahoma City
G. M. Ricker	El Reno Abstract Co.	El Reno
Mrs. G. M. Ricker		El Reno
Talbert Taylor	Photo Abstract Co.	Miami
Miss Vera A. Wignall	Guaranty Abstract Co.	Pauls Valley
Miss E. A. Wilson	Pioneer Abstract Co.	McAlester

Oregon.

Walter M. Daly	Title & Trust Co.	Portland
Paul M. Janney	Jackson County Abstract Co.	Medford
J. S. Johns	Hartman Abstract Co.	Pendleton
F. E. Raymond	Pacific Abstract Title Co.	Portland
Mrs. F. E. Raymond		Portland

Pennsylvania.

Harry C. Bare	Merion Title & Trust Co.	Ardmore
Mrs. Harry C. Bare		Ardmore
Mark R. Craig	Potter Title & Mortgage Guaranty Co.	Pittsburgh
John P. Henry	Glenside Bank & Trust Co.	Glenside
Mrs. John P. Henry		Glenside
A. J. Levington	Lansdowne Trust Co.	Drexel Hill
Mrs. A. J. Levington		Drexel Hill
S. H. McKee	The Title Guaranty Company of Pittsburgh	Pittsburgh
Lester E. Pfeifer	Chelton Trust Co.	Philadelphia
Jas. P. Pinkerton	Industrial Trust Title & Sav. Co.	Philadelphia
Mrs. Jas. P. Pinkerton		Philadelphia
John E. Potter	Potter Title & Mortgage Guaranty Co.	Pittsburgh
Walter C. Schwab	The Title Company of Philadelphia	Philadelphia
W. J. Snyder	North Philadelphia Trust Co.	Philadelphia

Tennessee.

John C. Adams	Bank of Commerce Trust Co.	Memphis
W. S. Beck	Title Guaranty & Trust Co.	Chattanooga
L. E. Holliday	Federal Land Bank	Dresden
Guy P. Long	Union Planters Bank & Trust Co.	Memphis
Mrs. Guy P. Long	Union Planters Bank & Trust Co.	Memphis
George W. Marshall	Bluff City Abstract Co.	Memphis
Claire Jane Marshall		Memphis
Mrs. George W. Marshall		Memphis
Claude F. Nix	The Guaranty Title Trust Co.	Nashville
F. A. Washington	The Guaranty Title Trust Co.	Nashville
Joseph R. West	The Guaranty Title Trust Co.	Nashville
J. M. Whitsitt	The Guaranty Title Trust Co.	Nashville

Texas.

Henry B. Baldwin	Guaranty Title Co.	Corpus Christi
H. F. Banker	Port Arthur Abstract Co.	Port Arthur
Mrs. H. F. Banker		Port Arthur
Miss Francis Banker		Port Arthur
Herman Eastland, Jr.	Eastland Title Guaranty Co.	Hillsboro
Mrs. Herman Eastland, Jr.		Hillsboro
Raymond Edwards	Stewart Title & Guaranty Co.	San Antonio
Mrs. Raymond Edwards		San Antonio
John N. Ellyson	The Guaranty Abstract Co.	Georgetown
N. H. Gillot	Pioneer Abst. & Guar. Title Co.	El Paso
R. O. Huff	Texas Title Guaranty Co.	San Antonio
A. H. Lumpkin	Texas Title Guaranty Co.	San Antonio
Alvin Moody	Texas Abstract Co.	Houston
Mrs. Alvin Moody		Houston
Alvin P. Mueller	Donegan Abstract Co.	Seguin
Mrs. Alvin P. Mueller		Seguin
T. M. Scott	Scott Title & Guaranty Co.	Paris
W. A. Stroman	Tom Green County Abstract Co.	San Angelo
M. A. Vogel	Stewart Title Guaranty Co.	El Paso

Virginia.

B. H. Davis	Title Insurance Company of Richmond	Richmond
H. Laurie Smith	Lawyers Title Insurance Corporation	Richmond
Mrs. H. Laurie Smith		Richmond

Washington.

L. S. Booth	Washington Title Insurance Co.	Seattle
Carlton L. Hall	Washington Title Insurance Co.	Seattle
Sigmund Sieler	Lewis County Abstract Co.	Chehalis
F. L. Taylor	Spokane Title Co.	Spokane
Worrall Wilson	Seattle Title Trust Co.	Seattle
Jas. W. Woodford	Lawyers & Realtors Title Insurance Co.	Seattle
Mrs. Jas. W. Woodford		Seattle

Wisconsin.

W. E. Furlong		Milwaukee
John T. Kenney	Dane Abstract of Title Co.	Madison
Mrs. John T. Kenney		Madison
Frank A. Lenicheck	Citizens Abstract & Title Co.	Milwaukee
Harold A. Lenicheck	Citizens Abstract & Title Co.	Milwaukee
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Miss Hazel K. Miller	Belle City Abstract Co.	Racine
W. R. Nethercut	Northwestern Mutual Life Insurance Co.	Milwaukee
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Vina Norton	Knight-Barry Abstract Co.	Racine
John A. Oaks	Milwaukee Title Guaranty & Abstract Co.	Milwaukee
Julius E. Roehr	Milwaukee Title Guaranty & Abstract Co.	Milwaukee
W. S. Rowlinson	Forest Abstract Co.	Crandon
Esther Turkelson	Kenosha County Abstract Co.	Kenosha

The American Title Association

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(The President, Vice President, Treasurer, Retiring President, and Chairmen of the Sections, ex-officio, and the following elected members compose the Executive Committee. The Vice President of the Association is the Chairman of the Committee.)

Term Ending 1928.

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Term Ending 1929.

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Edwin H. Lindow, (Chairman, Title Insurance Section) Detroit, Mich.

James S. Johns, (Chairman, Abstracters Section) Pendleton, Ore.

John F. Scott, (Chairman, Title Examiners Section) St. Paul, Minn.

Richard B. Hall, (the Executive Secretary) Kansas City, Mo.

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Cornelius Doremus, Ridgewood, N. J., President, Fidelity Title and Mortgage Guaranty Co.

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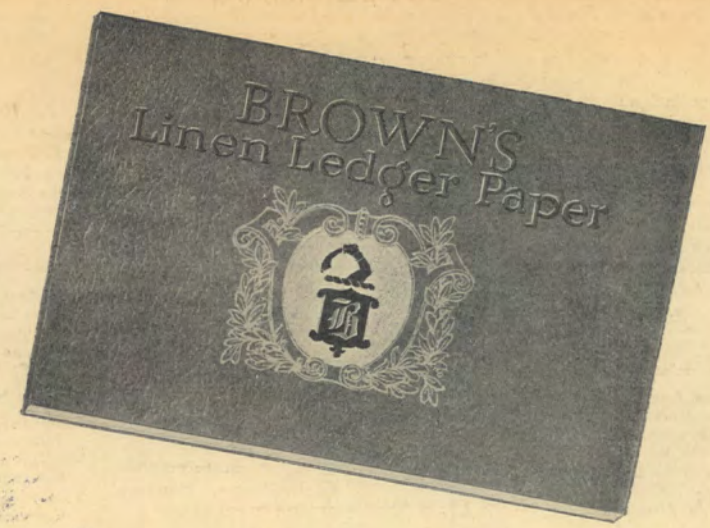

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