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Proceedings of the 1943 War Conference
— of the —
AMERICAN TITLE ASSOCIATION
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Name Indexes for Title Companies

JOHN D. BINKLEY
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Is it true that the members of no industry are as resistant to change as we in the title business? I think we have all been accused of this at one time or another. As I see it there may be a grain or two of truth in this statement but there is also ample justification. I think we are just as progressive and broad-minded as the average guy in any other kind of business.

It is difficult to explain to persons outside of our industry that ours really is different and why it is that we can't try something new at the drop of a hat. The reason we are hard to sell on new methods is that each of us has learned from experience that important changes are usually slow and costly to effect and frequently bring about undesirable results in the most unexpected places.

Indexes

In no phase of our business is this more true than in the heart of our plant, our indexes. We know that before we can justify the cost of a change in our property or name indexes the one which is proposed must show conclusively an undeniable superiority which will save time or money or both.

As our respective communities grow there usually is a strain thrown upon our indexes which may not have been designed to handle so many transactions. In the history of most title companies there come times when something has to give if we are to keep pace. We dread the expense of setting up new indexes but even more perhaps we wonder whether the alternative we are considering is the best possible cure for our difficulty.

If it happens that some of you are commencing to think that your name indexes aren't quite what they should be you may be interested in the observations we have made after several years of study. Our problem is not acute, in fact our cost of searching a name on our vowel judgment index is quite reasonable; but it takes longer to train searchers than we think it should. In common with you, we try to improve even that which is adequate and therefore have made this study to see if there exists an indexing system sufficiently superior to the one we are using to justify the expense of a change.

This, therefore, is submitted with no representations of infallibility; rather as the views of persons like you who are striving for something better.

Factors

It would be rash to attempt to select one type of name index for all title companies regardless of size or local conditions because the choice must be governed by the circumstances present in individual cases. What then are the controlling factors which must be considered?

(1) First, and most important, is the size of the index.
(2) What types of names are present in any volume in the county in which the title plant is situated?
(3) How careful does the management feel it must be to show all names which are or may be idem sonans?
(4) Are there an adequate number of experienced name analyzers to set up and maintain the index?
(5) Amount of speed expected of the searchers.

Why are these factors important? Let us take them in turn and consider them.

Size

The size of the index is of vital importance because if we hope to achieve speed of searching, our name combinations must not be too large. Some indexes achieve this and others do not. In addition, with a large volume of names, we are almost certain to have a large county with the result that the searchers have little or no familiarity with the residents of that county and cannot make a judgement search from memory as some of you could, if pressed to do so. In a small county where the searcher knows what he will find before he looks at his index, the method of indexing obviously cannot be a matter of vital importance. When you have seven to ten thousand names in your judgment, divorce, bankruptcy and miscellaneous index, however, the type of index used begins to assume importance because it is at about this point that the basic combination begins to show their inadequacy.

Alphabetic Index

In communities which have a heavy preponderance of Anglo-Saxon names of the more common variety, and provided the size of the index is not too large, the simplest index will probably do the work. Here an alphabetic index is possible although even under such favorable circumstances I would prefer one of the other types. It is the so-called foreign names which require the most careful handling.

Last week I had an interesting talk with a plant manager from Oakland, California and he had quite a bit to say about the problems arising from Chinese and Portuguese names. The Chinese, of course, are our brave allies but in all honesty they are a title man's headache because their first name is their last name and vice-versa, but it is not always so in the records. We have some of them and I can't distinguish a Chinese given name from a surname. Usually they have a middle name which does not always stay put which is most inconsiderate. The Portuguese have, I am told, a custom whereby a man when he marries, takes his mother's maiden name so that you never know where you stand with them.

Idem Sonans

The management's attitude toward idem sonans is one that you all have considered and in all probability have reached your respective conclusions. It is obvious that if we permit ourselves to be too impressed by some of

the extraordinary decisions which have been rendered by the courts of Illinois and other states we shall insist upon the ultimate in fool-proof indexes regardless of original maintenance and production costs. On the other hand we may keep our sense of humor and realize that most of the worst decisions were rendered in criminal cases where the courts were seeking to sustain the validity of an indictment. We then can follow the middle of the road policy and be as concerned with the effect of poor penmanship as we are with like-sounding names.

Trained Personnel

The availability of experienced name analyzers is important. If we have them we have a free choice among the four systems and our decision will be based upon a consideration of the other factors. Without experienced help, however, and assuming a moderate to large sized index one is just about forced to code indexing for reasons which will be discussed later.

In some title companies it takes 10 to 20 minutes to search a name. Obviously this is too long. Will management be satisfied to cut this to 2 or 3 minutes or will it insist upon attaining the ultimate?

In companies having a large number of names to search it is important to cut the time down to the bone even though it means somewhat higher maintenance costs. The method of indexing employed will have a great deal to do with the speed developed by the searchers.

Problems

Now let us consider some of the problems which we title men face in name indexing. I would like to list some of them:

(1) The doctrine of idem sonans is, of course, the most obvious one. Names which sound alike, yet are spelled differently will always be with us. In the past we took it very seriously and tended to carry our searching to extremes. In the last few years, however, it has become evident to us that this course of action is not necessary to be safe and that it is expensive. We have streamlined our searching rules to the point where our production cost has dropped materially. For example, we in Chicago, are now omitting Schmidt when searching Smith.

(2) There are some letters which are are commonly interchanged or confused. By the mere mention of them you will recall such incidents from your own experience. Examples are:

w and v as in Nowak for Novak
c and k as in Cline for Kline
z and s as in Krans for Kransz
b, f, p and v as in Lifschultz for Lipschultz, Seabert, Seavert and Seafert
d and t as in Gartner for Gardner
Madson for Matson
Schmitt for Schmidt

A satisfactory index must make adequate provision for handling these interchanged letters.

(3) Letters which are frequently mistaken for one another, usually due to careless handwriting. You are all familiar with the writing of persons whose "e" looks like "i", "u" like "v", "o" like "a", "m" like "n", "n" like "u", "ej" like "y", "ni" like "m" and "li" like "h". Everyone realizes how different "Block" is from "Black" yet frequently it is impossible to distinguish them.

(4) The omission of letters is someing to watch for. For example: "Aaronsin" must be shown on

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"Aronson" and "Eagan" isn't far from "Egan."

(5) Frequently persons double a letter just for good measure. This may not change the pronounciation materially as in the cases of "Codington" and "Coddington"; also "Mailer" and "Mailler." On the other hand "Haley" doesn't sound like "Halley", nor "Godman" like "Goodman."

(6) Transpositions of letters are a nightmare too. How many times have you seen "Ayres" and "Ayers"; "Kirchman" and "Krichman"; "Oleson" and "Oelson"; "Rhodes" and "Rohdes."

(7) One of the most common tricks to look out for is the silent "h", "u" and "w", and "e" following another vowel. How many times have you seen "Abramson" spelled "Abrahmson" or "Abrahamson"? Also "Buchman" and "Buckman." And what happened to the "w" in "Loewy"? Isn't it silent like the "p" in pneumonia? Then there are "Loebe" and "Lobe"; and "Koehler" and "Kohler."

(8) It isn't uncommon to have the spelling of names radically altered without materially changing the sound. Perhaps the most notable example is the name Snyder, which can be spelled "Snider," "Sneider," "Schneider" and "Shneider." We also have "Shmaltz," "Szmaltz" and "Schmaltz" among many others.

(9) On the other hand the addition of only one letter may make an entirely different name as in the following: "Hale" becomes "Haley", "Cole" changes to "Coler", "Gould" boils down to "Gold" and "Cooke", when it is cooked down becomes "Coke".

(10) There is a whole class of names which begin alike yet have variations in their endings. Any good indexing system must provide for terminations such as the following:
—son, —sen, —ston, —stein,
—stine. —bery, —berry, —bury.
—vich, —vitch, —vitz, —wich,
i i
—witch, —witz. —fsky, —psky,
i i i
—vsky, —wsky, —sky.

(11) Some names commencing with D'—are equally correct if spelled De—as in the case of "D'Angelo" and "DeAngelo".

(12) In a great melting pot like Chicago it is very common for people with foreign names to Americanize the spelling. Undoubtedly your experience includes changes from "Andreas" or "Andrus" to "Andrews"; and "Blanque" to "Blank."

(13) We all have group or family names which, together with their countless variations, are present in our indexes in sufficient numbers to justify separate handling. This includes the "Smiths", "Johnsons", "Jones", "Meyers", etc. Almost all of them have variations and the name "Nichols" has 75 of them.

(14) Certain prefixes that vary in spelling are so similar in sound as to require treatment similar to group names. Examples are: Maier, Mair, Majer, Mayer, Meier, Meir, Mejer, Mier, Myer. Beal, Beel, Beil, Beyl, Biel, Bel, Bil. Sea, See, Sei, Sej, Sey, Sie.

(15) Diphthongs are a source of confusion in many names because of the frequent interchange of vowels. The most common are:
ei—ie, eu—ue, ui—iu, ea—ae
found in names like "Seidel" and "S i e d e l"; "D e u t s c h" and "Duetsch"; and "Baer" and "Bear".

(16) Names containing "z" and "tz" must be closely watched as in the case of "Lanz" and "Lantz"; likewise "Herzberg" and "Hertzberg."

(17) Hyphenated names, such as "John Wellington-Jones" are dangerous because our man might be known also as "John Wellington" and as "John W. Jones".

(18) A considerable percentage of Christian or given names require special handling because they are:
(a) Foreign with English equivalents.
Ex: Hans for John
(b) Nicknames.
Ex: Jack for John
(c) Short forms.
Ex: Rita for Margaret
(d) Variations of accepted names
Ex: Anna, Hanna and Nancy.

(19) Names consisting of a first initial, a middle name and a surname like J. Raymond Donlan must be watched because a judgment might be rendered against J. or Joseph, John or James Dolan, while he took title as J. Raymond Donlan; and he might be in fact Joseph, John or James Donlan.

Now that we have before us the principal problems which confront a title man when he seeks to establish, maintain and search a name index, let us examine the best known indexing systems and see how satisfactorily each is suited to his purposes.

Value of Alphabetic Index

Some of you have alphabetic indexes and need not be told of their advantages and disadvantages but for the sake of the record and at the risk of treading on your toes I should like to state briefly what such an index is and give my opinion of its value. The most common example of an alphabetic index is the dictionary, with your local telephone book running it a close second. A strict alphabetic lay-out permits no variation from the regulations automatically established by the combinations of our 26-letter alphabet. For this reason it is the easiest of all to learn and this is especially true of the posting end. On the other hand, searchers are saddled with a terrific burden of attempting to keep in mind and apply all of the name variations which I outlined a few minutes ago. It is practically impossible to so lay-out an index of this kind as to permit a search to be made in one place without checking more than one combination. In addition, the number of combinations possible under a strict alphabetic system are limited. In my judgment it is therefore out of the question for an index containing a large number of names. The fact that many of you are using this type of index is prima facie evidence that it is workable in moderate-sized installations but nevertheless if I were setting up a new plant I would certainly employ one of the other systems.

Code Indexing

Although code indexing strictly speaking is a variation of the consonant index it is sufficiently different so that we are justified in treating it separately. There are several commercialized forms of code indexes but for the purpose of this discussion I have limited myself to the most popular one. Its creators have studied names and their peculiarities carefully and thoroughly and have developed a sound theory with respect to the letters of the alphabet. This theory assumes that there are six key letters and that most of them have certain equivalents. By this they mean that there are certain letters which are commonly used one for another or at least bear some relationship to each other; thus they have found that the letters "f", "p" and "v" fall in the same general group with the key letter "b". Similarly the letters "g", "j", "k", "q", "s", "x" and "z" should be grouped with "c". We have already seen that "d" and "t" are frequently confused, hence they have established the key letter "d" and its equivalent "t". By the same token "n" is made the equivalent of "m". Our name analyzers, as has already been mentioned, have made careful study of these arbitrary groupings and in general agree that they are sound. For additional proof of their soundness we have only to realize that they have been adopted by the Social Security Board which maintains what is probably the largest name index in the United States. In addition I understand that insurance companies use it to index policy holders, utilities apply this plan to customer history records and what is most significant to us here is the fact that a number of large title companies have adopted it.

Briefly, under this system names are coded as follows: the initial letter is used to determine into which section

of the index each name is placed. From this point the following chart is used:

Code Number	Key Letter	Equivalents
1	B	F P V
2	C	G J K Q S X Z
3	D	T
4	L	
5	M	N
6	R	

The letters "a", "e", "i", "o", "u", "y", "h" and "w" are treated as vowels and are not coded. Only 3 numbers are used in coding a name. If the name contains more than 3 codable letters only the first 3 are used. For example: "Lindberg' in the absence of this rule wou'd be coded L-53162. Actually it is coded L-531. If a name contains less than 3 codable letters zeros are added to make the 3 required figures. For example, the name "Jones" is coded J-520. If a name contains no codable letters 3 zeros are used. For example, the name "Howe" is coded H-000. There can be no duplication of numbers in succession. Where this occurs all of the letters bearing the same code number are treated as one number and we go on to the next letter, if any, for the next number. For example, the name "Nowakowski" is coded N-200.

One of our men after reading this talk said that it sounded like I was trying to sell code indexing. This is not my purpose—I am simply trying to give the devil his due. We title men are hard to convince so let us go on and weigh the pros and cons. On the plus side of the ledger in favor of code indexing are the following points:

(1) For perhaps 95% of the names no particular skill is required to set up, maintain, or search this type of index because it is almost completely automatic, that is to say, there are certain definite rules to follow and these which were briefly stated earlier are quite easy to learn.

(2) Because it is based on a sound knowledge of the fundamental structure and variations in names it throws together in one place almost all of the names which one should cover when searching a particular name.

(3) Because of the numeric coding neither the poster or the searcher is confronted with involved captions which are such a serious disadvantage in other types of indexes.

With the sure knowledge that this will alienate the affections of those title companies which have adopted code indexing I should like to present the disadvantages of this system. The points which I am about to make represent our conclusions after what we felt was a very fair test of the system as we understand it. The disadvantages are as follows:

(1) Because of the strictly arbitrary nature of the coding of key letters and the inflexible establishment of equivalents therefore, a great number of names which are totally unrelated to each other are brought together. This would not be serious in a small index because there are a large enough number of combinations so that no one combination could become too unwieldy. However, in a large installation the problem becomes acute. There are 253 possible combinations for each letter of the alphabet which sounds adequate but in our case, at least, we found it was not because many of the combinations so created were left with few if any names to be posted into them whereas others are very lengthy and take a long time to search. Here as one of my co-workers

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remarked, we are brought face to face with the realities of life.

It seems inevitable in name indexes that we are confronted with choosing between a comparatively few combinations with a great number of names in each or a large number of combinations containing comparatively few names. It seems that we can't have our cake and eat it too. If we choose simpler lay-outs we penalize the searcher by requiring him to wade through too many names. On the other hand, if we decide to lighten the burden of the searcher by shortening the length of the combinations we again penalize him and the poster as well by making it necessary to create countless exceptions in our caption. More will be said on this subject later but you can see that the proponents of code indexing have simply chosen one of the two undesirable horns of the dilemma; that is, they have created a system which tends toward lengthy combinations of names which too frequently are unrelated.

(2) Despite the scientific approach which code indexing has taken to the problem we have found that there are a few names that should fall together but are thrown into separate combinations; for example:

Novak is coded N-120; we all recognize I believe that Nowak, which is coded N-200, should be covered when searching Novak and yet it will not be caught unless some special treatment is given the name.

Other examples are:

Louderback coded L-361; Londerbach coded L-536.

Janzen coded J-525 and Jantzen coded J-532.

Nichol coded N-240 and Nichols coded N-242.

Newcomb coded N-251 and Newcome coded N-250.

Hammon coded H-500, but Hammond coded H-530.

Obviously modifications in the general rules can be and are practiced by users of code indexing so as to overcome these defects in the system. However, to the extent that one must compromise with the absolutely automatic coding as laid out in the simple rules with which we began, the system tends to lose its value because posters and searchers are both required to assimilate additional rules. Moreover the modifications to the originally simple lay-out of combinations tend to complicate those lay-outs and turn us back toward the dilemma we sought to escape.

Vowel System

Another widely used index is known as the vowel system. The basic subdivisions in this system are laid out according to the six vowels "a", "e", "i", "o", "u" and "y". Although "y" is not universally recognized as a vowel, most indexes treat it as one. For example, our first split in the "V" book would be "V-a, V-e, V-i, V-o, V-u, V-y", and all names commencing with "V-a" such as "Vales" or "Vails" would appear in the "V-a" combination. An index does not have to be very large before this throws too many names into each combination. The next division is made chiefly on the basis of consonants taking care that similar consonants are kept together; however sometimes vowels are used in this split if this happens to be more expedient. In many cases, "c", "k", "s", "x" and "z"; "d" and "t"; "p" and "b"; "f" and "v"; and "v" and "w" are kept together although this is determined to a large extent by the kinds of names affected by the combinations so created. For an example we will go back to our "V-a" combination and find that it has been split as follows:

V-a (except Val—, Van—, Var—, Vas—, Vaz—, Vla—, Vra—). One other principle commonly used in vowel indexes is to treat "e" and "i", and "a" and "o" the same in the primary breakdown, thus reducing the number of vowels to four, namely, "a-o", "e-i", "u" and "y". From this point all exceptions creating new combinations depart from the vowel system of indexing. Users of it are forced to create such new combinations as are required by applying as we have done a variety of principles learned from their experience with names.

Consonant System

We have found in our analysis of the consonant system that the same thing applies to it as to the vowel system. That is, that beyond the first one or two basic breakdowns all new combinations must be arbitrary and based on experience. For this reason, I shall explain the theory of the consonant index and thus go on to show what further breakdowns, based on similar principle, are made in it and in the vowel index.

The principal characteristics of a consonant index is that the first breakdown is determined by the first consonant after the initial letter of the surname. In some companies the consonants which are similar or equivalents of each other are thrown together in the first breakdown. For example, in one which I examined the original lay-out in the "A" book is as follows:

a-b	a-c	a-d	a-f	a-l a-m
	a-k	a-t	a-g	
	a-x		a-j	
a-n	a-p	a-r	a-s	a-v
	a-q		a-z	

It is not uncommon in this type of index to treat "h", "gh" and "w" as vowels in addition to the standard "a", "e", "i", "o", "u", and "y". In other consonant lay-outs an attempt is sometimes made to operate strictly on the basis of consonants throughout the name. That is, by creating combinations which are made up of all the remaining letters in the name after eliminating the vowels. This is rather unsatisfactory because it fails to provide for the many name variations we already have considered. The most common consonant system is the basic split which limits itself to the first consonant after the initial letter of the name. In this type of index the second division is likely to be on the basis of vowels and in this step similar vowels, namely "e" and "i", and "a" and "o" are ordinarily kept together. Exceptions and combinations from this point forward are, as was previously mentioned, similar to those used after the second split in the vowel system.

New combinations for both vowel and consonant indexes, created on the basis of necessity, will in the main fall into the following categories:

(1) Group or family names such as "Smith", "Johnson" and "Nelson" are withdrawn from the primary or secondary combination and placed into a combination of their own, together wtih all variations of these names. This category includes names not ordinarily considered common but which frequently occur in the indexes. For example, in Chicago, we treat "Olszewski" and "Wisniewski" as group names. There are some variations of these group names which are not sufficiently common to be put into the group. These are placed in their regular place in the index and cross-indexed to the group name combination. This is sometimes done with foreign names which have been Americanized.

(2) Names having similar prefixes are withdrawn and placed in a separate combination. This includes names having the same prefix and also the variations such as those beginning "Maier—, Mair—, Myer—," etc.

(3) Names having prefixes containing letters which may be mistaken for each other are withdrawn and placed into separate combinations. This includes names commencing:

Herc—, Herk—, Hers—, Herz—, Hertz—; into which would fall: Hertzberg, Hershey, H e r s c h, Hirschfield and Hershenson. Another example is the "Jer—, Jir—, Jur—" combination into which would fall "Jirka" with its variations of "Jerka" and "Jurka".

(4) Names which should be shown one for another are cross-indexed when the volume of names to be crossed is not sufficient to justify an exception in the caption.

For example; when searching "Tison" the searcher is automatically directed to see "Tyson," which is the

better name. Similarly, "Filip" is crossed to "Phillip."

(5) Such additional subdivisions are created by going to the fourth letter of the name as may be required by the number of names which fall into certain combinations. In other words, as combinations become too large for rapid searching even after two splits have been made, additional exceptions creating new combinations are established on the basis of the fourth letter in the name.

One might conclude on account of the similarity of the vowel and consonant indexes that there is little to choose between them. To some extent this is true yet they each have their staunch supporters. Let us attempt to evaluate the strengths and weaknesses of these two systems.

(1) Every person who is responsible for name indexes is interested in the system which has the most basic combinations because this reduces the number of names in each combination and consequently speeds searching. The vowel index has only 6 such combinations for each initial letter; established by the 6 vowels. If the similar vowels "a" and "o" and "e" and "i" are thrown together the number of combinations is reduced to four. On the other hand, there are 20 consonants to form the basis for the primary combinations in the consonant system. This number is reduced by those which are similar and must be thrown together. In the lay-outs I have seen the number of combinations is reduced to from 11 to 14 under each initial letter, depending upon the kinds of names which fall there. Despite this, the consonant index provides about 3 times as many basic combinations as the vowel index.

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(2) It is claimed by the proponents of consonant indexing that it is fundmentally more sound because it recognizes consonants as the letters that carry the important sounds in names. Opposed to this is the vowel school which claims that most names commence with a consonant which is followed by a vowel. This, of course, fits in with their first breakdown and they allege that if the first split is properly handled the rest will take care of itself. An analysis of the largest active name file in America, namely that of the Social Security Board bears this out in part because it shows that 93% of all names commence with consonants and only 7% with vowels. I think we will all admit out of our own experience that names starting with consonants followed by consonants without an intermediate vowel constitute a very unimportant minority. This makes a very strong argument to offset the one put forth on the other side.

(3) Both vowels and consonant indexes properly maintained are as safe as any index can be and require little knowledge of names on the part of searchers once they learn the fundamentals of the system used.

(4) The systems are about equal insofar as speed of searching is concerned, assuming equal quality of maintenance.

(5) There is no advantage of one over the other as to cost of maintenance.

(6) Both systems require experienced name analyzers to set up and maintain them and about to the same extent.

(7) It is argued by some that the consonant index is better suited to foreign names — particularly those of middle and eastern European origin, because consonants predominate in them.

(8) Both have one serious weakness in common. When used for a

large number of names the caption lay-outs become too involved. This is inevitable if the combinations are to be kept from becoming too long. In time, of course, posters and searchers become accustomed to and practically memorize these captions but it tends to lengthen the period which must elapse before an inexperienced person develops adequate speed.

This discussion would be incomplete if I failed to cover some of the devices which are considered sound practice in all name indexes.

(1) Whenever combinations become too large and it seems undesirable to split them, searching can be speeded up in another way. Lay out your pages in such a way as to permit multiple columns for the Christian names. In some plants there are only two columns one for given names commencing with the letters "a" to "l" and the other for those from "m" to "z". Other variations of this split these names into four columns, others provide a column for each letter and in extreme cases, we in Chicago, go on from there and in addition have separate columns for certain very common Christian names such as "John," "William", "Mary", etc. This arrangement permits the searcher to follow the column in which the Christian name of his party should be posted and he may disregard all surnames except those opposite the correct Christian name.

(2) Hyphenated names such as "John Wellington-Jones" are posted under the full name "Wellington-Jones" and also under the second half of the name "Jones."

(3) Names consisting of a first initial, a middle name and a surname are indexed by the first initial and also under the middle name.

(4) About 5 to 10% of all Christian names shoud be cross-indexed. These are the foreign names with English equivalents, nicknames, and short forms which are crossed to the accepted forms of their respective names.

(5) Indefinite names such as "Mrs. Ralph W. Jones" or even worse, "Mrs. R. W. Jones" must be given special treatment. "Mrs. Ralph W. Jones" must be indexed in such a way that it can be found when searching any feminine "Jones" because she could be, "Anna", "Katherine" or "Helen Jones". "Mrs. R. W. Jones" may be any of the above and in addition she might be the wife of "Ralph, Robert, Raymond etc. Jones" or she could be any woman with a feminine name beginning with "R" such as "Rose, Rita," etc.

(6) Titles which may be names should be covered by indexing the title as a first name and the middle name as a first name, if any is given. If there is no middle name the surname is indexed as an indefinite. Examples are:

Judge, Doctor, Dean, Alderman, Sergeant, etc.

In this talk I have sought to set up the problems which confront all title men in their dealings with name indexes and then to show how the four best known systems meet these problems. There are many problems concerning name indexes which I have not even touched upon such as how many indexes we should have and what they should contain, how they should be housed—type of equipment, etc. These are properly the subject for another talk on another day.

It should be remembered that when one speaks before title men about name indexes one is talking to a different breed of cats than most mortals —to a group that likes its problems tough.

Others who deal with names have a snap compared to us. The problems of those who prepare telephone directories, handle public utility customer accounts, life insurance companies' records of policy holders and even the Social Security file pale into insignificance before our troubles. They usually know that the name they are looking for is there and correctly spelled in addition. We know that if it's there it will be wrong and we'll lose our shirt if we miss it. What a way to make a living! Well, we chose it and we're stuck with it.

If I were setting up a new name index and had a free selection among these indexing systems I would be hard put to it to choose between them. Any action would depend upon the circumstances under which I would be operating but I would try to keep in mind the following conclusions:

(1) An alphabetic index does not handle any but the smallest number of names satisfactorily because it makes no provision for name variations and consequently throws too great a responsibility upon the searcher.

(2) The consonant index is safe when properly laid out and maintained. It starts out with more basic combinations than the vowel and therefore permits relatively simple captions in a moderate sized index. This makes searching reasonably speedy. I would remember however, that in a large index the captions tend to become involved to the detriment of searchers.

(3) The vowel index is as safe as the consonant. It starts out with fewer basic combinations and consequently one must go to a second split much sooner. Having done so however, the names seem to fall into more logical groups with fewer unrelated names to burden the searcher. This seems to make searching easier except in a large index where the complex lay-outs are a curse to the uninitiated.

(4) The code index is the most nearly automatic of all except the alphabetic. It requires less experience to search than the others, if properly maintained. Even in the largest installation it requires only one good name analyzer to handle names which cannot be coded automatically with safety. On the other hand, the combinations tend to become too long because the arbitrary coding throws unrelated names together. This presents the problem of splitting up combinations without benefit of any automatic rules.

From this it appears that there is no system that works best under all conditions. The system ultimately chosen must take into consideration local conditions, which include:

(1) The kind and number of names;
(2) The availability of competent name analyzers;
(3) The degree of speed desired;
(4) The extent to which you wish to go in showing similar names.

Report of Judiciary Committee

By McCUNE GILL

Chairman, Vice-President, Title Insurance Corporation of St. Louis

Your Judiciary Committee has devoted its energies this year to a consideration of the question, "How can the Legal Men in a Title Company assist in preparing Advertising Copy?" It has occurred to us that, while much of our company advertising goes to lawyers, and to the legal departments of lending institutions and governmental departments, it usually does not properly present the legal reasons why the services and protection of a title company are necessary in the many situations continually arising, especially those where title information is not now obtained.

Direct By Mail

One of the title companies, during the last year or two, has had pamphlets prepared from time to time by its law men and has repeatedly sent them direct by mail to some two thousand lawyers, mortgage and real estate agents, banks and savings associations, in its locality. The subjects of these pamphlets are as follows:

Limitation Barring Mortgages.
Taking Old Mortgages as Collateral.
Surrender of Uncancelled Mortgages

Mechanics Liens and Mortgages.
Extensions of Mortgages.
Purchases of Mortgages.
Revival of Junior Mortgages.
Titles for Administrators and Trustees.
Titles for Lessees.
Straw Men.
Notaries.
Walls.
Fixtures.
Riparian Titles.
Corporation Real Estate.
Church Titles.
Testamentary Deeds
Virtual Representation.
Soldiers and Sailors Act.
Alien Property.
Stamps.

Each of these monographs is a complete brief on the particular point, with citations and summaries of all decisions in the appellate courts of the particular state.

Along with this informative matter goes a not too blatant statement as to the effect of a title policy or title search in preventing, or protecting against, the legal dangers that encompassed the parties to the suits reviewed.

Your lawyers will like writing ads. What with business as it is in some localities they must get tired of working crossword puzzles all day.

The pamphlet "Limitation Barring Mortgages" is perhaps the best business getter of the lot. The decisions holding mortgages barred in a certain period of years are set forth in as interesting a narrative fashion as possible, and after these horrible examples are presented, the reader is urged to demand new papers whenever the limitation period is being approached. After a few barrages of this pamphlet one of the customers remarked, "I tink maybe you yust passed dot statute to get more title orders." The title man explained that the statute of limitations was passed several hundred years before he was born, but admitted that it helped, especially in these days when orders are as scarce as potatoes.

"Taking Old Mortgages as Collateral" was repeatedly beamed on the bank officials in charge of collateral departments, and finally they told the collateral clerks to keep the collateral "freshened up", that is, they should demand new mortgages. Which immediately freshened up the title orders. About a dozen decisions were summarized showing how holders of collateralized mortgages had lost large sums due to the application of the doctrines of "merger" and "overdue paper", and how judgments and other liens, and fraud as well, had crept in ahead of them. Considerable new business could be traced to this phase of the "fear psychology," which is really the only reason why anybody ever gets any title policy or abstract. We should give a medal to the father who said, "No, Abie can't go in schvimming, he's not insured yet."

The "Surrender of Uncancelled Mortgages" warns against the direful effects of handing over the papers uncancelled when a loan is paid off. Decisions highlighting the doctrine of "implied warranty" are set forth in all their lurid details and then the heads of mortgage departments refer the question to their counsel. Whereupon the counsel, (we hope), tell the officials that they must instruct their tellers never to deliver mortgages or notes on payment without first marking them paid. Thus the owner of the property is prevented from using the papers for his next loan, and somebody gets a title order. It's quite a trick to make two blades of grass grow where one grew before, but it's much more of an accomplishment to make grass grow where there were

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only cinders before. And your customers will not resent but will appreciate your guiding them through "the codeless myriad of precedent, the wilderness of single instances." Mortgage holders want to be secure, "sine cura," without care, but your legal men must tell them, convincingly, where they must be careful.

Liens

One of the fruitful tomato vines in this literary victory garden is the brochure about what some of our friends call "mechanical liens." The degree to which such liens are superior to construction mortgages, and borrowed money mortgages as well, differs in each state, but all are sufficiently terrible to enable the title attorney to discover a dozen decisions for illustrative use. So the title company gets a much larger fee for insuring against lien trouble and for handling the disbursement of funds. In this way mortgage institutions that theretofore would not make building loans are enabled to make them on the same basis as loans on long completed structures.

Dissertations on the dangers arising from the extending and purchasing of existing mortgages begin with a friendly and conversational law lecture but never fail to leave the impression that unless the title is searched to the date of the extension or assignment, the investor may be startled to find a vast number of unpaid general and special tax bills, probate and bankruptcy proceedings, pending suits, tax liens and mechanics liens, all after the date of the original title policy. Also, cases are called to his attention where the mortgage itself was wholly or partially released, subordinated or even foreclosed, after the date of the policy that was issued when the loan was made.

Legal Questions

Some of the information that customers appreciate is that which calls their attention to pitfalls of the law, which they can avoid if they know about them. For example, a study of the judicial answer to the question as to whether, after the foreclosure of a first mortgage cutting out a second mortgage, the second will revive if the original owner reacquires the property. You will find the decisions delightfully confused on this point and the law departments of your customers will be pleased to have you tell them whether the zebra is a white horse with black stripes or a black horse with white stripes.

It has no doubt occurred to most of us that administrators and trustees of estates, and lessees taking leases, usually do not deem it necessary to have the title to the property extended or examined. Numerous adjudicated cases can be found where such parties suffered grievously because of lack of knowledge as to the title, and prior encumbrances on the title. A brief summary of such cases aids greatly in developing these neglected phases of our business, and in changing our typewriters into cash registers.

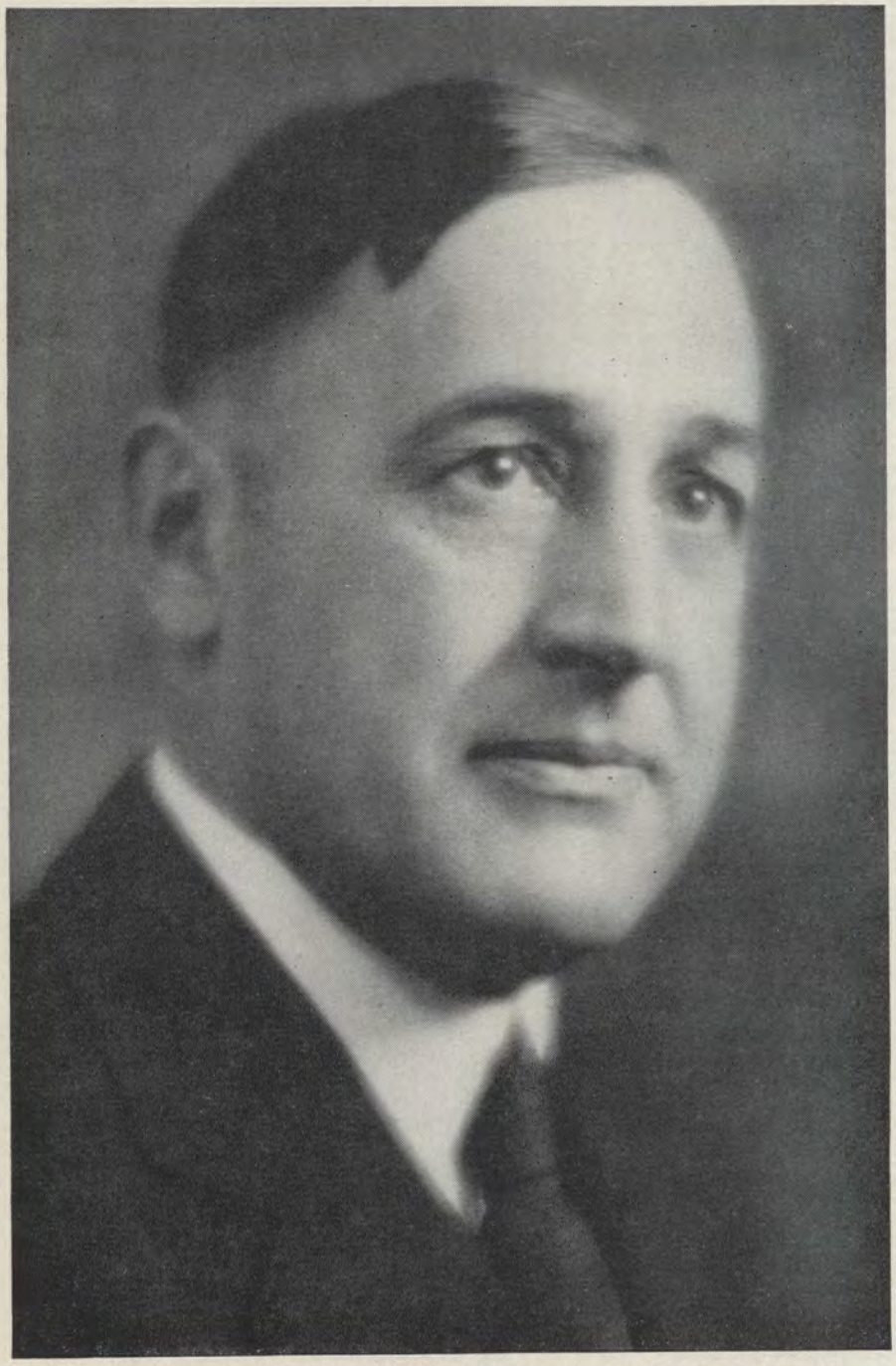
Incidentally many chain store leases now require the lessor to produce evidence as to title and encumbrances to the date of the lease.

Some of the pamphlets are mainly informative and are intended to make customers more friendly; or perhaps one should say, less unfriendly. Which is a good, though unfamiliar, technique in the title business. If anybody ever writes a book about some abstracters and title examiners he should

call it "How to Lose Friends and Antagonize People."

And the Notary

In line with this view, studies of the rights and liabilities of parties dealing with strawmen or dummies are usually much appreciated and bring people into your office to discuss the points involved. Pamphlets pointing out the hazards of acting as a notary, and advising great care in establishing identity of persons, create a very favorable reaction among all notaries, and bring the name of your company before the ladies (and the few gentlemen) who are notaries and who frequently have the ordering of titles within their grasp. Of course there's no law against a few lines pointing out that title companies defend all suits against innocent purchasers and lenders (with policies) whose titles are attacked by plaintiffs claiming to have been injured by the fraudulent or negligent acts of strawmen or notaries.



ARTHUR C. MARRIOTT
Chicago, Illinois

Member of Board of Governors
Chairman, Finance Committee
American Title Association
Vice-President, Chicago Title & Trust Co.

The law of Walls (separate and party), Fixtures (real and personal), and Riparian Rights (on navigable and nonnavigable waters), and the requirements of Corporate action (with forms of directors' and stockholders' resolutions), are excellent subjects for informative pamphlets. The law of Church Titles is usually complicated and the statutes and decisions numerous, and not only lawyers and agents but also church officials are very receptive to a summary of these laws. The cost of preparing and mailing such summaries will be repaid to the title company many times in good will and new business. A discussion of the bewildering law of void and Valid Testamentary Deeds, and the technicalities of Virtual Representation in suits at law and in equity, are most acceptable to attorneys, and summaries of the Soldiers and Sailors and of the Alien Property statutes and decisions, as well as a summary of Regulations as to Stamps required, are acceptable to both lawyers and agents. A summary of the life insurance laws of all states as to accepting mortgages with reversionary restrictions is welcomed by Insurance Company Counsel and Mortgage Officials.

In all of these ways, we repeat, the law men in the title companies can produce copy for advertising of highest quality and most effective influence which, by direct mail and personal delivery, will be put into the hands of the very people, attorneys, officials and agents, who control the placing of title orders, and whose good will is of the greatest value. Some advertising men say that all copy should be so simple as to be almost inane, that prospects are to be influenced and not educated. This just isn't so in our business. Our people want to be told where the splinters are before they slide down the banister.

And More Publicity

In addition to the preparation of copy for legal brochures, the lawyers in a title company can, with credit to themselves and their companies, prepare articles to be published in Law Magazines and Bar Association Bulletins. The editors of such publications are usually glad to get these articles. But if an editor should appear reluctant, human nature being what it is, it may be that a hundred dollar company advertisement will be effective in overcoming his resistance.

The subject of one of these magazine articles that gave rise to considerable comment was "How Not to Write A Will." It explained that the author was a lawyer who did not write wills but who was compelled to read hundreds of them each year. It then proceeded to list the errors and deficiences that had caused trouble. These ranged from housenumber descriptions

to vague contingent remainders, and from perpetuities to confusing codicils. Whereupon it was strongly recommended that "only a lawyer should write a will" and that he should not fail to obtain a title company search to see what property the old man really owned.

Book Reviews

Another subject that can repeatedly be used is Book Reviews. The Fourth Edition of Gray on Perpetuities, and Simes Future Interests, are good ones to practice on, and will establish the reputation of the Company's attorney as being the local "Supreme Court" on title matters.

Still another way to break into legal publications is to prepare comments on recent court decisions. It may be interesting to you to hear a very recent summary of the now celebrated Detroit Bank case, this summary being published as "pure reading matter" in a State Bar Journal going to several thousand lawyers. We quote, "The Supreme Court of the United States in a well reasoned and logical opinion by Mr. Chief Justice Stone, has just held that a purchaser of real estate must obtain a title insurance policy from a Title Company if he is to be secure in his title, and cannot rely on the record, or an abstract of the record. This is not, (as you may have suspected), a direct quotation from the opinion of the learned Chief Justice, but a fair statement of the effect of the decision."

(Here follows a brief statement of facts and decisions.)

Again quoting, "And this great Court of last resort decided that mortgagees and purchasers cannot expect any protection against Federal Estate Taxes from the law or the courts. Ergo, they must get protection elsewhere. As for example, by applying for a policy of Title Insurance, whereupon the Title Company's attorney will search for and discover the lien and will require that the owner make his return and pay the tax before the title can be approved for title insurance. Or, if the attorney should overlook the lien, the loss will be paid from the cash reserves of the Title Company." End of quotation.

This sort of salesmanship, you will see, is wholly creative and constructive. It is not the attack of a carnivorous competitor, hungrily seeking to wrest business from his rivals. Rather it is an exploratory expedition, seeking only to find new and hitherto unapproached sources of revenue and to discover business that previously was unknown to anyone. Think of the pins that the pin companies sell to pin up the "pin-up" girls.

I trust, Mr. Chairman, that we have in some measure answered the question we set out to answer, "How can the Legal Men in a Title Company assist in preparing Advertising Copy?"

Another two years has rolled by since you have had a comprehensive report from your legislative committee.

Legislative Report

ZENO C. ROSS

Ft. Worth, Texas, Chairman

Surveying the reports of the committeemen in the various States as a whole brings for the first time a note of seriousness into the picture presented by the current activities of the various Legislature for so many, many bills introduced bear upon the present emergency and are patterned on the necessities and for the relief of Soldiers and

ZENO C. ROSS

Chairman, Nat'l Title Underwriters Section; Vice-President, Commercial Standard Insurance Co., Ft. Worth, Texas

Sailors in the service in foreign parts, and upon military necessities.

For instance California, New York, Colorado, New Jersey, Washington, Texas, Nevada, and Ohio all now have statutes legalizing acknowledgments before commissioned officers of the armed forces.

The various statutes are differently phrased, however, and the Texas statute by implication at least would further the burden of the knapsack of the officer by necessitating his carrying a seal.

The California Statute is full of "bugs and pitfalls," and apparently does not extend to civilian personnel required by their duties to be with the armed forces, and leaves a wide open question as to whether the party authorized to take the acknowledgment, i.e. a commanding officer in charge of a command, is at the time of taking the acknowledgment actually in charge of a "command" — whatever that may mean—. The Nevada statute appears to me to be very simply, directly, plainly, and adequately drawn, authorizing both acknowledgments and affidavits on the part of both classes of persons, that is, both persons who are in the armed forces and civilians whose duties require them to be with the armed forces, and clearly and acceptably defines the officers authorized to take the acknowledgment, describing him as an officer of the rank of Second Lieutenant or higher of the Army or Marine Corps, and an Ensign or higher in the Navy or Coast Guard. California, New York, New Jersey, Maryland now have laws providing that a power of attorney shall not terminate by death or incapacity or revocation as to persons dealing with the agent in good faith.

Simultaneous Death Act

California, New York, Washington, Minnesota, and Colorado all have a statute known as the "uniform simultaneous death act" prompted no doubt by our modern high speed of living and which provides that where title or the devolution thereof depends on priority of death and there is no sufficient evidence that the persons have died otherwise than simultaneously, the property of each is disposed of as though each had survived.

Alabama, Montana, Virginia, Wisconsin, Georgia, Arkansas, Pennsylvania, Kentucky, Michigan, North Dakota, Connecticut and Wyoming all report a satisfactory situation—the passage of no bills of interest to the title fraternity,—although our committeemen in Wyoming submits a proposed abstracters bill which was supposed to have been introduced at the session just closed but was not, and consequently will probably be presented to the next session. The Wyoming Title Association requests the comments of the American Title Association on this bill. As far as your reporter can determine, the bill is similar to those currentlly in force in other states but we will pass it on to the abstracters section for their comments to Mr. T. C. Barrat, Secretary to the Wyoming Title Association.

The committeeman from California plaintively states in his summary of bills of interest to the Title Fraternity, introduced in the legislature of his state.

"This compendium does not purport to be absolutely accurate, but an effort has been made to be as accurate and comprehensive as the time available for the examination of more than 3000 prepared measures would permit."

Ye gods! No wonder California is noted for superlatives! And no wonder the bill of **all** bills introduced in **all** States which I would brand the best, was one A.C.A. 27 by Carlson which would limit to 15 the number of bills that may be introduced prior to recess by any one member of the California Legislature without the consent of two-thirds of the House, and that following recess, no member could introduce more than 2 bills."

It may be that that amendment increases the number presently permissable and is intended to guarantee California first place in legislative activity, but read in the abstract, it at least places some limit on the number and your reporter should certainly be an authority for the fact that a limit is not only necessary but highly desirable.

Californians, for reasons best known only to themselves proposed also that:—

Clerks of Justice Courts, every active member of the State Bar ex officio

(and here the reason is quite obvious even to a Texan—the law business must be bad) every Legislator, and every Senator be authorized to take acknowledgments and that every notary must legibly stamp, typewrite, or write his name beside his official seal. Texas is a little more logical in this respect. In its similar act it recognizes that most signatures are illegible in the first place and therefore doesn't attempt to require that the notary sign two illegible signatures.

One bill, of doubtful constitutionality preposes the requirement for the giving of notice by mail to the nationals of any country with whom we are at war, and still another makes notice to the Alien Property Custodian sufficient where notice is required to a person whose address is in a country with which we are at war.

Aliens too, would be prohibited from acquiring, leasing or holding real property, if Legislator Erwin has his way. Gosh, but California is backward, in comparison to Texas! We've had that one a long time.

Here's one that smacks of, and outdoes the Farm Security Administration —an act creating a State Farm Commission with authority to acquire agricultural land and to sell to purchasers at 4% interest, amortizing the principal of a period of 70 years, $5,000,000 being appropriated for the purpose.

Building and Loan Association rehabilitation seems to cause considerable concern also. They shouldn't have tried to compete with the New Deal in the first place!

Bills defining and presumably regulating "collection agencies" and expressly not including "title companies while doing an escrow business" but not excluding "abstracters" account for three of the total of 3,000 odd bills.

The board of supervisors would be given authority to fix the hours of the day during which the Recorders and County Clerk's office shall remain open for business. The supervisors should bear in mind not to require attendance at 10, 2 and 4.

An act brings within the scope of Section 1 of the McEnery act, public records lost or destroyed by enemy attack. Perish the thought!

And a bill providing that no zoning ordinances shall be applied to prevent the construction, reconstruction and use of any dwelling to provide housing for war workers.

I am surprised at your Texan reporter for two reasons:—

First, he dealt with California first, even though it may have been in endeavors to get that worthy competition into the background as soon as possible, and;

Second, that he has given so much time to California, even if her ways are eccentric and therefore interesting.

Texans are very modest, however.

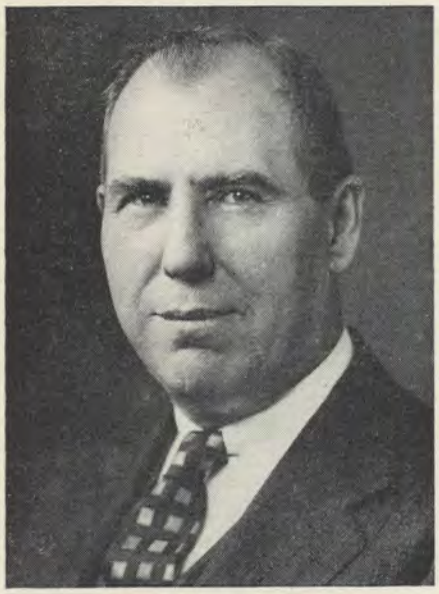
New York

I have heard that there has been a rather general exodus from New York City. If the first of the new laws is any indication, it may even be a Ghost Town, for Chapter 697, the first on the list, is an "Abandoned Property Law" which is a recodification into one Consolidated law of Sections of the Public Lands Law relating to the escheating of property and of Sections of various other laws relating to the same subject.

Chapter 5282,—Banking Law—provides for investment by savings banks in real estate mortgages under restrictions as rigid as those of F.H.A. and as detailed.

Chapter 93 of the Civil Practice Act extends the mortgage moritorium (sect. 1077-g) to July 1st, 1944.

Chapter 263 clarifies sect. 19 relating to the statute of limitation when



BYRON CLAYTON

New York City, New York

Chairman, Life Insurance Companies' Committee on Standard Title Insurance Policy Form. Asst. General Counsel, Metropolitan Life Insurance Company, New York City

the defendant is absent from the state.

Chapter 28, — Insurance Law — extends to December 1, 1949, section 84 under which domestic life companies may purchase or lease urban and suburban lands for housing developments.

Chapter 533—Military Law—relates to the New York Soldiers and Sailors Relief Act. It requires affidavits of "no military service" filed 20 days before judgment.

Chapter 60—Multiple Dwelling Law —extends to 7-1-44 the exception of a local law deemed necessary for enforcement of a black out, for installation of emergency fire fighting equipment and for any other action designed for the protection of life and property against enemy action.

Am glad Texas isn't on the east coast!

Chapter 61 extends to 7-1-44 the time limitation for undertaking Defense Housing projects under subdivision 1 of section 217.

Chapter 301 indicates law business must be bad in New York too for an attorney may now take an acknowledgment.

And last but not least Chapter 120 provides for the continuance of various emergency taxes, on gross incomes, increased franchise taxes; emergency rates on estates of residents and non-residents, on stock transfers; sales of motor fuel, on liquors and cigarettes, etc., ad infinitum.

And did you all ever know that a red cedar might have sex appeal? I didn't until some legislator, a hay fever addict, introduced a bill to kill all the female red cedars around Austin. Not being a male red cedar I wouldn't know how to tell one but then, Texas legislators are very discerning. All of which brings us to:—

Texas

Don't be alarmed. I am not going to mention the number of bills introduced unless a count reveals that it exceeded 3,000.

Acts passed through April the 5th relate chiefly to, Quail, wrestling and boxing, obscene publications, bullfrogs and female employees. Search as I may, I can't find but one relating to real estate and that the one providing for acknowledgments before officers of the armed forces by persons in the military service. California, we must bow to you this time. There comes to my attention as passed after April 5 the Texas Trust Act. This act, Senate Bill No. 251, is the result of the painstaking efforts of many diligent, faithful, experienced and competent minds.

The act is so comprehensive that it permits a lawyer or trustor to write a simple will, saying that he leaves certain property to a trustee in trust for certain beneficiaries for a given time. By operation of the law the act furnishes a complete frame work of powers of management, disposition and investment; and furnishes a complete trust instrument. It rejects that which has proven bad in both our court decisions and statutes relating trusts and adopts and enlarges that which is good. It settles heretofore extremely doubtful questions.

Oklahoma

When Bill Gill reported in to me he didn't mention the bill which invited Pappy O'Daniel to speak before the Oklahoma legislature. After all he's a Kansan and not a Texan so you can't hurt my feelings about him, but the Oklahoma Legislature certainly must have hurt his because after he spoke somebody suggested a committee to investigate who asked him in the first place. Pappy doesn't like New Deal politics and judging by Josh Lee's experience with Oklahoma voters, it would appear that a good many of them don't either, but then—everybody can't be in the Legislature (although I sometimes think anybody can.)

Hundreds of bills were introduced but only one of interest to title men

passed. That one H. B. 166 requires the printing or typing of the name under each signature on an instrument offered for record.

A Bill limiting the use of space in a court house to County Officials was defeated, as was another permitting County Officials to make certified transcripts of court proceedings at a ridiculously low figure thus taking this business away from the abstracter.

Missouri

McCune Gill reports that a bill was introduced forbidding dogs to bite mail carriers. As it was shown that only 92% had been bitten, the bill was dropped.

Also a bill prohibiting the exhibition of movie films wherein any of the actors have been divorced. McCune hazards a guess that this one was sponsored by the producers of Donald Duck and Mickey Mouse as its passage would eventually give them a monopoly. And he also suggests that other producers have proved stinger than expected, as the bill is still in committee.

Another revolutionary bill provides that school fund loans and all lobbyists must be honest.

McCune says that a few, a very few, sensible bills have been introduced:—

One providing for a small tax on mortgages so everyone won't have to lie (so much) in their assessment returns; one for an abstracters board; another for a practical method of taking acknowledgments of soldiers and sailors. But these the 189 gentlemen who draw $3000 each haven't seen fit to consider.

Colorado

Colorado has had a Torrens Act for some 40 years. And this is the first session to change it. An owner may now withdraw his property registered under the Torrens Act by surrendering to the registrar his duplicate certificate of ownership duly endorsed with a signed request for such withdrawal.

While the change will be quite helpful in many instances, in cases where property has been registered and later transferred or encumbered by recorded instruments, but no notification or entry has been made on the registrar's records, no workable way to take care of such situation has yet been visualized.

Under House Bill 205 interested parties may select the newspaper in which legal notices will be published, where necessary, provided only the newspaper be published in the County in which the subject of the legal notice is located. Wonder what you'd do in the case of citation by publication on a defendant in a divorce proceeding who is absent from the State?

Senate bill 300 relates to emergency taxes and No. 301 to—more taxes.

New Jersey

Chapter 145 of the New Jersey assembly provides that any alien who shall be domiciled and resident in the United States and licensed or permitted by the United States to remain in the United States, shall be deemed an "Alien friend" and as such be entitled to the same rights and privileges and be subject to the same burdens in respect to real estate in New Jersey as a native born citizen.

Next are three bills sponsored by the New Jersey Title Association:—

First: One validating deeds of trust executed by members of the armed forces despite death or possible death of the grantor.

Second: The one designating certain

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officers in the armed service who may take acknowledgments, and

Third: The one stipulating against the revocation of powers of attorney given by military men, by death.

The Title Insurance Association also sponsored two other bills, Senate numbers 167 and 168.

The first protects purchasers and mortgagees against unrecorded tax sales and the second covers a "multitude of sins":—

a) It permits payment of municipal taxes delinquent 1-1-43 over a period of five years.

b) Validates conveyance despite lack of seals.

c) Validates conveyance made by executors under the erroneous designation of "administrators."

d) Validates deeds of decedent's property where will was probated in another state prior to 1-1-1900 but not probated in New Jersey.

e) Validates adoptions despite defects in procedure because of failure to allege status of citizenship of adopting persons.

f) Permits fiduciary to abandon property where found worthless.

g) Permits unacknowledged trust instruments to be recorded in county offices of record, where fiduciary has acquired title.

h) Validates affidavits, acknowledgments and proofs of deeds and mortgagors by commissioners or notaries whose terms have ended and who have failed to requalify.

i) Validates municipal ordinances vacating streets dedicated to public but not accepted by municipalities.

j) Validates conveyances by trustees of liquidating banks and trust companies after dissolution and executed outside the time limits provided in such instruments.

A cure all statute of which the provisions cannot but be beneficial.

Pennsylvania

The Pennsylvania legislature is still in session, but thus far apparently no bills materially affecting the title insurance or abstract business have been passed. Bills have been introduced, by the title fraternity, however, relating to judgments, powers of attorneys and other matters in respect to which the present law of Pennsylvania is considered technically defective, but none of them have, so far, passed.

Washington

A number of bills of interest to title men have been passed.

Chapter 18 extends the scope of labor and material lien laws by granting liens on real estate for labor and material incident to the planting of trees, shrubbery and so forth.

Chapter 19 authorizing County Commissioners to reserve mineral interests in county property sold by counties. This act is not entirely clear as Washington presently has separate and distinct acts governing the sale of property acquired by counties in their governmental capacities on the one hand and properties acquired by counties through tax foreclosure on the other. The 1943 act amends section 4007 of the revised status which has to do with the sale of property acquired by the county in its governmental capacity. The provision of the act providing for sale of county owned tax lands are comparatively simple. The 1943 amendatory act purports to include in its scope tax titles and authorizes the sale of county property under the limitations and restrictions and in the manner provided by act and sale of county property other than tax title lands. The question therefore arises as to whether the simpler act for the sale of tax title land is impliedly repealed by the inclusion of tax title land in the amendatory act.

Chapter 23 amends the Washington recording act to include instruments authorized by the laws of the United States to be recorded.

Chapter 29 provides for the settlement of interim accounts by guardians on notice and makes the order of set-

tlement final and binding upon the ward, subject only to right of appeal upon the final order, provided such appeal be prosecuted within one year after the ward attains majority.

Chapter 34—This act is effective January 1, 1944 provides for the pro ration of general taxes between the seller and a purchaser on the basis of the percentage of the year in which the taxes are payable which has elapsed at the date of transaction.

Chapter 62—we have also met before. It provides for notices to the alien property custodian when process is required to be made on a person in an enemy country or enemy occupied country.

Chapter 76 relates to chattel mortgages and provides that they are void as to bona fide purchasers or encumbrances of real estate unless the real estate is described in the chattel mortgage and the same is recorded.

This act relates to chattel mortgage on personal property attached to or to be attached to a building or to be buried under the surface of the ground. It excepts machinery, apparatus or equipment to be used for manufacturing or industrial purposes or to be added to the plant or system of any public or private utility company.

Chapter 193 authorized persons legally married who have obtained the age of 18 and persons actually engaged with the armed forces of the United States who have obtained the age of 18 to make wills.

Chapter 219 provides for the proof of wills by proving the hand writing to the testator and of witnesses engaged with the armed forces of the United States.

Rhode Island

The 1943 legislature passed the following acts which have been signed by the governor.

1. An act providing that letters testamentary or letters of administration may be issued upon certificates of presumptive death of men in the service.

2. An act abolishing "Ancestral Estate."

3. An act exempting residents in the Armed Services from the payment of interest on delinquent taxes.

4. An act providing for the partial release of powers of appointment.

5. An act correcting a typographical error in the "Short Form" statute.

6. An act permitting Executors, Administrators and Guardians appointed in other states to assign mortgages in Rhode Island.

Minnesota

Chapter 26—S.F. No. 70 is an act legalizing conveyances of real property heretofore made by a married man or married woman directly to his or her spouse, and the record of such conveyance.

Chapter 211—H.F. No. 309—A bill for an act legalizing certain acknowledgments heretofore taken. Be it enacted by the Legislature of the State of Minnesota reads;

Section 1. All acknowledgments to any conveyance or other instruments heretofore taken by any person previously appointed and acting from June 1, 1942, after the expiration of his term as a notary public authorized to take such acknowledgments, are hereby legalized and made of the same validity as though the term of office of such notary public had not expired at the time of taking such acknowledgments, and the record of such conveyances or other instruments is hereby declared to be

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legal and valid, and effectual for all purposes.

Chapter 395—H.F. No. 886 is a bill for an act relating to the holders of junior mortgages paying defaults under prior mortgages, and amending Mason's Minnesota Statutes of 1927, Section 9632.

It reads:

9632. Any person who has a mortgage lien upon any land against which there exists a prior mortgage may pay any taxes or assessments on which any penalty would otherwise accrue, and may pay the premium upon any policy of insurance procured in renewal of any existing policy upon mortgaged premises, and may, in case any interest upon any prior of superior lien is in default, or any part of the principal shall become due, or amortized installments which may be in default upon any such prior lien, pay the same and all such sums so paid shall become due upon such payment and be a part of the debt secured by such junior mortgage, shall bear interest from date of payment at the same rate as the indebtedness secured by such prior lien, and shall be collectible with, as a part of, and in the same manner as the amount secured by such junior mortgage.

Chapter 443—H.F. No. 1123 is a bill to legalize certain powers of attorney given by a husband to his wife and any deeds made pursuant thereto.

Chapter 418—S.F. No. 928 is a bill to legalize certain conveyances of real property heretofore made and the records thereof.

It reads:

Section 1. All conveyances of real property heretofore made in which a married man or married woman has conveyed real property directly to his or her spouse or the husband has conveyed to his spouse and children and the children in turn have re-conveyed an interest to said spouse and mother, or a husband executed and acknowedged a deed in this state, and his wife executed such deed in a foreign country but did not acknowledge such deed or have the acknowledgment certified, shall be legal and valid, and the records of such conveyances heretofore actually recorded, and if not recorded, the register of deeds is hereby authorized to record the same in the proper county on or before September 1, 1943, shall be in all respects valid and legal.

And Chapter 142—H.F. 693 is a bill legalizing foreclosure sales heretofore made and the record of the mortgage foreclosure proceedings and limiting the time in which actions may be brought or defensive interposed covering the validity of foreclosure proceedings. This law covers four full columns of the length ordinarily used in a newspaper and is too long to enable of any discussion here. We can merely call your attention to the fact that it has been passed.

Nevada

The legislature of Nevada was not as expeditious as the legislatures of some other states—notably California—and we are apparently interested in only five of the total of 195 chapters passed. Here they are:

a) Chapter 32 relates to Probate Sales and amends Section 156 of the "Estates of Deceased Persons" Act of March 26th, 1941. This enactment was apparently adopted to clarify the meaning of the legislature in requiring publication of notice of probate sales for two weeks, the clause, "being three publications, one week apart," being added to effect this clarification.

b) Chapter 65 amends Section 8830, Compiled Laws, relating to lien of judgment and extends the period of the lien, both in the case of State judgments and in the case of Federal judgments, from the former period of three years to a period of six years.

c) Chapter 91 amends Section 9463, Compiled Laws, relating to the power of the court in divorce proceedings to deal with the property of the parties. Formerly, practically unlimited jurisdiction and discretion were vested in the court to deal with both the community and separate property of both

spouses. The Act as amended limits the jurisdiction and discretion to a division of the community property and to a setting aside of part of the **husband's property** which, in the discretion of the court, may be required for the support of the wife and children.

d) Chapter 165 adds provisions for dismissal of stale actions upon the court's own motion, and is based, generally, upon the California statute covering a similar matter. It provides for such dismissals unless the action has been brought to trial within five years after the filing of the action in the absence of a stipulation in writing extending the time, and in cases in which the action has not been brought to trial within three years after an order granting a new trial in the absence of a written stipulation extending the time.

Under the chapter last mentioned some doubt arises in the minds of title companies whether they can with propriety approach the court in such cases with a suggested form of order to be filed on the court's own motion or whether the intervention of various members of the local bar is proper to perform this service. The latter course has been decided upon, and fees paid the attorneys are usually nominal.

Illinois

Illinois reports passage of:—

House Bill No. 12, House Bill No. 245 and Senate Bill No. 332 revising the law in relation to recording.

House bill No. 443 which is an act to compel the production of private land records and other records in which the public has interest in those cases where the public records have been lost or destroyed.

Amended Senate bill No. 250 relates to the reproduction on film of public records of counties and courts, and to the destruction of the original records so reproduced.

Senate Bill No. 331 concerns Lis Pendens notices and provides that the filing of no civil action whether legal or equitable, affecting unregistered land or any estate therein or any charge upon the same, shall be deemed lis pendens or notice, until certificate of the pendency of such civil action, under the hand and seal of the clerk of Court in which it is pending, shall be filed with the recorder of deeds, and then, only as to the interest of persons as are named in the certificate of pendency of suit.

Maryland

The 1943 Maryland Legislature was in session from January 1st until April 3rd.

Eight hundred and eighteen "House Bills" were introduced, of which five hundred and thirty-one were passed. Six hundred and thirteen "Senate Bills" were introduced, of which four hundred and seventy-four were passed, making a total of one thousand and five bills passed, of these fifty-seven were vetoed by the Governor.

Alien Property: Chapter 31 provides that in any action, proceedings or suit now or hereafter pending respectively before a Board, Commission or any other Administrative body or Court in which property having a legal status within this State or any interest therein is involved, and in which service or process is required to be made upon or notice by publication thereof to any person who is in a designated enemy country or enemy occupied territory, a copy of the process or notice must be sent by registered mail by the applicant, complainant or plaintiff to the Alien Property Custodian of the United States, Washington, District of Columbia, in addition to the notice required to be given to such alien.

R. F. JOHNSON
Des Moines, Iowa

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Conveyancing: Chapter 50 validates deeds and mortgages, releases, bonds of conveyances, bills of sales, chattel mortgages and all other conveyances of real and personal property defectively executed and acknowledged, but provides, however, that the act shall not affect the interest of bona fide purchasers, or creditors, without notice, who may have become so previous to June 1, 1943.

Chapter 146 authorizes the execution of deeds, mortgages, releases, bonds of conveyancing, bills of sale, chattel mortgages and all other conveyances of real and personal property before a commissioned officer of the Army, Navy, Marine Corps, Coast Guard or any other Branch of the Armed Forces of the United States, by a member of the forces of United States located outside the continental limits of the United States and provides the form of the acknowledgment and validates any acknowledgment heretofore made in substantially that form.

Defense Housing: Chapter 19 amends the Maryland Housing Act and authorizes operation thereupon until June 1st of 1945. It removes the limitation as to occupancy of the properties applicable to the so-called "Slum Clearance" provisions of the Act.

Fiduciaries in War Service: Chapter 290 provides a method of substituting fiduciaries for those engaged in war service and provides for their reinstatement upon return.

Chapter 608 establishes an unearned premium reserve for Title Insurance Companies of eight percent of the original premium and authorizes the withdrawal from the reserve of one percent of the original premium for the first four years, after its establishment; it further provides for a manner of withdrawal of the balance of the four percent reserve over a period of the risk. Owner's policies are presumed to continue for twenty years. The risk on mortgagee's insurance is presumed to expire three years after the date of maturity of the debt as stated in the mortgage, or twenty years after the date of maturity of the debt as stated in the mortgage, or twenty years from the date of the contract, whichever time shall be longer. This is the same law as is in operation in the State of Virginia and was recently passed on by the Circuit Court of Appeals of our Circuit wherein it was held that the same was an unearned premium reserve and not subject to income tax except as and when withdrawn from the reserve.

Chapter 982 establishes a mechanic's lien for repairs and improvements made by sodding, seeding or planting shrubs, trees, plants, flowers or nursery products of any kind or description, and those furnishing improvements by grading, filling or landscaping in all the Counties of the State, but specifically excludes the City of Baltimore. For the lien to be effective the work, improvements and structures completed at that time must constitute one-fourth of the value of the property.

Maryland State Income Tax: Chapter 319 reduced the amount of the tax for the years 1942, 1943 and 1944 by thirty-three and one-third percent.

State property: Chapter 318 authorizes any Board, Commissioner, Department or other Agency of the State which has under its jurisdiction or control any real or personal property of the State of Maryland with the approval of the Board of Public Works for such consideration as the Board deems adequate to sell, lease, transfer, grant or otherwise dispose of the same or grant easements in or over the same to any person, firm, corporation or to the United States or any agency thereof, or to any other Board, Department or other agency of the State of Maryland. The act further provides for the form of execution of the deed. This act is apparently a result of the large scale acquisition of property by various agencies of the Federal Government and on which it has been necessary to ob-

tain easements or rights from the State.

Chapter 130 confers concurrent jurisdiction on the Orphans' Courts of the State with the several Circuit Courts of the State as Courts of Equity with like power to adopt rules and regulations so as to authorize and direct the sales of real estate of testates or intestates where the appraised value of the real estate does not exceed the sum of Twenty-five Hundred Dollars and to confirm and ratify such sales in the same manner as such sales are confirmed and ratified by Courts of Equity. The old provision which was repealed only applied to intestates.

Chapter 288 provides for the revoking of letters testamentary or administration or guardianship of an executor, Administrator or Guardian engaged in war or related services and the appointment of their successor or substitute. The act also provides for the reinstatement of such Executor, Administrator or Guardian upon discharge from war services.

Chapter 799 amends the testamentary law so that any will in the handwriting of the Devisor and signed by him shall be valid, without attestation, if at the time it is made the Devisor is outside the area of the United States and is serving with any of the Armed Forces of the United States, provided, however, that the same shall not be valid, or effective, after the expiration of one year from the date of the Devisor's discharge from the armed forces if the Devisor is living and possesses testamentary capacity at the time of such expiration.

Ohio

The following laws, of interest to title men, were passed:

Senate Bill 119. An extremely bothersome law to title men was the statute making it necessary for a Power of Attorney to be recorded prior to the execution of the instrument executed under the power. This bill makes it necessary that the Power of Attorney recorded prior to the recording of the instrument executed under the power.

Senate Bill 121. For over a hundred years it has been necessary in Ohio that the acknowledgment be on the same sheet as the instrument acknowledged. This bill does away with that necessity.

Senate Bill 147. This bill provides for the cancellation, release, or assignment of a lease, either on the margin of the record of the lease, or on the original lease and copied on the margin of the record. The law also provides for the release, cancellation, or assignment of lease by a separate instrument executed, acknowledged, etc. with the same formalities as a deed. This makes Ohio law for the release, cancellation, or assignment of leases practically the same as for the release, cancellation, or assignments of mortgages.

Senate Bill 254. This bill authorizes the recording in the office of the county recorder, any matters in reference to bankruptcy, which an act of the Congress of the United States may provide for, as being necessary to be filed in the county wherein lands of the bankrupt are situated in order to be notice of such bankruptcy.

House Bill 120. It has always been an open question in Ohio as to whether it was necessary to make the spouses of heirs and next of kin parties to administrators and guardian's land sale proceedings in Probate Court. This bill specifically provides that they are not necessary parties.

And let me here thank all members of your Legislative Committee for the splendid cooperation given your reporter, and without which this report would not be possible.

You know I feel quite a different man that I was when I dived into this sea of legislative activity. I really feel as though Dick Southworth, when he asked me to act as chairman of the legislative committee, gave me a good —'er—well at least a heavy burden. Let me express myself more clearly by a story.

You've all heard of the Pentagon. That's the monstrosity the War Department built across the Potomac—you know, it's so big you go in as a Western Union messenger boy and come out a Lieutenant Colonel. Everybody gets lost.

Well, so the story goes, a young woman accosted one of the guards and said, "Mister, you've got to get me out of here quick, I'm about to have a baby." The guard said, "Madam, you shouldn't have come in here in the first place, in that condition."

The lady said, "Mister, I wasn't in that condition when I came in here."

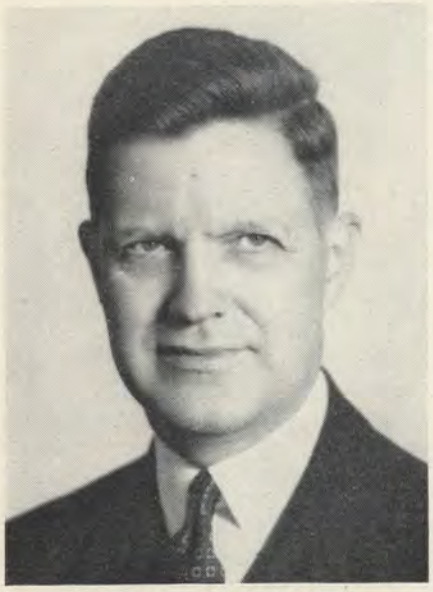
Annual Report of Advertising Committee

PAUL P. PULLEN

Advertising Mgr. Chicago Title & Trust Co., Chicago, Ill.

The response to the advertising questionnaire sent out to our members early this month was remarkable—much beyond the expectations of your committee. To those members who responded so promptly and so fully, the committee extends its sincere thanks.

The response was also very generous to the request for samples of advertising which our members are using. This has been added to the exhibit which is on display here at the convention and has augmented it very substantially. I hope you will all spend some time studying it while you are here.



PAUL P. PULLEN
Chicago, Illinois

Chairman, Advertising Committee
Advertising Mgr. Chicago Title & Trust Co.

Blotters

To show what kind of advertising predominates among our members, let us examine for a moment the replies to the questionnaire. These showed that the use of blotters is more general than any other one form of advertising. Just a little over 50% of those replying to the questionnaire use blotters in some form and 64% of those using blotters are buying them through the association.

The Local Newspaper

Next in popularity to blotters comes the home town newspaper. Forty-seven percent of those replying to the questionnaire use newspaper advertising, either display or classified.

About 41% use wall calendars, 27% use letters, 24% use folders or pamphlets regularly, and the same proportion distributes pencils; 20% use maps.

A few use rulers distributed largely through school children, 7 use radio, 5 use billboards, and 2 use car cards.

Other advertising media which are used by a limited number included advertisements in trade journals, paper weights which magnify, vest pocket daily date books, listings in telephone business directories and other directories of all kinds, and book matches. Altogether, those replying to the questionnaire listed the use of 38 different advertising media.

The association directory appeared to be very popular, and justly so. Of those responding to the questionnaire

52% reported that they are using the directory currently.

Results?

A great variation appeared in response to the question "From which advertising media have you secured the best results?" The greatest number favored blotters, with calendars, newspaper advertising and the association directory following in that order. One of our members has kept an exact account of the sources from which he gets business and reports as follows: 56% from advertising, 21% from the recommendations of satisfied customers, 20% from personal solicitation, and 3% from the general standing and goodwill of the company in the community.

I don't know if these figures prove a single thing. Certainly they don't prove that if you have been securing good results from the distribution of rulers that you should switch to blotters merely because abstracters in other communities have secured good results from them. It is probably only by the trial-and-error method that you can determine what is the best form of advertising in your own particular community.

Specific Figures

I was very much gratified at the number who were able to report specific figures as to what proportion their advertising expenditures bear to their total billings. Sixty-one percent of those replying gave us this information. The figures themselves were very interesting and may be a guide to you as to what your advertising expenditures should be in relation to your total business.

The figure which predominated was 2%; that is the advertising expenditures were 2% of the total billings, although 40% reported an expenditure ratio of less than 2% and 33% of those replying reported a ratio of more than 2%. Some of those who responded to the questionnaire reported that they spent nothing for advertising. That, of course, was the minimum. The maximum reported was 25% with 1 reporting 10% and another 8%.

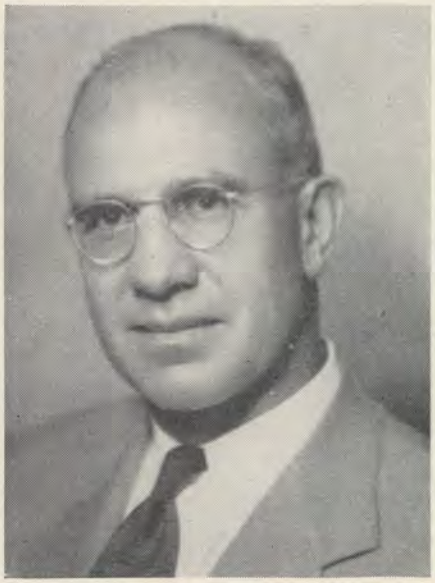
All in all, the questionnaire indicated that our membership is very much alive to the problem of advertising even in such extraordinary times as these.

Many very interesting samples of advertising were received and if we had the time it might be interesting and valuable to comment on these individually. You will find the samples displayed in the exhibit, however, and you can study them at your leisure.

Publicity

Two rather outstanding publicity jobs were evidenced by the newspaper clippings sent to your committee in response to the questionnaire. By publicity I mean mention in the news columns of the papers. Perhaps many of you are keeping publicity scrapbooks of the items which make mention of you or your company which you did not send in. Those particularly outstanding as to nature and volume were submitted by Fred Place of the Guaranty Title and Trust Company of Columbus, Ohio, and by Mrs. Grace Shepard of the Berrien County Abstract Company of St. Joseph, Michigan.

In the past I have urged the value of keeping your name before the public through news items in your local newspapers. Let me again say that this seems to me to be one of the most



BURTON C. BOVARD
Washington, D. C.
General Counsel, Federal Housing Administration

worthwhile plans as well as the least expensive and the easiest to secure. By all means send to your local paper items of local interest affecting your company and the properties for which you are preparing abstracts. These items might include election of officers, attendance at out-of-town conventions, news of your annual reports, as well as many interesting items which you all uncover in preparing your abstracts.

Assemblage of Good Advertising

In conclusion I have just one suggestion to make which might be of assistance to all of you in preparing your advertising. The Financial Advertisers Association for many years has maintained in its central office a number of portfolios relating to various aspects of advertising. There is a portfolio for each of the following subjects: Anniversary, Bank Openings, Employee Contests, Employee Manual, New Buildings, and Publicity. Naturally banks have a lot of subjects which do not apply to the abstract and title business, but those above, and probably some more, could be used by us. If the central office maintained portfolios on these subjects which could be sent out to our members on request whenever they have any problems related to any of these subjects, it seems to me this might ease the advertising burden of all of us. In the Financial Advertisers Association, for example, whenever any member has an anniversary coming up, he can send to the central office for the portfolio covering anniversary advertising. In this way he can have the benefit of the experience of all members who have done any anniversary advertising and who have sent copies to the central office. The difficulty, of course, is going to be in getting each of you to send copies of your advertising to Jim Sheridan so they can be included in the portfolios. Therefore, whether the plan can be put into operation and whether it will be successful after it is put into operation will depend on the active cooperation of each of you. One merit in the plan lies in the fact that it would cost very, very little to install and maintain. In the case of the Financial Advertisers Association, the member requesting the portfolios merely pays the transportation expense both ways. I just leave this thought with you and if you have any definite ideas either for or against the plan I shall appreciate it if you will write to Jim Sheridan or to me.

Again I want to thank the members who responded so generously to the questionnaire and to express the hope that during these wartimes you will not neglect to keep the committee and the central office informed as to what you are doing. An important function of the advertising committee, I believe, is to be of assistance to its members. This can only be done where you make your problems known to us.

Helping Win the Post War Day

By McCUNE GILL
Vice-President, Title Insurance Corporation of St. Louis

I would like to present to the Convention an idea that will help win the war and also result in laying a foundation now for future title business. The dominant theme of this idea is to encourage builders, banks, savings and loan associations, and material and equipment companies, to sell houses now for future delivery. That is, to offer to people who are enjoying steady or unusual earnings, an opportunity to select a lot and a builder, and to discuss and approve materials, plans, and specifications for their future home. The purchaser is also to select a bank or savings association to act as a depositary while an equity is being built up, and then to invest the deposit in cashable war bonds (thus assisting in the war effort), and later, when materials and labor are available, to act as a lending agency for a permanent building loan. The title company is to issue its policy including protection against

mechanics liens upon disbursement by it of all funds.

The purchaser is to be fully protected by providing that his deposits wi l be kept only in a Federally insured financial institution, by further providing that he will get a standard house complying at least with F.H.A. minimum requirements, and by finally providing that both his funds and those of the mortgagee are to be disbursed by a title company which will issue its title policy insuring against mechanics' liens. The purchaser will also be given the privilege of withdrawing and taking down his deposits upon paying a reasonable service fee to the builder and the depository.

Some months ago I was shown a contract which is being used as the basis of such an arrangement, and was asked to help promote its use by builders, financial institutions and material companies. Thinking that this novel idea would be an interesting topic of discussion, I would like to read you this contract.

(Contract copyrighted by Builders Guild of St. Louis)

"This agreement dated the ..... day of ..... 194...., between ..... hereinafter called the Purchasers, ... hereinafter called the Depository, and ..... hereinafter called the Builder.

WITNESSETH: That in consideration of $1.00 each to the other paid and the mutual advantages to accrue to all of the above parties, the Purchasers agree to deposit not less than ..... dollars per month, or more if they so desire, with the Depository, until the sum of ..... dollars shall have been deposited, whereupon the deposit is to be used as a down payment on a house and lot of the Purchaser's choosing.... ...(or lot-Block) in.....subdivision in the County of ..... which house the Builder agrees to build on said lot as selected by Purchasers for a price of not over ..... dollars, and according to plans and specifications to be set forth in a building contract to be executed suitable to all parties when material and labor can be obtained, not later than five years from the date of this agreement.

The Depository agrees to make such a building loan evidenced by deed of trust and notes which Purchasers agree to sign in an amount not over ..... dollars at .....% interest, the principal and interest to be payable in monthly installments. The loan will be made only when a Federal Housing Administration Firm Commitment has been issued in the name of the Purchasers (or F. H. A. minimum requirements are complied with, if loan is not to be F. H. A.), and Title Company insurance as to title and mechanics' liens can be obtained. During the period of deposit the Depository is to invest the deposits in units of ..... dollars in U. S. Government Bonds maturing and payable not later than two years from date of this agreement. No party to this agreement shall assign any interest therein without the consent of the other parties.

The Purchasers or their heirs are granted the privilege of cancelling this agreement at any time before the execution of the building contract on written notice to the Depository and Builder, whereupon the deposits shall be returned to Purchasers, less a withdrawal fee of $50.00 to the Depository and $100.00 to the Builder.

In the event of the death of the Builder this contract is null and void and all monies deposited with accrued interest or dividends if any, shall be returned to the Purchasers, less a withdrawal fee of $50.00 to the Depository."

.....
Purchaser

.....
Purchaser's Wife

.....
Depository

.....
Builder

WITNESS:

.....
(Acknowledgments, if desired.)

You can see that the more we can encourage this movement, and the more contracts we can get placed, the greater will be our contribution toward "helping win the war" as well as "laying a foundation now for future title business." I recommend this idea to you for discussion.

Report on Resolutions

Your Committee on Resolutions regrets to report the death of three of our most prominent beloved members—

Mr. William H. McNeal
Mr. John E. Morrison
Mr. Walter M. Daly

Bill McNeal died at his home in Kansas City December 9th, 1942. He was born in Marion, Ohio on October 8th, 1878. He graduated from the Kansas City Law School, having paid his way by earnings as a mail clerk on a railway train. He entered the field of mortgage lending, taking charge of the Oklahoma City office of the Deming Investment Company. Opportunity in a larger field came in 1924 when he accepted the responsibility of organizing and supervising the extensive agency system of the New York Title & Mortgage Company. In the hectic days of the Home Owners Loan Corporation he threw his untiring efforts into systemitizing the enormous volume of that business, while serving as manager of the Washington, D. C. office. In March, 1939 he assumed charge of the Kansas City Title Insurance Company's National Title Department, becoming a vice president a year later, which office he held at the time of his death. We are all indebted to him for the work that he did for our Association over a period of more than 17 years.

Wm. HORTON McNEAL

Jack Morrison, president of the Will County Title Company, of Joliet, Illinois, was born at Danvers, Illinois in 1887. He graduated from the University of Illinois Law School in 1908 and after being admitted to the Bar, became associated with the law firm of Welty, Sterling and Whittemore. At that time, Mr. Whittemore was the owner of a substantial interest in the Will County Title Company at Joliet. Jack became its manager, and afterward its president. He served in World War I and was decorated with the Croix de Guerre and the Order of the

WALTER M. DALY

Purple Heart. Leaving the Army with the rank of Captain—when the present war broke out he was called to Service, going back to the Army with the rank of Lieutenant Colonel. He served as President of the Illinois Title Association and Chairman of the Abstract Section of our Association. He passed away April 22, 1943.

Walter Daly of Portland, Oregon, one of our past presidents, died May 19th, 1943. He was born January 16th, 1882. He was educated at Notre Dame and went to Portland in 1906; he was treasurer of the Security Abstract Company, and in 1908, helped to organize the Title & Trust Company. He became its vice president and in 1926 was elected president of that Company. Many of us here well remember the years of work he gave to the American Title Association, and we will all mourn his loss.

Whereas, the families of our departed members have received expressions of our sympathy, at the time of the passing of Bill, Jack and Walter, and

Whereas, the members of the respective State Title Associations have fittingly expressed their sympathy to the families.

NOW, THEREFORE, BE IT RESOLVED, that the American Title Association place upon the minutes of this meeting and on its permanent records this brief expression of our loss, and that the report of these proceedings contain appropriate mention thereof.

Fire and Water

By WM. H. PRYOR

President, Pryor Abstract Co., Duluth, Minnesota

I was born on the 23rd of January, 1883 at two o'clock in the morning. On the same day this year and about the same hour I was called to the phone and told that the building in which our office was located was burning. There was a high wind and subzero temperatures, and as the battery of my car had run down, it was not possible to get it started. The local NBC station was broadcasting the news, and while waiting for the secretary of our company to drive out and pick me up, I called the radio station. Our office was located at the front of the building, and the broadcasting station was located in a building to the rear, and just across the alley. The announcer told me that during the next music interval, he would go out and see what the front of the building looked like. He came back to announce that it appeared to be gutted, but that he could not definitely tell, because of the immense volume of smoke. When I was wakened I was sixty years of age to the minute, but when I heard what the announcer had to say, no person ever lived to be as old as I then felt.

Location

The building in which we had our office was that of the Duluth Athletic Club, a three story building. The club occupied the upper floors and rented out the ground floor to three tenants, Burroughs Adding Machine Company, the Milwaukee Railroad and my company. We occupied about half the frontage and the other two companies the balance. After watching the fire for about two hours, I was finally able to talk with one of the assistant chiefs, who had just come out the front door of our office, and he told me that there had been no fire in the floor under us, and that it had been confined to the ceiling and rear wall, and also that the ceiling had fallen. Up to that time I wondered if the big four hour fireproof cabinets would actually protect, and if they would stand a drop to the basement below in case the floor gave way. We were able to get close to the door as the fire seemed to be under control, and saw a veritable river of water running out. It did not seem possible that so much water could have been poured into the space occupied by us. Right over our offices, the Club had a cocktail room and ladies lounge, beautifully furnished. When the ceiling fell, it brought all the furniture, davenports, bar, and other equipment right into our office. The cocktail room had a large rug on the floor, about thirty feet square, and one end of this rug hung suspended from the floor above, and the fallen part acted as a funnel, so that the water running out our door was the accumulation on the upper floors. The bitter cold, at least 15 degrees below zero, froze much of this water, and by the time we were able to get in we found that the ice and water was about two feet deep all over our floor. So this is a story of water, rather than of fire damage.

Wm. H. PRYOR
Duluth, Minn.

Vice-President, Consolidated Abstract Co.; President, Pryor Abstract Co., now merged with Consolidated

Our take-off slips to the extent of nearly a million and a half were housed in steel files, and two feet of these files were under water, and they were all encased in ice. This meant that nearly a third of our take-off slips were under water, and also about 10,000 copies of abstracts.

Salvage

Our first job of salvage was to remove the typewriters we could find, together with adding machines, numbering machines, punches, etc. One typewriter was so badly frozen in that the desk had to be chopped apart. We found six machines that morning and two were where they could not then be reached, and were not removed from the debris for over a week. One was ruined and the other in fairly good condition.

As I stated, about 350,000 of our take-off slips were under water. The method used by us in recovering or salvaging these slips and other wet papers is really why I am talking to you today. As the paper got thoroughly wet, it swelled, and actually was so powerful as to push the ends out of several of the steel drawers. Some of the cabinets had been damaged by falling beams and all of them in sorry condition. There were 29 of these cabinets, and they were all frozen to the floor, as well as bolted together. None could be moved until we got rid of the ice. This was done partly by pickaxes and partly by renting a steamer from the city. The cabinets were then moved to our new location, and then came the tedious job of drying out the records. Each cabinet had to be emptied of its contents and these examined for water damage. All the cabinets were water stained and the bearings had to be lubricated, and the cabinets painted. We found an auto body building outfit that was equipped to do the work, and they took the cabinets, including those damaged by falling beams, and using the same

methods used in repairing bent fenders they put the cabinets back in shape. While the cabinets were away from the office, a crew of six women went over the take-off slips one by one, and the damp ones were put through electrically heated pressers or ironers, and to our surprise they came through in fairly good shape. Some are wrinkled, but few were illegible. My dad started in the abstract business in Iowa in 1876 and always insisted on good paper and ink. As a result of his instructions, all our slips were on linen paper. When handwritten, as in the case of the old slips, the ink did not run. Altogether we lost not to exceed 5000 of our take-off slips, and those were the ones in the filing basket that had not been put back after being used. My dad always used Byron Weston Ledger papers for his indexes, Crane's Jap for his abstracts and Carter's Ink for pen work. The fact that we used the same papers and ink probably helped out a lot.

Indexes

The indexes, some sixty in all, were in fireproof cabinets, and when these were opened, we had a shock, as we discovered that these cabinets are not water tight. The index records at the bottom of these cabinets were thoroughly wet. The paper came through fine. The binders needed repairs but the ruled lines on the index pages had washed out completely. The pen work was intact, but it meant that all the wet indexes would have to be recopied. The ink used by bookbinders for ruling is not waterproof. All our wall maps, atlases and supplies were ruined by the water, and some of the atlases and wall maps cannot now be replaced.

Adjusting

It is not my intention to go very deeply into the subject of insurance, beyond telling of our experiences with the adjusters and the results. The subject of insurance has been rather fully discussed at previous conventions of the American Title Association, and far more ably than I can do. It does seem that the wording of our policies might be of interest. Our policies carried a very simple endorsement as follows: "On books, including large abstract books, reference books, power of attorney record books, general miscellaneous and tract index books, and all other books pertaining to said abstract books; all abstract slips, printed books of abstracts of title, plats and plat books and maps, charts and office furniture, useful and ornamental, including books, desks, chairs, tables, racks and cases for books and blanks and office stationery and supplies, copies of abstracts, either printed or typewritten, all only while contained in ..... Loss, if any to books and abstract slips insured to be limited to the cost of new blank books and slips similar to those destroyed and the cost of compilation from the County records of the information contained in or on the books and slips so destroyed, together with the cost of spreading said information on said books and slips." This, as you note is a very simple endorsement, but we found by actual experience that it was sufficient for our protection. I know that those who gave the subject of insurance considerable study have gone into much greater detail.

Expert

From my experience, and especially for the benefit of the smaller companies who do not have their business divided into departments, I now want to make a recommendation. There are men known as "Adjusters for the Insured" who undertake to prepare proofs of loss and to handle the claims for a percentage. The larger companies who have specialists may not need the services of such a man. The usual fee is 5%. We used one of these men and found that the money was well spent. He listed things we would never have thought about, and we know that the additional sum collected as the result of his suggestions was more than twice what we paid him. Who would think of the goldleaf signs on the windows, or the fact that we were entitled to remuneration where our own people were engaged in salvaging, for as long as they were prevented from engaging in our regular business?

He even put in a claim for the sign saying that we were members of the American Title Association.

When it came to claims for damages to our records, it was interesting to see him work. First he numbered each cabinet, and made complete notations as to the condition of the contents. Each cabinet was handled separately and after careful consideration, we arrived at certain figures which we used through the entire proving of loss. An average of $30.00 per cabine was reached as the cost of drying out the records, and this figure was just about the amount actually paid to the women for their work in handling. The cost of repairs of the cabinets, desks, and other fixtures was upon estimates made by the company that did the work. Wall maps, atlases, and other similar articles were put in at actual cost of replacement.

Our Claim

It was with the indexes that were in the fireproof cabinets that our biggest claims were made. Up to 1914, the indexes merely showed date of recording, description and book and page of record. After that date, the information on the indexes was more detailed, as we showed in addition to those above mentioned, the following, registers document number, parties and some marginal notes. For the earlier indexes, we claimed 1c per entry for recopying, and on the latter 1½c per entry. These figures when first presented to the insurance adjusters seemed quite small. It was only when they were added up that the actual amount of these claims was understood. Altogether our claims for labor amounted to over $9000.00, and the claims were allowed in full. A difference in methods of computing losses on furniture and fixtures because of depreciation resulted in a reduction of the amount of our claim on these items. Any person engaged in preparing tract indexes knows that the figures quoted are extremely conservative, even for copying, and the adjusters acknowledged this. We explained that it was our intention to do this with our own help during spare time and in slack periods. The adjuster checked up with CPA's and with our competitor, and found that none would undertake to do the job at the price we asked as compensation.

Now, as to recommendations for protection against future losses? I would suggest the following:

1. Fire proof vaults for all records, if possible, but if not, at least the indexes.

2. Duplicate records housed in some other building. For instance, in my home, I have a complete copy of the take-off slips for a period of more than fifteen years.

3. Microfilm copies of the indexes, and other valuable and irreplacable records.

Remember, however, that a fireproof vault or cabinet is not necessarily water proof, and that adequate insurance must be maintained, even if all the above and additional protections are used.

Report on Federal Legislative Committee

JOSEPH S. KNAPP, JR.

Chairman, Vice-Pres. Maryland Title Guarantee Co., Baltimore, Md.

The Seventy-Seventh Congress came to an end by sine die adjournment on December 16, 1942.

The Seventy-Seventh Congress passed eight hundred and fifty public laws and six hundred and thirty-five private relief acts. There were eleven thousand, one hundred and fifty-four bills and joint resolutions introduced, three thousand and ninety-four in the Senate and eight thousand and sixty in the House. There were nine hundred and twenty-four simple resolutions in both Houses, three hundred and thirty-seven in the Senate and five hundred and eighty-seven in the House. The two sessions consumed the total of seven hundred and eleven service days, the longest in our history.

The Lend-Lease bill, repeal of the "cash-and-carry" provisions of the

Neutrality Act, modification of the Selective Service Act, and passage of the First War Powers Act were outstanding among the enactments of the first session.

The second session enactments included Price Control and Economic Stabilization laws, provisions for Renegotiation of War Contracts, the Teen-age draft bill, provisions for dependency allowances, the increase to $50.00 per month in the base pay of the armed forces, the increase of the debt limit to $125 billion, and creation of women's organization for the Army, Navy and Coast Guard.

Both the first and second sessions enacted record-breaking tax bills—the 1942 Revenue Act was estimated to produce slightly over $8 billion net in new revenue, bringing the total amount taxpayers were expected to pay to the federal government in 1943 to more than $26 billion. This will, however, be modified by the new tax bill in a modified Ruml Plan (Pay-as-you-go) measure which became a law this month.

The stupendous total of $199,682,752,894 in appropriations were passed by the two sessions of Congress.

Some of the laws passed by the last Congress, and not heretofore reported by this Committee are:

Senate Bill No. 2586 enacted July 2, 1942, continues the "Property Requisitioning Act" of October 10, 1940, until June 30, 1944, or such earlier date as the President or Congress may determine.

House Representative Bill No. 6908 enacted July 2, 1942 increases the authorization for appropriations for access roads under the Defense Highway Act of 1941 from $150 million to $260 million. The Federal Government assumes the maintenance of the roads.

Senate Bill No. 2599, enacted July 9, 1942. The head of any department or agency using public domain for war purposes is authorized to compensate holders of "grazing permits" and licenses for losses sustained by such use.

House Representative Bill No. 6071 enacted July 29, 1942. Holder of noncompetitive oil and gas leases under the Oil and Gas Leasing Act of 1920 are given preference rights to a new lease where now statutory requirements are complied with upon expiration of the five year term. This right does not apply to lands which, on date of expiration of the lease, are within known geologic structure of a producing field.

Senate Bill No. 2604, enacted August 4, 1942, authorizes the States of Colorado, Kansas and Nebraska to negotiate a compact for a division of the waters of the Republican River.

House Representative Bill No. 6921 enacted September 29, 1942, amends the Soil Conservation and Domestic Allotment Act to permit benefit payments to be made to farmers whose farms have been taken over for war purposes and where payment, but for such taking, would have been made.

Senate Bill No. 2725 enacted October 1, 1942, authorizes an additional appropriation of $600 million for the construction of housing units for defense workers under the Act of October 14, 1940. This makes $1,200 million in all.

House Representative Bill No. 7565 enacted October 2, 1942, authorized and directed the President to issue a general order stabilizing prices, wages, and salaries affecting the cost of living, before November 1, 1942, the stabilization to be based, so far as practicable, on levels of September 15, 1942. The act and regulations thereunder expiring on June 30, 1944, or an earlier date if Congress or the President so prescribe. The Emergency Price Control Act was also extended for one year, to June 30, 1944.

House Representative Bill No. 7164 enacted October 6, 1942, amends in many respects the Soldiers' and Sailors' Civil Relief Act of 1940. It is this Committee's good fortune to have had the opportunity of reading an analysis of this Act prepared by Mr. Cassius A. Scranton, Vice-President of the Chicago Title and Trust Company, published in February of 1943. Mr. Scranton very carefully analyzed the changes in the original Act resulting from the amendment. He had also compiled numerous cases which have been decided interpreting the various sections and we feel sure that he will be glad to send any member of the Association a copy thereof, upon request.

Senate Bill No. 2775 enacted October 20, 1942, amends the Guayule-Rubber Act of March 5, 1942, the principal amendment removing the limitations and increasing to 500,000 acres the area which may be used for planting and cultivating guayule.

House Representative Bill No. 5503 enacted October 21, 1942, authorizes stipulations to be filed in condemnation proceedings by the Attorney General for the exclusion of any particular property, or interest that may have been or may be covered by the Declaration of Taking or otherwise.

Senate Bill No. 2706 enacted October 26, 1942, amends Title II of the Act of June 28, 1940, which provides for the housing of persons engaged in national-defense activities, to make these benefits applicable to the officers of the Army and Marine Corps not above the grade of Captain and to officers of the Navy and Coast Guard not above the grade of Lieutenant.

House Representative Bill No. 365 enacted December 17, 1942 extends the time until July 1, 1943, in which holders of general powers of appointment created on or before enactment of the Revenue Act of 1942, can release such powers without incurring any estate or gift tax liability. The new income tax law further extends this time until March 1, 1944.

Senate Bill No. 2889 authorizes the minting of minor coins in the denominations of one cent and three cents until December 31, 1946. The Secretary of the Treasury is authorized to pass regulations prescribing the metallic content, weight, etc. of said coins.

The Seventy-Eighth Congress convened on Wednesday, January 6, 1943. The President delivered his annual message on the 8th and the budget was received by it on the 11th.

Hope has been expressed for the functioning of the Congress according to the intent of the law by assuming the responsibilities, which are justly theirs, and discontinuance of the vicious practice of previous subservient members, of delegating all authority to the President for administration by executive orders, and through Boards and Commissions.

The new Senate, when convened, consisted of fifty-seven Democrats, thirty-eight Republicans and one Progressive.

The new House was composed of two hundred and twenty-two Democrats, two hundred and eight Republicans, two Progressives, one Farmer-Labor and one vacancy. There were Democrat majorities in the Senate of nineteen and in the House of fourteen, while at the close of the Seventy-Seventh Congress the Democratic majorities were thirty-six in the Senate and ninety-six in the House.

On February 9th, 1943, the President issued an Executive Order establishing a minimum wartime work week of forty-eight hours for thirty-two areas throughout the nation.

House Representative Bill No. 150 signed by the President on March 11, 1943, extends the Lend-lease Act for one year.

Sentae Bill No. 677, amends the National Housing Act so that the time is extended from July 1, 1943 to July 1, 1944, during which mortgages may be insured under Title VI of the National Housing Act. The aggregate amount of mortgage insurance which can be written was increased from $800 to $1,200 million.

By Executive Order No. 9321 the Attorney General was authorized to acquire and dispose of property under Title II of the Second Warpowers Act.

House Representative Bill No. 1780, signed by the President on April 10, 1943, increased the public debt limit from $125 to $210 billion and also repealed the President's salary limitation of $25,000.00.

House Representative Bill No. 839, amended the Columbia Basin Act of May 27, 1937, for the prevention of land speculation; and, among other things, it provided for the development of project lands in farm units of not more than one hundred and sixty acres, and for disposal of excess lands by land owners.

Senate Bill No. 249, still pending, provides that all real property in the continental of the United States, acquired by the United States for military purposes since January, 1940, shall remain subject to taxation by the State or Local Subdivision where located to the same extent as other real

estate is taxed, except in cases where there is a waiver of the State right to tax by virtue of a State law. This bill is apparently the result of the tremendous loss sustained by the Counties located in certain States in the assessable amount of property taken by the Government for promotion of the war effort. There is probably very little likelihood of this Bill becoming a law.

House Representative Bill No. 2570, commonly known as the "Pay-as-you-go" Income Tax Bill, became a law.

There have been three Bills introduced in The Congress, Senate Bill No. 975 and House of Representative Bills Nos. 2466 and 2617, which seek to modify the condemnation procedure and are extremely detrimental to all land owners and lien holders throughout the country. These Bills being virtually identical are particularly vicious and have been referred to a special Committee of this Association.

This Congress seems intent on fulfilling the hope previously expressed for the return of the administration of this Government to genuine democratic principles. That is, that the Government exists for the people, instead of the people for the Government. By people is meant, America for Americans and not Americans for Utopia. The disregard during recent years for our experiences, precedents and principles for which our forefathers toiled, sacrificed and shed their blood, has been most alarming. We therefore cherish the hope that this Congress will give full consideration to the appropriate quotation, "Our todays and yesterdays are the blocks with which we build" and then return to the solid corner stones of democracy.

By the Committee
Joseph S. Knapp,
Chairman.

Abstracters Section—Open Forum Meeting

A. W. SUELZER, *Chairman*

THURSDAY MORNING
June 24, 1943

The meeting of the Abstracters Section convened at 10:35 o'clock, Adams Room, Hotel Statler, St. Louis, Missouri, Mr. A. W. Suelzer, of Fort Wayne, Indiana, presiding.

Chairman: At this time, it is the duty of the Chair to appoint the Nominating Committee for the offices of Chairman, Vice Chairman, Secretary and five members of the Executive Committee for the Section. The Chair now appoints—

Don Graham, of Denver, Colorado, Chairman;
Charles Eidson, of Harrisonville, Missouri;
Dubart Mizell, of Fort Worth, Texas.

The Nominating Committee will report its nominations at this Section, tomorrow morning.

As you will note from your program, it was the plan for this conference to have few assigned subjects and assigned speakers.

This is the Abstracters Section. We are going to discuss matters of interest to the Abstracters — nothing else. So far as the Chair's participation in these discussion is concerned, he has prepared outlines on certain subjects if the discussions flags, or if we run out of topics, we can resort to these outlines.

As to these outlines, I should explain my attitude toward the title business is a selfish one. It is my idea that I am in the abstract business to make money by giving good service to the public and for no other very important reason. You will find that idea permeating these outlines.

Topics

Hear are the headings of these outlines:

Raise fee schedules now;
Cut down free services;
Collect your fees;
Eliminate estimates and advance commitments as to prospective fees;
Reduce costs of operation;
Establish new services.

These outlines will slumber temporarily here at the table unless we run out of things to discuss. So from here on, it is a free-for-all, and catch-as-catch can, matters only of interest to the abstracter.

I would like to say that we should confine our subjects to those of general interest. We all have particular problems in our own offices, in the solution of which we are deeply interested and which we would like to present and hear suggestions on from the floor; but it seems to me it would be better for all of us if the subjects about which we talk were subjects of a general nature, that would enable every one of us to go home and feel that he had learned something he could put into effect in his own business.

By way of starting this forum, I am going to point my finger at a man here in the group who wrote me a letter with this paragraph in it: "For myself, I would very much like to have some one who is fully qualified either to talk upon or lead the discussion as to how they proceed every day to keep their plant up to date, and just what records they keep that can be referred to readily without the necessity of making extra trips to the court house."

Now, with most of us, our offices are not located in the court house. We must go to the court house for our title data. The more of this data we have in our own offices, the fewer trips we have to make out of the office. This letter, for which I am greatly indebted to Mr McPhail, of Illinois, might well start our discussion; and if Mr. McPhail will state his proposition, as he would like to state it, and give us his own ideas about it, we can have some general discussion on it.

MR. McPHAIL: When I wrote that letter, it seemed to me that that was a subject we might all be interested in, no matter what State we came from; and I wrote the letter with the idea in mind that I was going to hear some one better fitted than I am to discuss this subject, but inasmuch as the Chairman called upon me to start the discussion, I will do the best I can, to tell you how we keep our plant up to date, with the expectation I may learn something new from somebody else, or learn a better way to do it.

Procedure

I imagine we all have the same conditions to contend with, that is, so far as the records of the court house are concerned. We have in our county a Probate Court; a Recorder's Office; Circuit Court; Tax Office; and all the general offices that go with a court house.

I think one of the most important things you must have, is a clerk you can depend upon to make the searches in the court house. We have a girl who has been with us since 1908, and we have a lot of confidence in her.

We visit the Recorder's Office every day. We search, that is, we take every instrument filed in the Recorder's Office, no matter what it is—a deed, a release, a mortgage, or a Federal Tax lien, and write them on sheets 8½x14; that is, we abstract them in full, so we never have to go back and write them again. When we have 350 pages of those sheets they are bound in a solid volume. We carry on these the Recorder's number and we also carry our own number.

In addition to the matter we take from the Recorder's Office, we take all instruments filed in the Circuit Court Clerk's office, in the way of foreclosures, divorces, and things of that kind, that describe real estate in any way.

From the Probate Clerk's office, we take all the inventories that are filed. We give those our own number, and

run them right in with the regular transfers.

From the office of the County Clerk, we take all the inheritance tax proceedings that are filed and take a full description of the real estate listed in the petition. Those instruments are all numbered right along with our transfers, just as if they were deeds and mortgages. We will have probably twenty or thirty of those sheets a day. They come to our office, and the first thing we do every morning is to post those instruments on our tract index, reading every one of them very thoroughly and making positive we have posted the lot number of every lot that might be affected.

One thing that always gives trouble, (and I imagine it does to the rest of you,) is an affidavit made about something old in a title; probably having reference to two or three conveyances made years ago. We get out the conveyances, read the descriptions in them, read the affidavit again, and take particular pains to post that affidavit against every lot that might possibly be affected by that affidavit. You will find quite often it will affect a whole sub-division. It was posted there for a reason and it must apply to that chain of title.

Divorce Action

Divorce actions give us a lot of trouble. Quite often a bill is filed and the attorney withdraws that bill, by simply referring to a house number. We take the pains to trace the particular neighborhood where the house number might fit, and search until we find the names in a title. If we find the names and they check with the parties in the divorce action, we post that number there.

We keep a tract index, of course, and an insanity docket and a docket for miscellaneous items, bankruptcies, and all matters of that kind; we keep an estate index, keep track of the names of the estates only that are filed; a judgment docket; and a combination index, that covers both judgments and divorces, by being built so that when you open the book you find the judgments are on one side and the divorces on the other.

We also keep in a miscellaneous index all matters we just can't check to a particular tract, such as incorporations and miscellaneous matters that are filed, that we want to find readily at another time.

That is the story of the steps we take every day to keep our books up to date. In other words, we try to have on our tract indexes everything filed with the exceptions of judgments. I will be very interested to hear how some of the other abstracters keep their books up to date.

CHAIRMAN: Is there anything that you put regularly into your abstracts to which you have no posted reference in your office?

MR. McPHAIL: How do you mean that now?

CHAIRMAN: Well, for example, do you have any reference to taxes in your office.

MR. McPHAIL: Yes, that is another subject. Every year, following the tax sale, we put on an extra clerk who is familiar with the tax books; quite often a girl employed by the County Treasurer or Collector. We make a complete list of every piece of property that has been forfeited or sold for taxes. Then, we have that book bound, just as we do our other books. We give each line a number, and we post every one of those tracts to our tract index in red ink, just like we would a warranty deed, so we can tell by opening our book at a glance whether or not that property has been sold for taxes in any one year.

CHAIRMAN: On your tract indexes how much do you post, say in the case of a deed or a mortgage?

Taxes

MR. McPHAIL: I know you are going to laugh when I tell you this. We do not carry very much on our tract indexes. We simply have a place for the lot and the block and a column

A. W. SUELZER
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Chairman, Abstracters Section;
President, Kuhne & Company, Inc.

under it. We post our own number in the column. Say we have a transfer that conveys Lot 1, Block 2, John Jones' subdivision. We simply turn to John Jones' subdivision, and under Lot 1, Block 2, we post that number, not a single other thing, and every one of those postings is compared back the very minute it is posted.

MISS GRACE E. MILLER (Racine, Wisconsin): I noticed in the accumulation of your material, you seem to have much you will never use.

MR. McPHAIL: We may have, but if we need it, we have it right there; we do not have to go to the court house to look for it. I have had that question raised before, but I can not see but what it is a good thing to have everything in the office, if you can have it; it does not cost much more; you make a daily take-off, you abstract it complete, file it, you have got it forever. We have the records from the year 1895, down to date.

MR. PRYOR arose to speak.

CHAIRMAN: Mr. Pryor. I recall hearing you say that on your tract indexes, up to a certain date, approximately fourteen years ago, you carried a limited amount of information, and then you changed that system and began to post a more detailed information out of instruments. The group might like to know the reason for that change.

MR. PRYOR (Duluth, Minnesota): The reason for that change is a local situation in our county. Our county is 60 miles wide and 120 miles long. Our population is in two general centers, one located in Duluth, 105 or 110,000; then a cut over area, where very few people are; and 60 miles away we have the iron ore country and another 100,000 or more people in those areas.

We found there were a lot of telephone calls coming into us over long distance for specific information as, for instance, is there a mortgage on this piece of property, or who owns it? We found that by putting this additional information on the tract indexes, when they went to the expense of calling for this information, we could give it inside of three minutes.

I think that is just about the reason why we went into that rather expensive indexing.

Arbitrary Numbers

One question I wanted to ask Mr. McPhail, why he uses an arbitrary number on his index instead of the registered book and page, or the documentary number? It seems to me a specific number would reflect the records in the Office of the Recorder of Deeds.

MR. McPHAIL: We run everything into this book, and we carry the court house number, but that has gotten to be a big number and it is easier to write a small number and change your series.

MR. PRYOR: We are carrying seven numbers at the present time.

MR. CHARLES EIDSON (Harrisonville, Missouri): You say you take those off every day, and then you bind them, after having abstracted them for your own records?

MR. McPHAIL: We never had any trouble with any checking we ever did.

MR. EIDSON: We have a great deal. We keep two sets of books, one from original instruments and one from records.

MR. McPHAIL: We take from the original instrument and compare our work with the original instrument, and go right on through.

MR. EIDSON: If something happens to change the records, you are stuck.

MR. McPHAIL: That is right.

MR. L. V. RHINE (Paragould, Arkansas): With reference to tax items, which you put in your indexes, doesn't that make your indexes very voluminous, hard to handle?

MR. McPHAIL: It makes them voluminous, but not hard to handle. If a man comes in and wants to know if a piece of property has been sold for taxes, I can tell at a single glance what the situation is.

MR. RHINE: In Arkansas, we have a great deal of trouble with taxes, and I am afraid if we indexed every tax item, we would have more indexing on taxes than anything else.

MR. A. F. SOUCHERAY (St. Paul, Minnesota): Mr. McPhail said he accumulates his abstracts daily until he arrives at a certain number, when they are bound into books, and filed away until ready for use. I do not know what volume of business he does, but it would seem to me that he has many descriptions in these; and of course he has more than one employee. But only one employee can work on one book at a given time. We use the number of the Register of Deeds similar to the way he explained his set up. These abstracts are filed away in numerical order, in a box set-up as individual slips, and thus several girls can be working at the same time on the respective matters in which they are interested.

Now, there is one thought that I would like to interject that might be of help and might mean some additional business. In our city and county we handle probably 75% of all the recordings; that is, for the Federal Savings Banks, banks, attorneys and realtors, and we make many abstracts before the instruments are filed. We put a carbon copy in the back of the original take-off which becomes our record. We find by that system that we can deliver our abstracts faster by certifying, not up to a certain time, say 8 o'clock, but certifying up to and including a file number.

We make a service charge for advancing the recording fees and taxes, and we have very few complaints on this except occasionally from those who are probably trying to compete with each other in the mortgage loan business. But when we explain it to them, they readily pay the service fee for the recording. We not only make money on the service charge, but practically pays the salary of a man in that department. We likewise save the labor in work we otherwise would do in our court house in abstracting slips.

CHAIRMAN: By way of laying a foundation for future discussion of that subject, I would like at this time a showing of hands as to how many of us record instruments, advance recording fees, and Internal Revenue Stamps, and check the instruments for errors or omissions, without making any charge whatsoever for it? (Approximately 80%).

Let us note how many there are, ladies and gentlemen. Here is a lending institution whose offices are perhaps six blocks from the court house; normally, they would have to send an employee to the court house to record their instruments, and, possibly, stop at some place on the way to buy Internal Revenue stamps. Certainly, it is a tremendous advantage and help to them to have an expert look over their instruments and catch the omissions and errors that happen regularly and to affix stamps and record them. That service is worth a great deal to them. We render that service, and apparently many of us are pleased to render it without any charge whatsoever.

I think this is an important subject and should have more time in our discussions, if time permits. We are indebted to the gentleman for bringing it up . . . . . .

CHAIRMAN: We closed this morning's meeting with a request for a showing of hands in reply to the following question: How many of you receive instruments to be recorded, check those instruments for errors or omissions, advance recording fees, Internal Revenue Stamps, bookkeep recording fees and record the instruments, and then make absolutely no charge?

That showing of hands left about three persons among perhaps fifty or sixty with their hands down, and I think we all had the reaction that there was something about that free service that was unfair to us, or a matter of neglected opportunity; that in some way we ought to be compensated for those services.

During the noon hour, I discussed with half a dozen members what policy we should adopt for the balance of these discussions. Some ideas were expressed along this line: That we have members tell us how they make their take-off, and, what and how they post, and spend much time discussing matters of that kind, and nobody goes home and does anything about it.

We also had some talk along these lines: That some abstracters has expressed themselves to the effect that,

having taken the time and spent the money it costs to come to these conventions, they go home with a feeling they have gotten little out of them, at any rate, nothing they have been able to convert into dollars and cents.

Out of that talk came this idea: That we devote all the time possible today and tomorrow, to the one general subject, of how we can make more money in the abstract business; and endeavor to send every member home saying: "That trip to St. Louis earned me my expenses over and over again." So let's confine our discussions to that very interesting subject: how we can make more money.

Some of us live in areas where there is a great deal of land acquisition by the Government; others in areas where there are large scale housing projects; and others in places where there are no emergency housing projects and no land acquisitions, but where there is an increased demand for real estate due to the fact that people are making more money in war production, and can realize for the first time a life's ambition to own a home or due to the fact that people think buying real estate is a good hedge against inflation.

In all those areas we are now doing a profitable business; and we may feel that things will stay that way. But land acquisition will stop; housing projects will be completed.

In my own community we are in that third group, where there are no land acquisitions by the government, no large housing projects, but where higher war production income or the desire to hedge against inflation have made a good real estate market and good business for us. We think we are facing a prospective decrease in volume of business, for the simple reason that there is less and less improved real estate left for the people who are making more money to buy. If a man sells his house now, he has trouble finding another house to move into. There being no housing projects, the mortgage volume has also gone way down. There are more pay offs than new mortgages. So we are facing a decrease in volume of business. I think most of you will as the war goes on experience a decrease. That makes the subject of how to make more money a very pertinent one.

I am going to mention as the first one of several ways and means to make more money, the raising of fee schedules now; and I am going to give you a brief outline on that subject and invite your discussion; the idea being to keep the discussion as much within the outline as possible.

Here is the outline:

Raise fee schedules now.

A: Necessary to keep us in business because of
   a. Mounting overhead;
   b. Decreasing volume of business;

B: The price of every other commodity and service has gone up.
   a. Cost of living;
   b. Wages of labor; cost of materials;
   c. Banks have—to meet same conditions — increased service charges; reduced interest on savings accounts;
   d. Insurance companies have to meet same conditions. Discontinued some forms of annuities; reduced interest on others; increased rates generally.
   e. All professionals are charging more for same services.

C: The time is opportune.
   a. Everybody expects to pay more for everything;
   b. Clients, generally, are much more able to pay;
   c. Banks, lawyers and insurance companies, who are most influential arbiters on fees, have themselves taken steps to meet the same conditions;
   d. The fairness of a raise at this time can easily be justified.

Now, there is your outline, the frame-work within which we might proceed with this discussion. Is there anybody who would like to contribute some ideas on the subject whether we should raise our fee schedules now.

MR. EIDSON: Let's have a showing of hands of those who have not raised prices in last two years.

Approximately 50% raised a hand.

A Rising Market

CHAIRMAN: I went into a grocery store the other day to buy some strawberries, and there was a colored girl there who wanted to buy one of these ordinary peppers; she took it off the counter and said to the clerk, "How much is this?" He replied, "Fourteen cents." She put it back. Certainly a pepper like that did not cost more than a nickel two years ago?

You buy a Saturday Evening Post and it costs you 10c; two years ago, it cost you a nickel. Examples could be multiplied indefinitely. All the way down the line, whatever you buy, whatever service you get, you pay much more. Fifty per cent of you fellows are paying substantially more and higher taxes, paying higher wages, have made no increase in your fee schedules.

May I inject this: Some of us may have had the question occur to us as to whether or not we are bound in any way by regulations anent ceiling prices. I am informed there has been an official interpretation of that ceiling price rule to the effect that abstracters, among others are not subject to price regulation.

MR. RUSSELL A. FURR (Indianapolis, Indiana): We have no necessity for raising prices; we are already in excess profit. We did raise our prices. We also added something to our services for which we charge. I do not know how many of you gentlemen have so-called zoning ordinances in your town. I think we got this idea from a convention a few years ago, and I imagine the addition of the zoning sheets in our abstracts has brought us in, on the average, $6,500—over $6,000 or $7,000 a year for the past ten years.

CHAIRMAN: You speak of being in excess profits now. After all, we haven't gotten to the point where they take all our profits, and we still have an incentive to make additional reasonable profits.

MR. FURR: No use to make it, if you can't keep it. You can work overtime, and pay help that way. We charge a dollar for this zoning sheet, showing the area, the height and the type of a building that can be built in that particular location, and for that we get one dollar.

CHAIRMAN: Can anybody give a good reason why abstracters fees should not be raised at this time, or why he won't go home and raise his? We should raise our fee schedules to a level that we can at least stay in business and create a reserve.

MR. SELBY (Lamar, Missouri): Your competitor is the main reason.

CHAIRMAN: You say you can't raise your fee schedules because of your competitor. Who else can't raise his because of his competitor? About six.

MR. GROOM (Forsyth, Mo.): I do not feel that I can raise my prices for the same reason as Mr. Selby (Member from Lamar, Missouri) says he can't raise his. I have competitors that even go under my prices. Many clients go shopping to see where they can do the best—that is, the cheapest.

CHAIRMAN: Have you tried to get your competitor to see the wisdom and desirability of pricing our products at a better-than-cost basis?

MR. GROOM: No, sir.

CHAIRMAN: He might go along with you.

MR. B. F. HILTABRAND (Bloomington, Illinois): I would like to say a word about this matter of competitors. A great many years ago, we had in our county three abstracters and I remember very distinctly one of them coming to our office and saying, "Now, Hiltabrand, if your company will go along with us, we have a set-up whereby we are going to cut the prices and going to put this other fellow out of business." I said, "No, we are not interested in that. Of course, we can not determine what you are going to do, but we are going to maintain our prices, and we believe that we will have a sufficient number of followers so we will stay in business."

Well, as it developed, a few years later, we consolidated with one of the companies. In a few years we were able to get along competitively with the other competitor and we had very nice working conditions. In fact, those things worked along until our other competitor finally was—well, we will say eliminated because of the depres-

sion, bank failures, etc., and there was little economic call for his continued existence. However, we operated competitively in very good shape for thirteen years. With the last few months, we found it necessary owing to increased living costs, to give raises to our employees. So we raised our prices. I will say that we had no opposition. We have not had a complaint. We have had a few rather joking remarks from some of our attorneys, and so on, but this is the time when people are aware that these conditions exist, and if ever you are going to put into effect raised prices, this is certainly an opportune time. We are not contemplating any further price raise in the future, but that, of course, will be controlled by factors of the future.

CHAIRMAN: You made one raise within the last three months?

MR. HILTABRAND: Yes. There are instances where competition can not be worked with, but that would seem rather unusual where common sense and a realization of existing conditions fail to influence people.

CHAIRMAN: Is it not true that this difficulty about the competitor is usually a matter of not trying.

I like to spread this thought, that in any community the abstracters taken together have an absolute monopoly of an absolutely indispensable service. That is not true, of course, where in any community you have the competition of a "curb-stoner," but in any community in which in order to render the right kind of title service, you must have a title plant, if you take the abstracters together as a unit, they have an absolute monopoly of an absolutely indispensable service. They are absolutely necessary to the business life of that community. If they were together and decided that on, say, the first of August, the fee schedules were going to go up, to meet increased overhead or other changing conditions, everybody would have to pay that increased price. I am assuming, of course, that they stay within the bounds of what is fair and reasonable. Each of the competitors has exactly the same interest at stake. I think it is a fair conclusion that when one man says, "I would like to do this, it would help me a great deal, it would enable me to give better service, facilitate transfers of real estate, make me more money, but my competitor won't go along with me," that in a great many of those cases no effort whatsoever has been made to make the competitor see the mutuality of interest.

Any other contributions to this subject?

CHAIRMAN: Here is another heading and outline for your discussion.

Cut Down Free Services

A: Free information from our plant records;

B: Searches at or after closing;
   a. For payment of taxes; special assessments; judgments; paid at closing; but the abstract does not yet show them paid, and the parties want the abstract, when the transaction is all closed to show the correct situation with respect to these liens;
   b. For releases of mortgages; other liens; discharged at closing;

We have in our community what we call a marginal release; a lender goes into the Recorder's Office, and with a rubber stamp stamps on the margin of that mortgage: "I hereby acknowledge full payment and satisfaction of the within mortgage and notes. SECURITY TRUST AND SAVINGS COMPANY: By So-and-So, Secretary." This marginal release is attested by the Recorder. The abstract is brought in to show the transaction closed, which means including the marginal release of the old mortgage. We go over to the court house in the morning; the release is not yet on record; and we go again in the afternoon; and we may do this for ten days in a row, until finally the Secretary of the Trust and Savings Company has had time to go over and release that mortgage; whereupon, we can show the release in the abstract and deliver it. Our schedule charge is 50c for that release; and sometimes we go over to the court house ten times to earn it.

C: Services to lenders in mortgage transactions:
   a. Checking instruments for errors:
   b. Advancing recording fees;
   c. Advancing revenue stamps;
   d. Making interim searches before recording instruments;
   e. Reporting prior liens or defects in title prior to recording instruments;

Incidents to Free Services

a. Considered singly they may not amount to much; taken in the aggregate and over a period of time, and making allowance for the soldiering that goes with them, they displace a substantial part of your overhead.
b. Mortgage lenders are saved a great deal of time and expense in having abstracter record their instruments, and advance recording fees and revenue stamps and get substantial protection in having their instruments checked as to description and execution before recording.
c. Many attorneys now itemize their services on statements of fees, and list every phone call, every letter, every casual conference and piece of advice.
d. Most clients want a charge for every service, however small, —ask for it,—do not want to be under any obligation.
e. We are in business for only one reason: To sell title services. When we give them away it is the same as the grocer giving away his sugar.

Now, Mr. Soucheray, will you tell us some more about your charges for recording instruments?

MR. SOUCHERAY: I do not know how many years ago our Company started the practice of charging, probably dates back fifteen years. Our Company approached the lenders of money, the large real estate firms and the outlying banks with the proposition, that if they would send us papers for recording, we would advance the money, not only for recording, but taxes, revenue stamps, and that we would make a small charge to partially compensate us for our work. We presented it to them on this basis, that at the present time, if they were an outlying bank, outside of the Loop of the City, that in order to record their instruments it would necessitate a messenger by car or street car to go to the court house, who would have to go into various recording offices, spend probably an hour or a half hour to record the instrument, and they would have that employee's salary to pay; and that we could absorb the cost of that one employee by taking care of their recording. Through that argument we sold them on the idea of sending us their business.

Now, we had another thought in mind: If our employees at the court house have to abstract all the instruments recorded, by having the papers before they are recorded, we can make our abstracts in our office, thereby saving our court house employee the job; and, likewise, we increased the speed of our delivery service of those abstracts by being able to include the day of the recording, rather than starting at eight o'clock the next morning.

CHAIRMAN: If you had your choice between either making no charge at all or not having those instruments in your office and being saved the necessity of abstracting them in the court house before you can put them in your abstract, which choice would you make?

MR. SOUCHERAY: I think I would make the choice of not making any charge, but all the clients using it recognize that we are saving them money. In fact, some even pay in advance. An outlying bank sends down a satisfaction to be recorded. The customary fee is 75c to record a satisfaction; they may send us check payable to our order for 85c, so in such cases we do not have to advance any money.

CHAIRMAN: What is the differential for?

MR. SOUCHERAY: That is our fee.

CHAIRMAN: A dime?

MR. SOUCHERAY: Yes, sir, on every instrument.

MR. FURR: We got our idea on zoning showings from a convention about ten years ago. We attached a sheet in our abstract showing the zoning of our particular property; it shows the permitted height and area of the building, and the use to which the building can be put; and for that we

get one dollar apiece. It goes in every abstract.

CHAIRMAN: Isn't it our experience, where we have hesitated to impose an additional fee or to increase a fee, feeling that the client would kick, that the lawyer or the mortgage lender would kick, but we finally mustered enough courage to do it, that we found nobody kicked at all,—isn't that quite generally our experience?

Now, how many of us charge for information from our books—how many make a charge for that? About a half dozen.

Is there any reason why all of us should not make a charge for that service, except, perhaps, to a bank or a real estate man who brings a lot of business into our offices? Of those persons who come into our offices to mooch free information, there are many we have never seen before, and never expect to see again. Why shouldn't we charge them 50c or $1.00? It may take one of your girls fifteen or twenty minutes to look up the information asked for.

Do we have any other examples of free services?

MR. KINKEAD (Hot Springs, Arkansas): I have one, there was an agreement in the contract that the seller, the bank, from whom I bought the plant, would be allowed free service; can't get around that.

CHAIRMAN: Do any of you have this experience. Where a mortgage transaction or a transfer of title have been closed and as part of that closing, certain taxes were paid; and the parties want that abstract, when it comes back to them, to show that tax paid and one of your employees must go into the court house and check the record of that tax to see whether or not it has been paid; and that employee may have to go back several times to check that record until payment is posted. The same thing applies to other liens. Do you make a charge in such cases. Several make a charge. (This after a showing of hands).

How do you set that charge up on your schedule, or don't you set it up?

MR. KINKEAD: By supplemental certification charge of $2.50.

CHAIRMAN: Does it make any difference how many instruments go into that re-certification? Take a normal transaction, you have brought the abstract to date; then the transaction is closed outside of your office; the abstract comes back to you, and the extension shows a deed, a new mortgage, the release of an old mortgage, a change in the tax situation, perhaps an affidavit recorded as part of the closing; now do you make a blanket charge of $2.50 for that?

MR. KINKEAD: We charge one dollar for each instrument shown, and a re-certification charge of $2.50, if within sixty days.

CHAIRMAN: That blanket charge is a certificate charge?

MR. KINKEAD: Yes, sir.

CHAIRMAN: It happens very often, I think, in all our offices, that certain lenders will send in a mortgage with instructions to record if the record is clear. In other words, it is your responsibility. You make the interim search since your continuation, draw the conclusion that there is nothing in the interim record that jeopardizes the first lien of the mortgage; and then record the mortgage.

Now, apart from any fee for showing instruments, do you make a charge for the service you render and the responsibility you assume when you record that mortgage? I spoke to McCune Gill about that this morning, and he told me that that service was worth $5.00, without reference to anything else, and that is what he charges and gets without any question. Any ideas on that?

MR. ROY C. JOHNSON (Newkirk, Oklahoma): We do occasionally have that, but we feel that that is definitely encroaching upon the bar association's business, and for that reason we will not assume that responsibility.

CHAIRMAN: Would you say it is encroaching on the lawyer's field if the request for this service came from an attorney or from the legal department of a lender.

MR. JOHNSON: Definitely, it is in Oklahoma. We are passing upon the validity of every instrument which may have occurred between the last continuation, and the time we record that mortgage.

CHAIRMAN: Your instructions from the lending institution would probably not go that far. If you found any instrument that left a doubt, you would be expected to report the existence of that instrument. Let us assume an attorney ordered the continuation. By the time he gets ready to close his deal, perhaps weeks have elapsed. He draws his mortgage, gets it signed, then sends it to you with those instructions. It may be doubted whether you are encroaching upon his field. If an instrument had intervened and there was some doubt as to its legal effect you would probably report the existence of that instrument to him and let him decide whether you should record the mortgage.

MR. EIDSON (Harrisonville, Mo.) to Mr. Johnson: What do you do, send them back to the loan company that sent them to you?

MR. JOHNSON: Absolutely.

MR. EIDSON: Send them to your competitor?

MR. JOHNSON: Well, we have never had any difficulty of that kind in our county because we have set up the precedent of letting the attorney entirely cover his field, and in so doing we have entirely kept our abstract business an abstract business and simply won't have any of that difficulty whatsoever.

MR. EIDSON: You have never had the experience of an attorney coming to you and handing you six or ten deeds to file, and with instructions that if everything is clear, bring the abstract down to date?

MR. JOHNSON: No, sir, we have not.

MR. EIDSON: You are not encroaching upon the field of your attorney when he personally asks you to file his papers for him.

MR. JOHNSON: We file papers, yes, but will not pass on anything which will place us in a position of passing upon papers to be recorded or in the record.

CHAIRMAN: I should like to retrace our steps for just a moment. Mr. Gill, before you came in, we had some discussion that involved the question of uniform fees. Can you give us any ideas as to what kind of an agreement or understanding as to uniform fees could exist between abstracters in any city or in any state that would or would not violate the federal statutes in restraint of trade.

MR. WM. GILL (Oklahoma City, Okla.): I do not know of any kind of agreement which contemplates there should be charged the same identical prices. Probably such agreement would not be legal. I think such an agreement would in any case be dangerous practice. However, I feel we can agree that a certain price level is fair and reasonable and that products should not be sold below that level.

CHAIRMAN: And all were free to adopt it or not adopt it and the fact that they did adopt it did not change the underlying principle. May I ask you this: It is a well known fact that banks, and clearing houses do get together in towns or in states and agree on uniform service charges. Are not those agreements the same in principle and equally censurable as the one we speak of?

MR. GILL: I could not say. I know every bank in Oklahoma City makes an identical service charge for every check cashed.

CHAIRMAN: We also have in the cities uniform fees promulgated by bar associations. We have medical associations with uniform fee schedules. In what way do the principles there differ from the one we are applying to abstracters?

MR. GILL: I could not answer that question. I assume it is by common consent that other professions do those things. I can not see why we should not be permitted to do it when other organizations do it.

MR. JOS. BURTSCHI (Vandalia, Illinois): I have in my hand an agreement that goes to all the depositors of our banks. It is printed and mailed to the depositors. They all understand that it is an agreement between the banks.

CHAIRMAN: For my part I do not see any distinction between what the banks are doing and what the abstracters might do, at least in principle.

Now, let us go to another topic. I have here a subject and outline that

should provoke a great deal of discussion. This subject and suggestion is that, in the interest of producing more income and collecting full schedule fees, we should—

Eliminate Estimates As to Prospective Fees

A: Regardless of how hedged, the client takes an estimate as a commitment that it will be approximately the fee to be paid when the job is done;

B: It is impossible to make accurate estimates; the abstracter's tendency is to make them low so as not to endanger the order;

C: They produce a loss in fees because estimates are usually lower than schedule fees and the abstracter tends to stick by his estimate.

D: They offer an inducement to the client to shop for price and award the job on the basis of the lowest estimate;

E: They tend to induce among competitors competition by price;

F: There can be no uniformity in schedules between competitors if estimates are given;

G: The time required to make them is wasted when the job goes to the competitor at a lower estimate.

May I interrupt here with some words about the experience of the abstracters in my own community. After discussing these points, as I have read them to you, we came to the conclusion that we should no longer under any circumstances give a man an estimate in advance of the completion of the job. Surprisingly, we encountered very little difficulty. We are now free, when the job is done, to charge the scheduled rate which, in our case, is $1.00 per page, plus $5.00 for the certificate. I am speaking now only of orders for complete abstracts. We apply that rate without any question and we collect the full schedule fee for each complete abstract.

May I give you a brief picture of what we had before. For over fifty years, that rate was the rate for complete abstracts in my community. Then came along in recent years a demand for estimates. The abstracter would make a careful estimate. When the job was done the schedule fee ran $15 or $20 over the estimate because, possibly, the abstracter did not know whether a will would run two pages or fifteen, or whether a foreclosure proceeding had cross complaints in it, or the length of any other instrument. At any rate when the abstract was done the schedule fee was perhaps $75 and the estimate perhaps $50. We knew the client would expect us to stick by the estimate. When the client came in and got his job and the abstracter told him that he was getting a bargain; that it should have cost $75, and he was paying only $50, that client made up his mind to never award another job without getting an advance estimate. From that point on it was his natural conclusion that, on the next job, if he also went to the other two abstracters and got an estimate, he might save still more money. Then, by and by, came refinements. He went to one abstracter and said, "I got an estimate of $45 for this job; I would rather have you make it, if you want it for $45, the job is yours;" and so on down the line. Worse yet, the abstracter himself, noting that he was losing jobs on lower estimates by competitors, gradually began to take into consideration when making his estimate, "This fellow will probably get estimates from my competitors." So he tried to make his estimate in an amount that would land the job for him. So we went from bad to worse, until finally with a schedule of $1.00 a page, plus $5.00 for certificate, we were delivering way below our schedule. Clients shopped from door to door. We abstracters were competing by cutting prices. Now, without estimates we collect full schedule in every case. We have no competition by price. We do compete on quality of service.

At first, when a client came in and asked for an estimate, we gave him the schedule and explained that we had no way of knowing how long the abstract was going to be until compiled and typed. He could not find that unreasonable and did not. Now, there is no longer any question about it. Everybody knows there is no way to find out in advance how much his abstract is going to cost.

In establishing this new rule we considered that a man should have some idea what the job will cost because if it is much more than he expects, he may let you keep your abstract and refuse to take it. So we established a maximum charge for complete abstracts. We fixed that charge at $75. We reasoned this way: If we can collect the full schedule fee in every case up to $75, the occasional job that runs over $75 isn't going to hurt us; and if we can say to a man, "We can not tell you in advance how much this abstract is going to cost, but we can tell you that it will not cost more than $75," then he does for all practical purposes have an estimate he can figure with and when the job is done and it costs $65, he will feel he has saved $10, because he was prepared to pay as much as $75; and when the abstract runs a schedule fee of $85, he will be pleased because he got it for $10 less than he normally would have been billed. That situation has worked out very satisfactorily.

On the same basis we then worked out a complete schedule for any number of abstracts. If a man wants seventeen abstracts or thirty-five or one hundred and seventy-eight and goes into any abstract office in our community, he will be told exactly what the one hundred and seventy-eight abstracts will cost him; not in exact dollars because that cost is based on the variable fee for the first abstract. We tell him one hundred and seventy-eight abstracts will cost him a certain index figure applied to the variable cost of the first abstract and he sets that same index figure in every office. We say, "You have just as much information as we have. We cannot tell you what the first abstract will cost because the fee for that abstract, based on its length, is variable but we can tell you that one hundred and seventy-eight abstracts will cost you so many times the cost of that first one, and if you figure that first one at the maximum you can compute the maximum fee for all one hundred and seventy-eight.

In the case of these multiple jobs we were shooting at uniformity. They formerly went for a song because each abstracter felt there was an advantage for future continuations in getting a large number of his abstracts into circulation. By this arrangement we created uniformity and also an adequate fee at the same time. We went still further to obtain uniformity by establishing uniform terms and payment and uniform arrangements for delivering abstracts in multiple jobs continued to date as needed. We now have absolutely 100% uniform schedules applied to complete abstracts in any number, without any estimates whatsoever, and at a very substantially increased income.

I would like to ask you generally whether you have the same experience we had, that your estimates are practically in all cases less than your scheduled fee, and that you feel bound by the estimate, having given it?

MR. GROOM: I have been accustomed to making estimates, but I found nine out of ten are made at too low a figure, so I told my granddaughter who works with me, just a few days ago, there would be no more estimates go out. We have a schedule of fees and when they come in now and want an estimate, I tell them my price is so much per sheet, so much for certificate, so much for copy work, and when the abstract is completed, I can give them the exact cost.

MR. EIDSON: Did I correctly understand you to say you made a maximum price of $75?

CHAIRMAN: Yes. It has been raised since, but that was the basis on which we made our arrangements originally. The raise in maximum has not disturbed the general arrangement and the general plan can function on the basis of a maximum in any amount.

MR. EIDSON: Usually near what will they run?

CHAIRMAN: Our average fee for a complete abstract is about $65.

MR. EIDSON: We would hate terribly to make such an estimate in our county, for our abstracts may vary from $275 to $300.

CHAIRMAN: You can establish your maximum in any amount without af-

fecting the general features of the plan.

MR. EIDSON: We have had the same problem confronting us for many years, and I wonder if this would work, to charge the prospective purchaser a fee of whatever you thought was reasonable, $2.50 or $5 for making the estimate, and if he ordered the abstract, that fee would be applied on the purchase price. At least, that would stop him from going to the competitor, because if he went to the competitor he would have to pay another fee of $5 for an estimate; with four abstracters in the county, he would be out $20 to get an estimate. I do not believe he can save that much in any one place. It struck me that that possibly would be a good way to handle it, but I have not put it in practice.

CHAIRMAN: We tried to consider the elimination of estimates from all angles, and devised a great many plans. You will be interested in our proposed Plan No. 2. This is discarded plan No. 2: MAKE A CHARGE FOR AN ESTIMATE, say $10.00, with a stipulation that the fee on completion would be at the rate of $1.00 per page, irrespective of the estimate, and that the amount paid for the estimate would be applied as part of the fee.

ADVANTAGES:

a. The client knows in advance about what the fee will be;
b. The arrangement would appear to the client as being very fair. It adds nothing to the fee. The estimate costs him nothing if he awards the job.
c. The abstracter does not lose the time he spends in running the title and making his estimate.
d. It would eliminate shopping for price because no client would pay for an estimate in more than one office.
e. It would restore to each of us the clients who have been lured elsewhere by the prospect of price cutting.
f. With shopping eliminated and the payment of a fee for his time in preparing the estimate the abstracter could devote enough time to the job to produce an estimate that would not present any substantial variance when the job is done; and there would be no reason why he could not make the estimate high enough to make certain that it will cover a $1.00 per page fee.

OBJECTIONS:

a. The estimate fee must be collected before the estimate is made. If it is not, it will never be paid if the job is not ordered.
b. If payment in advance is not required the client can go shopping without cost to himself and award the job on the lowest estimate.
c. Lawyers, real estate men and other clients, acting as agents, would not want to pay the estimate fee in advance. It would have to come out of their own pockets. The tendency would be to make exceptions. The exception would probably become the rule.
d. If the fee is not paid in advance, the plan collapses.

So, we decided that it would not be practical to go ahead on the basis of making a charge for the estimate.

MR. EIDSON: Leaving out your Objections, I think your Plan is perfect.

You brought up the question there of an attorney. You have an attorney who patronized you all your life, ever since you have been in business, giving you all his business, just occasionally, once in a while, he wants to know about what this abstract would cost, and it is pretty hard to tell him you can't tell him. I think the Plan you have there is perfect.

CHAIRMAN: Charlie, there is only one answer I can make to that. The plan has been in effect for several years and it works satisfactorily. An exception might under special circumstances and at rare intervals be made. Such an exception fortifies and strengthens the general rule in practice.

MR. FURR: I would like to ask, if you build a new home do you give it to the contractor and say, "This is the house; you can send me the bill."

CHAIRMAN: Probably not, that is a matter of perhaps $5,000. Here we have a small amount variable only between established and acceptable limits.

MR. FURR: You ask him for an estimate. It costs him money to make an estimate.

CHAIRMAN: He can make a fairly accurate estimate and does not often lose by it. The abstracter cannot and almost always loses. Besides ours is a constantly variable personal service. The builders' estimate is mostly a matter of visible dimensions.

MR. PRYOR: On that same point of estimates, I have instructed my force to go through the regular routine of making an estimate for their own satisfaction and information, and then quote an estimated price twice the amount of the calculation.

CHAIRMAN: You have no competition?

MR. PRYOR: I have competition. My competitor is doing the same thing, and when we get all through, we are able to say to the client, "This abstract is not going to cost you as much as we told you it was," and he goes away feeling pretty well satisfied.

CHAIRMAN: Why don't you charge the amount you estimate?

MR. PRYOR: We want to be good fellows. I have many times quoted a price of $40 for an abstract which we figured might cost $20, and when we got all through with it, it cost $22.50, and we charged the man $22.50, said, "We are able to save you $17.50 below what we told you," and he goes away satisfied, and that is all there is to it.

MR. L. V. RHINE: We use the same practice as Mr. Pryor does, and I find it really is a good thing. The public comes in and they like it. We make an extra heavy estimate, the abstract runs less and the client comes in and pays his bill and he feels good about it.

CHAIRMAN: You still have the competitor as a problem.

MR. RHINE: I have the competitor problem, but it makes no difference. If we bid $40 on a $75 job, he would bid $25; so we don't pay any attention to him, and I find we are really getting results by using that system.

MR. W. M. McADAMS (Kansas City, Mo.): It seems to me that the matter of pricing abstract is not as tough as it seems on the surface. We have never had any particular difficulty with this. Of course, as far as the regular customer is concerned, he just calls up and says, "Make me an abstract."

I am referring now to the stranger who walks into your office. It occurs to me, if you take that stranger, (and usually he is not unreasonable—at least he has sense enough to acquire a piece of property) and explain that it is impossible to estimate a job accurately; that if you do estimate it, you are going to make it high enough to cover everything; be like the fellow in the automobile business, where we pay an exorbitant price for a valve grinding job because the public demanded estimates. You might take in a brand new car, run it one thousand miles, needs tuning up a little, and the public is paying an exorbitant price as a lever here.

Now then, if you will tell the man who wants the abstract that you can give him an estimate, but make it too high than what it is, and that he may rely upon your staying in business and that you can not cheat him under those circumstances, I think he will give you the business on the strength of the fact you will charge him what it comes to when the job is finished instead of giving the estimate $25 too high. And that is the way we have always gotten along.

CHAIRMAN: Let us make sure that while we are spending a lot of time on this subject it will mean something in a practical way. I would like a showing of hands. Let's be absolutely honest about this. How many of you deliver—let us take the complete abstract—how many deliver complete abstracts at less than a full schedule fee because you have made an advanced estimate? (Twenty-five hands raised.)

MR. GILL (Oklahoma City, Oklahoma): I disagree with you on that. I jotted down here four or five reasons why I do not think your Plan is practical. Now, you may not have the conditions that we have in our city. In our city the HOLC and Federal Housing Administration will not furnish the purchaser any title evidence. I believe it is an obligation on the part of the title company to tell that purchaser

definitely what that abstract is going to cost.

Another case, is the matter of cheap lots. We make a practice when we get an order on a pair of cheap lots to go back and figure what that abstract is going to cost before we even make it; we make it high and call the customer and tell him so.

Another case is on oil and gas leases. In many cases the owner of the property will furnish an abstract when the lease is purchased. In other cases, the man must pay for the abstract. I feel they are entitled to definite information as to what it is going to cost.

Another case—competition between mortgage companies is so keen that the placing of that loan with one or the other company is dependent upon the expense of that loan. I contend in such a case the loan company, or the property owner, is entitled to that information.

Then, I want to leave with you, the point that a title insurance company gives the public a definite price—no "ifs and ands" about it at all.

CHAIRMAN: Bill, I want to say this, as a very sincere compliment to you. As I told you, we considered this situation from all angles, spent many hours studying it. I can read to you out of my notes here, almost word for word, exactly the same objections to the plan that you stated after just a minute's reflection,—every one of them. That is why we finally got to the idea of the maximum fee, and that solved these objections for us. We were able to tell a man something satisfactory to him about the price, but we did not tell him the exact fee.

We don't print or distribute our schedule. The three abstracters have schedules for their own office use, but it is stated in that schedule, in case we want to print it at some future time and distribute it, exactly why we won't make advance estimates; and if I were to make a general answer to your objections, it still would always come back to this same thing, that with the circumstances surrounding the title business in our community, which are not necessarily the same as other places, the plan has worked very satisfactorily.

MR. T. S. SIMRALL (Boonville, Missouri): I assume that previous to this time that you had been giving estimates?

CHAIRMAN: Yes.

MR. SIMRALL: Didn't you have a lot of resistance to your plan when you inaugurated it?

CHAIRMAN: No; we did not.

MR. SIMRALL: How did you explain to the real estate men and attorneys that you would discontinue to give the estimate, when you had previously been giving them?

CHAIRMAN: We frankly told the whole story; how these jobs were turned out in most instances at a loss and gave them the reasons for it. We explained, for instance, we could not know whether a will would run 2 pages or 15 pages, or the length generally of instruments and proceedings; that estimates generally caused misunderstandings with clients. The established maximum, I think, really put the plan over because it was in effect an estimate.

MR. SIMRALL: Was it your failure to estimate properly that made money for them?

CHAIRMAN: Yes, to some extent. But it was also true that with a per page rate you can not estimate accurately.

MR. SIMRALL: I was thinking about trying to adopt the plan you have suggested and I know because for a number of years we have been giving estimates. I can understand very properly how a real estate man, as in Mr. Gill's case, would come into my office, maybe two of them, interested in closing this deal, and, perhaps, the real estate man had assumed the cost of the title in the deal. Now he wants to know what that is going to be, naturally. Mr. Gill says the mortgage company does it in his case.

Now, I have been doing that for a number of years; I do not exactly know how I am going to explain to that man now I can not make an estimate when last week I could make an estimate. He is not particularly interested in whether or not I am going to make money on an abstract.

CHAIRMAN: By what reasoning do you justify yourself in charging a fee substantially below a schedule, which presumably specifies the fee you must get to make a reasonable profit.

MR. SIMRALL: That is what I am trying to get away from; to set up some resistance to the plan, so that I can know what arguments I can use to get around the resistance.

MR. McPHAIL: I am very interested in this discussion. You mentioned a little while ago that a man might come into your office being the owner of eighty acres of land, plotted into one hundred and fifty lots. You make up the original abstract and charge him the original price, your regular schedule for the first abstract. How do you arrive at the price you are going to charge him for the balance of those abstracts?

CHAIRMAN: Of course, estimating costs is quite a difficult proposition. In estimating the costs of these multiple jobs we took into consideration as best we could the amount of paper, required, what the stencils cost, what the stencil ink cost, how much it would cost to assemble them after you had mimeographed them, how long it would take you to mimeograph them, we took all of those things into consideration, and tried to arrive at fees in that way. If you were to ask me, why 132 abstracts should cost just that much, I probably would have a little trouble in giving you the exact answer, but it is approximately all calculated, on what we thought a basis fair to the public and to us, and including reasonable profit for us.

MR. McPHAIL: Do you make him pay that entire fee when you get through with that entire job?

CHAIRMAN: No, we have our uniform credit arrangements specified in the schedule.

MR. SIMRALL: When you quit giving estimates, did your competitors also quit the practice?

CHAIRMAN: Yes. We work out these things together at meetings at which we discuss mutual problems and arrive at mutually satisfactory conclusions.

MR. KINKEAD: I think in our state there was a minimum charge schedule adopted, first abstract $1.00 per sheet; second copy, 60c a sheet; third copy, 40c; fourth copy, 30c; fifth to the tenth is 25c; all over that, I believe is 20c, and, of course, the certification would be added to each one.

CHAIRMAN: I should like to think that each one of you will go home from this Convention with the resolution, if possible, to give this estimate business some thought. If you do, you will find, I think, that something can be accomplished despite the very good arguments Mr. Gill has made to the contrary—can be done every where, perhaps with some variations; and it is absolutely fair. And I think this, too, when we abstracters say as against any reform, "that we just can not do that, that our competitor won't do it; that the lawyers will object, that real estate men will object;" that we can do most of these things that we can justify by a fair logical argument. And if we can not justify them by that kind of an argument, we should not do them in the first place. Other people are amenable to reason just as much as we are.

MR. E. E. RANDALL (Buffalo, New York): Our company has been making abstracts for a good many years charging for the labor, for the time, never by the entry, just for the labor consumed, no estimates were given, but they are now playing around with that thought, turning the charges of the abstract business similar to the title business, charging one per cent or some other given percent of the sale price of the property, which would allow any real estate man or anybody else to give a direct estimate on any deal whatsoever. They are playing with that thought; I thought it might be of interest here.

CHAIRMAN: That is the valuation charge, which makes the situation the same as Mr. Gill mentioned for title insurance business.

MR. RANDALL: It will cost you money to start with, I imagine, but you would get a better return than ordinarily.

CHAIRMAN: Here is another subject. This is also a money subject. It is entitled, "Collect your fees," and there the outline reads as follows:

A: A careless attitude towards collections:

a. Begets a careless attitude toward payment by a client;

b. Disparages the value of the service in the eyes of the client

B: The converse is patently true;

C: If you are not paid, you are not only out your expense, but you have probably assumed a permanent liability on your certificate;

D: Collection in full of all fees is a substantial addition to income.

Means of Insuring Collection

A: Charge fee to person who orders job, even if agent, realtor, lawyer, lender;

a. You do the job on his order and deliver it to him on his credit and in reliance on his promise that he will collect your fee;

b. You do not know who is obligated to pay the fee; and if you must look to a stranger you must delay performance and delivery until you have his confirmation of the order and assurance that he can and will pay your fee;

c. Your arrangement with the agent is that, if for any reason he cannot collect the fee, you will promptly cancel the item on his account and charge it to the obligated party, **if he returns the abstract,** to be held by you for collection.

d. The agent will not object if the issues are fairly presented.

B: Use a sanction to enforce payment.

a. Retain lien on abstract;

b. Make liability contingent on payment of fee;

c. Provide for evidence of payment on certificate and get lawyers to require such evidence before passing abstract;

d. Evidence of payment on certificate assures lawyer that that there is no defense to liability;

e. It eliminates the embarrassment of the decision whether credit should be extended;

C: Send out statements regularly. The client wants them and collection is often delayed for no other reason.

D: If fee remains unpaid, write purchaser.

a. That the fee is unpaid;

b. That you disclaim liability until it is;

c. That he has not received a merchantable abstract per contract;

d. That, if fee is not paid, he himself may have to pay it in the future.

E: Stress on all occasions the value of your service and the liability you assume.

a. That every dollar of money loaned on mortgage security in your city—

b. That every dollar invested in homes or other real estate in your city is loaned or invested in reliance on your guaranty.

Now, I do not want to create any wrong impression by reading these outlines. It is not that I am trying to tell you the thing that should be done, merely trying to focus your attention to the topic, by giving you certain reasons that occur to me; whether good or bad.

How many of you send out statements regularly? (Majority of hands raised.)

How many of you put a sanction in your certificate, like retention of lien on abstract? (One.)

How many put a reservation of liability in his certificate? (One.)

How many of you experience a loss in fees due to the fact that the people for whom you do the job do not pay them, real estate men, where a deal fails, or lenders, when a mortgage fails. (Numerous hands.)

MR. GILL: By statute, we could not put a reservation of liability in our certificate. We have a statement printed on the top of our invoice which, in substance, says: "This charge is entered against party whom we believe to be responsible for the payment of same. If the charge is incorrect, our attention must be called to it before the abstract goes out of our possession." That helps us some.

CHAIRMAN: When we have an attorney or realtor bring in a job who says, "Don't charge that to me," we say this: "We must charge it to you because you are the only person we are dealing with; we do not know who is obligated to pay it; maybe, the purchaser has agreed to pay; maybe, the seller, but we have to charge it to you. If we can not charge it to you, then we will have to hold it up until we get confirmation of the order from the fellow obligated to pay. But in charging it to you, we don't say you have to pay it, the only obligation we put on you is this; if for any reason at all, (we do not care what the reason is,) when you close your deal, or if you do not close it, you cannot or do not want to collect our fee, bring the abstract back to us and let us hold it for collection, and we will take the charge off your account. That seems to be satisfactory.

We have had in use for, I would say twelve years, a reservation of liability clause in our certificates. It collects our fees. It eliminates the often embarassing decision as to whether credit should be extended.

Every attorney's opinion, written on the title includes a paragraph, that the abstracter's fee must be paid, and evidence of payment stamped on the certificate. When we decided to put that reservation in our certificates, we debated whether to circularize the lawyers on the idea. We finally decided to say nothing to anybody and just start with it on a certain day. We had a call from a bank official, and found him quite irrate. He said, "I am not going to collect your abstract fees." We replied: "We don't ask you to collect our abstract fees, but when you close a transaction, and your opinion shows a delinquent tax, or a judgment for costs, you put in your opinion that these costs must be paid, these taxes must be paid, and you send your girl over to the court house and have her pay them. Why can't you just also say, 'This abstract bill must be paid?' You do not have to go out and make a collection. You get this assurance out of it that if the fees is paid, there is absolutely no defense against liability; whereas, otherwise there might be." Nothing further was said with only one exception, where about the same thing occurred. We have had no kicks about that reservation of liability, and it has been of very great benefit to us.

MR. EIDSON: How do you always get possession of those abstracts to stamp them "paid?" If clients mail a check do they have to return the abstract?

CHAIRMAN: These things depend on local conditions. If it is a mortgage transaction, invariably the abstract comes back to us with the mortgage enclosed, with instructions to record. Attached to that is a check covering the fee for the continuation and the fee for the re-continuation to show the transaction closed. When we deliver the abstract the second time, evidence of payment is stamped on it. When a real estate man closes the dael, he comes into the office, after his transaction is closed, with a check for the fee and we stamp payment on the abstract. Once in a while we are asked to send a girl over to an office to receive a check. She has a little pocket stamp that she takes along, and when she accepts the check stamps payment of the fee on the abstract. The reservation is only on liability. The requirement that evidence of payment be stamped on the certificate is made by attorneys in practice.

MR. EIDSON: I dare say 25% of our abstracts are paid out of Kansas City and we never see them again. It would be pretty tough to have to send it back and put a rubber stamp on it.

CHAIRMAN: They have a check voucher to show they actually paid it. The reservation of liability requires only payment; it does not require that evidence of payment be stamped on the certificate.

CHAIRMAN: It had been planned in connection with this program to devote some discussion to the establishment of new services. As part of that, one service in mind was a closing and escrow service which might very profitably be put into our abstract offices. Al Soucheray has had some practical experience with some escrow services in his office that I think it would be

beneficial to all of us to learn something about.

MR. SOUCHERAY: Probably most of you will recall the Home Owners Loan Corporation lending days.

In our particular area, the Home Owners Loan Division office is located at Omaha. Our Company, realizing that there was a source of business, made a deal with the Home Owners Loan Corporation to send the abstracts to us at the request of the owner of the property, whenever there was a sale pending, or a re-financing on that property. I believe the Home Owners Loan Corporation make a deposit charge against the owner, if he seeks to get the abstract, but with our deal the Home Owners Loan Corporation sends the abstract to us on merely our agreement to replace it in the event it is lost or not returned to them. Upon receipt of the abstract, we get a continuation order of that abstract.

Another service that we were able to develop with the Home Owners Loan Corporation was to arrange with them to be an approved escrow agent; and, again, at the request of the mortgagor, the Home Owners Loan Corporation sends us the satisfaction and all of the necessary papers which we hold and deliver upon being paid the balance due on the Home Owners Loan Corporation mortgage.

Escrow

Now, the source of revenue there, as far as acting as an escrow agent is concerned, depends on how much you can charge the customer. Our banks have a very nominal escrow charge, and ours is probably three times as much as the bank gets.

You might wonder how you can get approved as an escrow agent. The only thing we did was write a letter to the Home Owners Loan Corporation at Omaha, and ask to be placed on their approved list of escrow agents, and we received a reply agreeing to accept our company. Of course, they investigated us first. Now, apparently, many of you here can get lined up that way, and insofar as you are all looking for business today, it would seem that would be another source of revenue to your company.

On the abstract end of it, it is your regular fee, plus the postage that we charge on the continuation, because the Home Owners Loan Corporation sends the abstract to us by express and since we do not know what is going to happen on the deal, we charge the customer for shipment from and back to the Home Owners Loan Corporation.

Substantially, the only work involved in acting as their escrow agent is the matter of taking a check from the buyer, either payable to the Home Owners Loan Corporation, or a check payable to your company; you deposit the check and write another check to the Home Owners Loan Corporation. We make a charge against the mortgagor of $5.00 for that service. It would seem one thing you are certainly going to do is at least secure the abstract business, if you can get it into your office,—and thus you are going to have a source of revenue.

Another thing that has come to my mind and that is this: I wonder how many abstracters maintain a grantee index, so as to go to your attorneys and tell them of another service that you have—such as furnishing them with an ownership list of property by individuals. Our company has maintained such a record kept up to date every day. We find that attorneys are using it as a means of assistance in probating estates; so that they will know that they are getting all the property in the inventory; likewise, attorneys use that service whenever they want to levy and take execution on property to satisfy a judgment. The cost of the set-up and the returns you get out of it are not as much as they should be, but there are certain times during the year when you do have to do things that are not completely profitable, in themselves, but they do assist in keeping your organization together.

Mortgage Lists

Another service is furnishing your mortgagees with mortgage lists that they will turn over to their solicitors as a source of trying to find a loan for their particular company. Now, probably you might say, "Well, the mortgagees dislike your furnishing such information, just as an insurance agent would guard his expiration dates," but insofar as public records are open to inspection by every one in our town, nobody seems to have any complaint.

CHAIRMAN: With that, ladies and gentlemen, the Sessions of the Abstracters Session comes to an end, and the Convention of 1943 goes into the shadows.

I want to thank you very heartily and very sincerely for your cooperation. I believe we are facing in the future a substantial amount of uncertainty, and problems of a kind that we have never encountered in the past. The Association exists to help us solve those problems, and we have a right to expect that service from the Association. We should feel free to write to the National Secretary or to the chairman of other sections or to any of the officers about any problems we might have. I am sure that we all can be helped and that our inquiries will meet with prompt response, attention and, by all means, use our bulletin services to present your problems to other members.

Registration, St. Louis Conference, 1943

ALABAMA

Goodloe, J. W.	Title Insurance Co.	Mobile
Goodloe, Mrs. J. W.		Mobile

ARIZONA

O'Dowd, J. J.	Tucson Title Insurance Co.	Tucson
Ross, Mr., Mrs. J. F.	Arizona Title & Guar. Tr. Co.	Phoenix

ARKANSAS

Caulder, Mrs. Bruce	Lonoke Real Estate & Abst. Co.	Lonoke
Featherston, Alfred	Guaranty Abstract & Title Co.	Murfreesboro
Featherston, Mrs. Alfred		Murfreesboro
Holmes, Junius	Little Rock Abstract Co.	Little Rock
Kinkead, Miles		Hot Springs
Murphy, Mrs. Mary Elizabeth		Little Rock
Rhine, L. V.	Greene County Abstract Co.	Paragould

CALIFORNIA

Brand, J. C.	National Title Insurance Co.	Los Angeles
Bruck, Porter	Title Insurance and Trust Co.	Los Angeles
Cairns, Gordon B.	Napa County Title Company	Napa
Cerini, Floyd	California Land Title Assn.	Los Angeles
La Rue, M. E.	Sacramento Abstract & Title Co.	Sacramento
Henley, Benjamin J.	California-Pacific Title & Tr. Co.	San Francisco
L'Hommedieu, James H.	Alameda County-East Bay Title Ins. Co.	Oakland
McGlynn, T. J.	Tehama County Title Co.	Red Bluff
McGregor, Mr., Mrs. John G.		San Diego
Morton, Thos. G.	Title Insurance & Guaranty Co.	San Francisco
Mullen, L. E.	Contra Costa County Title Co.	Martinez
Smith, Mortimer	Oakland Title Ins. & Gty. Co.	Oakland
Stoney, Donzell	Title Ins. & Guaranty Co.	San Francisco

COLORADO

Graham, Donald B.	The Title Guaranty Co.	Denver

DISTRICT OF COLUMBIA

Bovard, Burton C.	Federal Housing Administration	Washington
Brown, Alan B.	Defense Plant Corporation	Washington
Smith, Francis	Washington Title Insurance Co.	Washington
Stine, Stanley H.	Washington Title Insurance Co.	Washington

FLORIDA

Wetherington, A. B.	Title & Trust Co. of Florida	Jacksonville

ILLINOIS

Binkley, J. D.	Chicago Title & Trust Co.	Chicago
Burtchi, Mr., Mrs. Jos.	Burtchi Bros. & Co.	Vandalia
Burtchi, Mary	Burtchi Bros. & Co.	Vandalia
Burtchi, Josephine	Burtchi Bros. & Co.	Vandalia
Gerke, Wilbur C.	Madison County Abst. & Title Co.	Edwardsville
Gripp, Elmore A.		Rock Island
Hiltabrand, B. F.	McLean County Abstract Co.	Bloomington
Hiltabrand, Mrs. B. F.		Bloomington
Lamphere, Lloyd C.	Rock Island Cty. Abst. & Title Co.	Rock Island
Marriott, Arthur C.	Chicago Title & Trust Co.	Chicago
Marsh, Harry C.	Douglas Co. Abst. & Loan Co.	Tuscola
Marsh, Mrs. Harry		Tuscola
McPhail, Wm. A.	Holland Ferguson Co.	Rockford
Oshe, M. M.	Chicago Title & Trust Co.	Chicago
Parker, John R.	Logan County Title Co.	Lincoln
Parker, Mrs. John R.		Lincoln
Riley, Edwards, Jr.	Woodford Cty. Abst. & Title Co.	Eureka

INDIANA

Allman, Amos. D.	Lake County Title Co.	Crown Point
Furr, Russell A.	L. M. Brown Abst. Co.	Indianapolis
Meredith, Joseph T.	Delaware County Abst. Co.	Muncie
Stockwell, R. W.	Union Title Co.	Indianapolis
Stockwell, Mrs. R. W.		Indianapolis
Suelzer, A. W.	Kuhne & Company, Inc.	Fort Wayne
Wheeler, Miss Lois	LaPorte County Abst. Corp.	Michigan City

IOWA

Johnson, R. F.	Bankers Life Company	Des Moines
Johnson, Mrs. R. F.		Des Moines
Knupp, C. D.	D. C. Knupp & Sons	Vinton

KENTUCKY

Fowler, J. W., Jr., and Son	Franklin Title & Trust Co.	Louisville
McIlvaine, L. W.	Louisville Title Insurance Co.	Louisville

MARYLAND

Buck, Charles H.	The Maryland Title Guarantee Co.	Baltimore
Wilkinson, Paul J.	Title Guarantee and Trust Co.	Baltimore

MICHIGAN

Munro, Edward N.	Burton Abstract & Title Co.	Detroit
Sheridan, James E.	American Title Association	Detroit
Sheridan, Mrs. J. E.		Detroit
Straehle, Edward	Abstract & Title Gty. Co.	Detroit

MINNESOTA

Pryor, W. H.	Pryor Abstract Co.	Duluth
Soucheray, A. F.	St. Paul Abst. and Title Guar. Co.	St. Paul
Southworth, E. B.	Title Ins. Co. of Minn.	Minneapolis
Southworth, Mrs. E. B.		Minneapolis

MISSOURI

Anthes, Miss Helen	Lawyers Title Co. of Missouri	St. Louis
Becker, Ralph	Lawyers Title Co. of Missouri	St. Louis
Barnes, W. R.	General Title Service	St. Louis
Barnes, Mrs. W. R.		St. Louis
Browning, R. O.	Vandervort-Schrader Abst. Co.	Jackson
Culp, Harry R.	Home Abstract Co. of Cape Girardeau, Inc.	Cape Girardeau
Devine, Grover	Land Title Ins. Co. of St. Louis	Clayton
Devine, Mrs. Grover		Clayton
Douglas, Walter R.	Land Title Co.	Clayton
Eidson, Mr., Mrs. C. D.	Hight-Eidson Title Company	Harrisonville
Eisenman, Edward J.	Kansas City Title Ins. Co.	Kansas City
Garrell, Julius C.	Land Title Ins. Co. of St. Louis	St. Louis
Garrell, Mrs. Julius C.		St. Louis
Gill, Mr., Mrs. McCune	Title Ins. Corp. of St. Louis	St. Louis
Groom, Charles H.		Forsyth
Gunby, Fred W.	Gunby Abstract & Loan Co.	Chillicothe
Hansen, H. F.		Union
Hubbard, Mrs. Zettie	Chariton County Abst. & Title Co.	Keytesville
Jacobsmeyer, C. F.	Land Title Ins. Co. of St. Louis	St. Louis
Jacobsmeyer, Mrs. C. F.		St. Louis
Kisling, Mable	Lawyers Title Co.	St. Louis
Kraeger, L. Earl	Land Title Ins. Co. of St. Louis	St. Louis
Kraeger, Mrs. L. Earl		St. Louis
Kraus, Adolph	Lawyers Title Co.	St. Louis
Kraus, Mrs. Adolph		St. Louis
Lincoln, W. A.	Lincoln Abstract Co.	Springfield
Lloyd, Clarence	Lawyers Title Co.	St. Louis
McAdams, W. M.	Missouri Abst. & Title Ins. Co.	Kansas City
McAdams, Mrs. W. M.		Kansas City
Ottinger, F. C.	Schall Titles, Inc.	St. Louis
Owens, Jesse	Cole County Abst. Co.	Jefferson City
Rohan, James M.	Land Title Ins. Co. of St. Louis	St. Louis
Rohan, Mrs. James M.		St. Louis
Rohan, J. Virgil	Land Title Ins. Co. of St. Louis	St. Louis
Rohan, Mrs. J. Virgil		St. Louis
Saltsman, C. A.	Lay-Bonded Abst. Co.	Steelville
Schlosser, Frank X.	General American Life Ins. Co.	Hillsboro
Schubel, W. J. A.	The Jefferson County Abst. Co.	St. Louis
Schwenck, Ralph L.	Land Title Ins. Co. of St. Louis	St. Louis
Schwenck, Mrs. R. L.		LaMar
Selvey, Leland I.		Boonville
Simrall, T. S.	Cooper County Abst. Co.	Neosho
Sims, W. E.		Kansas City
Wilson, V. P.	Kansas City Title Ins. Co.	Kansas City
Young, Mr., Mrs. O. M. and Son	Kansas City Title Ins. Co.	Kansas City
Ziercher, Mr., Mrs. John	Lawyers Title Co. of Missouri	St. Louis

MONTANA

Dykins, C. W.	Realty Abst. Co.	Lewistown

NEBRASKA

Bicknell, Lewis W.	Farm Credit Assn.	Omaha
Crosby, Leo J.	Leo J. Crosby Co.	Omaha
Crosby, Mrs. Leo J.		Omaha

NEW JERSEY

McCarthy, J. J.	New Jersey Realty Title Ins. Co.	Newark

NEW YORK

Beery, Harold W.	Home Title Guaranty Co.	Brooklyn
Clark, S. A.	Title Guar. and Trust Co.	New York
Clayton, Byron	Metropolitan Life Ins. Co.	New York
Condit, Fred P.	Title Guarantee & Trust Co.	New York
Morton, Charles	Remington Rand	Buffalo
Randall, E. E.	Remington Rand	Buffalo
Tibbetts, Brooks M.	Metropolitan Life Ins. Co.	New York
Wyckoff, Edward C.	New York State Title Assn.	New York

OHIO

Hall, F. A.	The Land Title Guar. & Trust Co.	Cleveland
Laskey, J. Albert	Port Lawrence Title & Trust Co.	Toledo
Place, Fred R.	The Guarantee, Title & Trust Co.	Columbus

OKLAHOMA

Gill, Wm.	American-First Trust Co.	Oklahoma City
Johnson, Roy C.	Albright Title & Trust Co.	Newkirk
Rupe, Gordon	Security Abstract Co.	Newkirk
Vaughan, F. A.	Jelsma Abstract Co.	Guthrie

OREGON

Dwyer, Edward T.	Title and Trust Co.	Portland

SOUTH DAKOTA

Milne, Lynn	Security Land & Abstract Co.	Sturgis

TENNESSEE

Adams, John C.	Commerce Title Guaranty Co.	Memphis
Boren, J. L.	Bluff City Abst. Co.	Memphis
Hon, C. O.	The Title Guaranty & Tr. Co.	Chattanooga
Marchisio, A.		Memphis
Walton, E. B.	The Guaranty Title Co.	Nashville
Washington, F. A.	Guaranty Title Co.	Nashville
Wells, B. E.	Union Planters Title Gty. Co.	Memphis

TEXAS

Mizell, DuBart	Elliott & Waldron Abst. Co., Inc.	Fort Worth
Mizell, Mrs. DuBart		Fort Worth
Rattikin, Jack	Home Guaranty Abstract Co.	Fort Worth
Rattikin, Mrs. Jack		Fort Worth
Ross, Zeno	Commercial Standard Ins. Co.	Fort Worth
Watlington, Jas. P.	Texarkana Title & Trust Co.	Texarkana

VIRGINIA

Smith, H. Laurie	Lawyers Title Insurance Corp.	Richmond

WISCONSIN

Jacques, James T.	Title Guarantee Co. of Wisconsin	Milwaukee
Miller, Miss Grace E.	Belle City Abstract Co.	Racine
Nethercut, W. R.	Northwestern Mutual Life Ins. Co.	Milwaukee
Westring, C. A.	Northwestern Mutual Life Ins. Co.	Milwaukee

CODE OF ETHICS

FIRST:—We believe that the foundation of success in business is embodied in the idea of service, and that Title Men should consider first, the needs of their customers, and second the remuneration to be considered.

SECOND:—Accuracy being essential in the examination of titles, Title Men should so arrange their records as to eliminate the possibility of mistakes.

THIRD:—Ever striving to elevate the title business to a plane of the highest standing in the business and professional world, the Title Man will always stand sponsor for his work and make good any loss, occasioned by his error, without invoking legal technicalities as a defense.

FOURTH:—The examination of title being to a large extent a personal undertaking, Title Men should at all times remember that fact, and endeavor to obtain and hold a reputation for honesty, promptness and accuracy.

FIFTH:—The principal part of business, coming from real estate dealers, lenders of money and lawyers, it is obvious that relations with these men should at all times be friendly. To further this friendship we declare ourselves willing to aid them in all ways possible in meeting and solving the problems that confront them.

SIXTH:—We believe that every Title Man should have a lively and loyal interest in all that relates to the civic welfare of his community, and that he should join and support the local civic commercial bodies.