TITLE NEWS

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THE AMERICAN TITLE ASSOCIATION

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VOLUME XXVI JANUARY, 1947 NUMBER 1

TITLE NEWS

Official Publication of

THE AMERICAN TITLE ASSOCIATION

3608 Guardian Building — Detroit 26, Michigan

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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.

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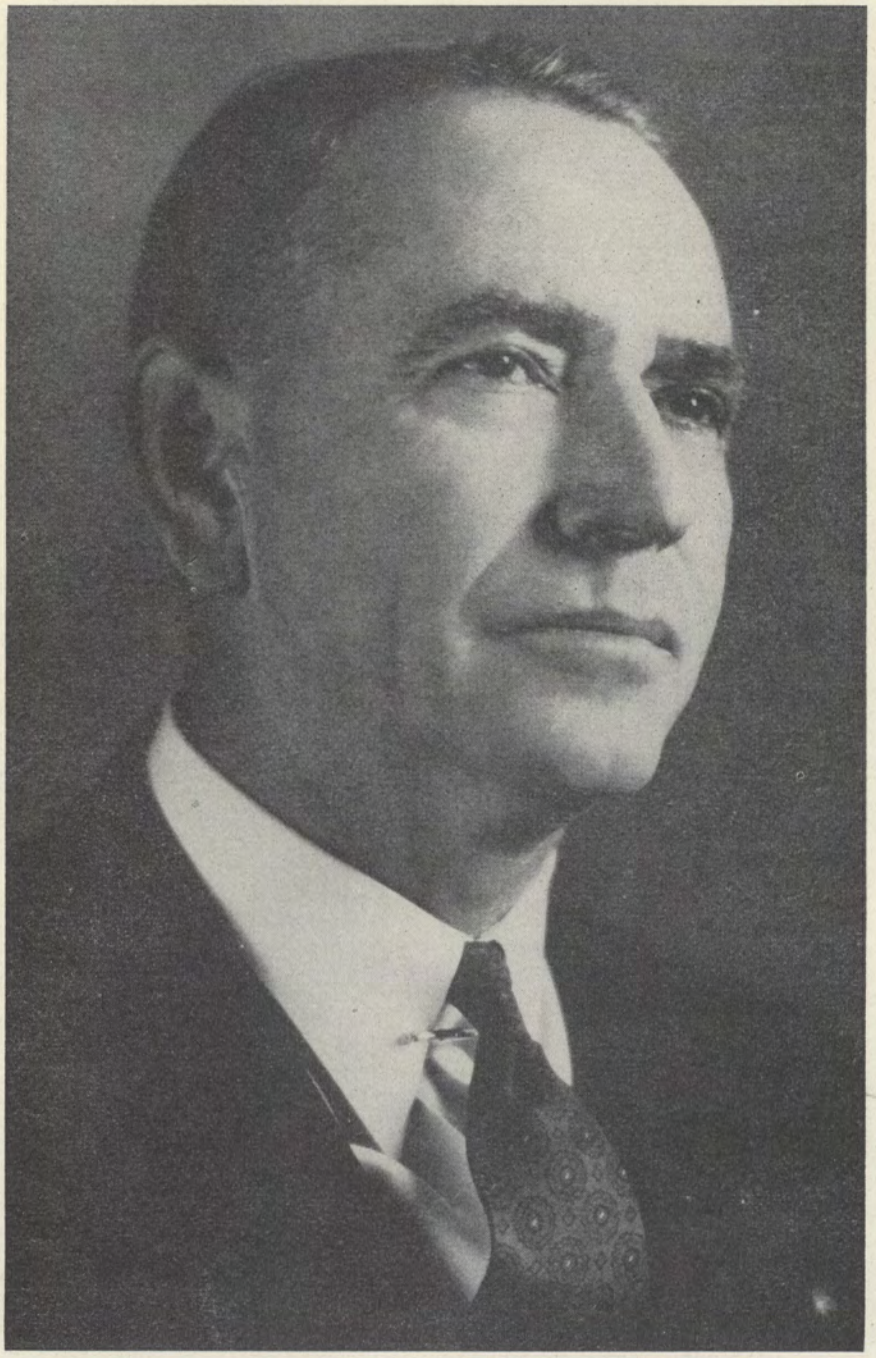
38.	1944-45	H. Laurie Smith	Richmond, Va.
39.	1945-46	A. W. Suelzer	Fort Wayne, Ind.



J. J. O'DOWD

Tucson, Arizona

National President, The American Title Association,
President, Tucson Title Insurance Co.

Proceedings of the Fortieth Annual Convention
(In part)
— *of the* —
AMERICAN TITLE ASSOCIATION
Coronado, California, November 13-16, 1946

Geographic Plant vs. Tract Index

By OTTO L. GODFREY

Vice President and Title Officer
Bankers Abstract & Title Company,
Muskegon, Michigan

The subject which you assigned me, entitled "Geographic Plant vs. Tract Book" suggests that I present same in an argumentive manner or after some trial fashion such as "Godfrey vs. Public". However, I shall endeavor to point out the methods and various cards used in setting up an abstract plant geographically, and let my listeners make their own comparisons and discover for themselves the advantages of such a system over the Tract Book System, rather than try to compare the two systems, one against the other, as there are so many different Tract Book systems in use throughout the country.

First, I believe it practical to acquaint my listeners with the history of our title plant, its size, etc., so they will know that this system isn't something that just grew over night and had not been tried out successfully and proven sound, safe and elastic. By "elastic". I mean a system that readily adapts itself to expansion, a system that is very workable in the smallest as well as the largest abstract plant.

The Bankers Abstract & Title Company, Muskegon, Michigan, of which I am Vice President and Title Officer, owns and operates the title plant to which I make reference from time to time, hereafter. This plant was first started in 1911 and compiled in the same manner and with the same card system as we are today using without any changes or necessary improvements whatsoever. The reason for this is because the founder of this system spent considerable time and did a great deal of research work studying various systems before adopting its use. This system was first used and patented by Fred W. Riblet, the President and founder of our company. Mr. Riblet was one of the charter members of the Michigan Title Association and, until his retirement, was very active in State and National Title affairs. His son, S. K. Riblet, is manager of the Newaygo County Abstract Office, White Cloud, Michigan and uses the same geographic system in his county with equally good results. Mr. Riblet's patent rights expired some years ago and he has often expressed himself to the writer that he was glad that he had been able to perfect a system that so many have found useful to them by adopting same in their offices.

Muskegon County has a population of about 100,000. There are 521 libers of deeds, 341 libers of mortgages, 93 libers of miscellaneous and 10 books of plats, making a total of approximately 500,000 instruments on record in the Register of Deeds Office in said county. These same instruments have been abstracted and compiled on cards over a period of years and filed in trays in our office. Our highest numbered tray, at this time, is 896. We also have 14 trays of information cards numbered 1 to 4046 and 37 trays of miscellaneous cards numbered 1 to 13,727. I have given you this picture of our plant so others can compare its size with that of their own.

I might add that in 1920 our company bought out two tract book systems operating in an adjoining county and combined the two plants under one geographic system. From that date on, which is over 25 years, we have used the card system exclusively. Most abstract extensions are made without ever having to refer to the large cumbersome books which comprise the old records prior to 1920. The change over from the tract book to the card system entailed no great expense as we only opened up new indexes and trays as the daily minutes necessitated it. After a year or so, operating in this manner, we had trays opened up for most all platted properties as well as section, town and range descriptions.

The cost of maintenance of the card system over the book system should be even less as the cards average about $4.00 per thousand, and the trays are bought in sections as needed at no greater cost than books would cost to hold the same data that the trays hold. The advantages of the tray over the book system are many. The typists can type right from the trays which set along side of their typewriter. They are light and easy to handle. As a tray becomes crowded certain divisions can be transferred to new trays by merely changing the location of same in the index of the trays. Loss, due to error, from copying the daily minutes into books is further eliminated as the information contained on each card is typed directly from the original record in the courthouse and filed, after comparing, in its permanent location in the tray. The chance for loss under this system is no greater than under any other system as the filing, cutting of cards, etc. must be done by competent clerks the same as if posting was being done into books. If a card is cut wrong or filed in the wrong division, the same condition will be true if a careless clerk indexes or posts the same instrument into a book in the wrong position or column. This system, like any other depends on accuracy in indexing, filing, etc. I might add that during the 30 years that I have personally managed our title plant, no loss has ever been experienced by my company due to any inadequacies of the geographic system.

The cards that are used in a geographic plant are few in number and are up in two colors, white cards for deeds, patents, plats, and other conveyances, and salmon colored cards for mortgages, liens, levies, and all other encumbrances. The minute clerk first abstracts the paper filed daily in the Register of Deeds Office on the right card used for each particular instrument. The cards are then compared back with the original record and any mistakes are corrected. All cards are checked off with the entry book so that we have a complete record of all in-

struments filed or recorded during each day.

Quite often, it is necessary to make out more than one description card where the instrument contains more than one description. In such cases, especially where there are several descriptions, an information card is made out, upon which all the data is written. A white lot and block card is used for this purpose. This information card is numbered, using the next highest information number, and this number is placed on each description card. In this way one saves a great deal of labor in taking off the record as the parties, dates, recitals, etc., are typed only once and then only on the information card. The information cards are also used to contain restrictions and long recitals that repeat themselves in deeds conveying lands in subdivisions and platted areas. By referring the description card to the number on the information card, one saves typing out such restrictions and recitals on each card. Information cards are used for instruments containing several descriptions, also for assignments and discharges of mortgages and oil leases where several are discharged or assigned by the same instrument. For all other instruments which do not contain descriptions, miscellaneous cards, numbering from one on up, are used. A white lot and block card is also used for this purpose. Such instruments, commonly abstracted on the miscellaneous cards, are wills, assignments of residue, affidavits, all blanket mortgages, divorce decrees, trust agreements, and many documents that are often placed in a miscellaneous index. Separate trays are opened up for information and miscellaneous cards. No index is necessary for the information cards as they are referred to from the description cards. A miscellaneous index is necessary for wills, decrees, affidavits, etc. This can be in any form index that one prefers. If one is using a vowel index, an alphabetical index, or any other type, one can continue using same by referring in some appropriate column of the index to the number found on the miscellaneous card. In typing out the abstract, again it is easier to type the will, or what have you, direct from the tray, rather than get down, from perhaps a high shelf, a large book, from which the entry has to be written. If a card should become soiled from long use, it is much easier to type a new card than to try to repair an old worn out page in a book.

Once the cards are compared, corrected and checked with the reception book in the Court House, they are ready for indexing, cutting and filing. Great care should be exercised in each of these operations as a card cut wrong, indexed incorrectly, or filed in the wrong tray will necessarily be disastrous if not discovered in time. Again, let me state, that the same mistakes can be made in posting to books or under any other system if accuracy is not maintained.

Perhaps the card used the most in the average county is the deed card. I will first explain its use and then follow with the other cards used in making up this system with a short description of same.

The deed card, whether section, town and range, or lot and block, should always be a white card. Cards numbered 1 and 2 like the forms submitted, are the cards used for this purpose. These cards are shown before any typing has been done on same and before same has been cut for filing. Cards numbered 3 and 4 show these same cards containing complete information and cut and indexed for filing. Government Lots are located and marked on the card by referring to the Government Survey to determine just what quartersection, or part thereof, is affected by same. The area indicated on the portion of the card is done by "crosses". A complete 40 acres or regular fraction thereof is marked by a "circle". Any metes and bounds description is marked up on the card by "crosses" in the particular area affect-

KENNETH E. RICE

Vice-President and Chairman, Board of Governors,
The American Title Association
Vice-President, Chicago Title and Trust Co., Chicago, Illinois

ed thereby. All parts of the card not marked by circles or crosses are cut away on a diagonal line. This method of cutting strengthens the card and it is more readily located in the trays. Lots, or parts thereof, are marked up on the cards by circles and crosses in the same manner as is done on the section cards. Each lot and block card contains 20 lots. The first 1 to 20 lots need marking except for circling or crossing the lot affected. However, should the description run higher than 20 lots, the card is marked inside the circle, such as 21, 37, etc. Care should be used in marking numbers on the cards to see that the same position on the card for the same lot is used throughout, otherwise the arrangement of lots in the tray won't always be found in the same location.

Card numbered 5 is a plain white card, narrower than the description cards, which is used for continuing additional notes and recitals where the description card is not sufficient to contain all the data necessary. Some offices use a card slightly higher than the ones used by our office. However, it is best not to use a card too high as the trays necessarily must be deeper and they are not as easy for the typist to read from when writing the abstract. Again, it would require more vault space to hold larger trays. They would also be heavier to handle when filing the daily take off. The average tray should be no more than 13 inches in length as too long a tray is also a handicap in filing, etc.

Cards numbered 6 and 7 are used for mortgages, liens and all encumbrances. These two cards are shown before cutting or placing information on them. Cards numbered 8 and 9 are shown with complete data abstracted thereon and cut for filing after the same manner as previously explained concerning the deed cards.

Card numbered 10 is the salmon colored plain card used, like in deeds for continuation cards to be filed directly after the description card containing the first part of the abstract data taken from the paper being abstracted. Occasionally several of these continuation cards are necessary where the instruments being abstracted contain long recitals and clauses desired to be abstracted. In such cases the continuation cards can be numbered consecutively to maintain their order correctly.

Cards numbered 11 and 12 are the ones used for assignments and discharges of oil leases, liens, levies, attachments, mortgages and other encumbrances. They are filed directly in back of the original mortgage, or oil lease, etc. In filing the card, whether it is an assignment or a discharge, the card is checked for parties, liber and page, to assure accuracy in filing and a note is made on the original mortgage card referring to the assignment or discharge. A foreclosure of a mortgage is also posted on the mortgage card, with a reference to the sheriff's deed being noted thereon.

Cards numbered 13 and 14 are used in keeping a record geographically of any title insurance policies which may have been issued against any parcels. These cards are also filed in the trays along with the deed cards according to the date of issue. These same cards may also be used for reference to office copies of abstracts, contracts for multiple abstracts and the price to be charged for same, etc.

Card numbered 15 is the order card used in our office. Everything is contained on this card from the time the order is received until it is delivered and paid for. This card shows who wrote the abstract, who compared and checked the same, to what date it was certified and by whom. A list of the libers and pages of the abstract or extension thereof are entered on the reverse side of the card. This list is very helpful in preparing other abstracts in the same locality as one can check back, one order against the other, and often save time in arranging a complete abstract of title. This order card is filed geographically in the same

BRIANT H. WELLS, Jr.
Los Angeles, California
Treasurer, The American Title Association
Vice-President, Title Insurance & Trust Company

tray following the mortgage cards. A perfect record is maintained in this manner of all abstracting done, the cost of same, its delivery date, etc. The same order card is useful in giving out estimates on other orders which appear to have the same chain of title.

Card numbered 16 is the division card used in separating the various sections or blocks in the trays. Note that this card is higher than the description cards. The tray and guide numbers both appear at the top of this card. This is the same number that is found in the index to the trays and guides of each division. Division cards are placed in each tray as new divisions are opened up. It is best to anticipate the growth of each division and only open up as many in one tray as will handle the expansion for some time. This will save transferring divisions later as the tray becomes crowded. In filing, the deeds are filed first in the division, the latest deed to be recorded, to be filed last. Then follow the mortgage cards in the same manner. By filing according to date of recording, much time is saved in making abstract renewals as only the deeds or mortgages filed since the date of the last abstract continuation need be examined.

All cards are punched and a rod holds them firmly in place in each tray. Should a tray be dropped or upset in some manner the rod holds the cards securely in their same position. The rod is easily removed when filing of cards is being done, by merely giving it a few turns to the left.

A loose-leaf Moore Binder makes a very good index to platted areas as well as to section, town and range cards. The correct caption of plats are written at the top of each sheet. References to private plats, surveys, etc., can also be made on these sheets giving the liber and page where same can be located. Pages from each of our indexes are set forth. Note that a separate division is opened up for every twenty lots. This is necessary in order that a geographic position of each particular lot is maintained.

I have endeavored herein to set forth the fundamental principles and methods used in the preparation and maintenance of a Geographic Plant. A great deal more could be said concerning same. However, I believe that by carefully studying the cards submitted herewith, a better understanding will be had of such a geographic system.

For Exhibits, See Pages 23, et. seq.

The Bankruptcy Act

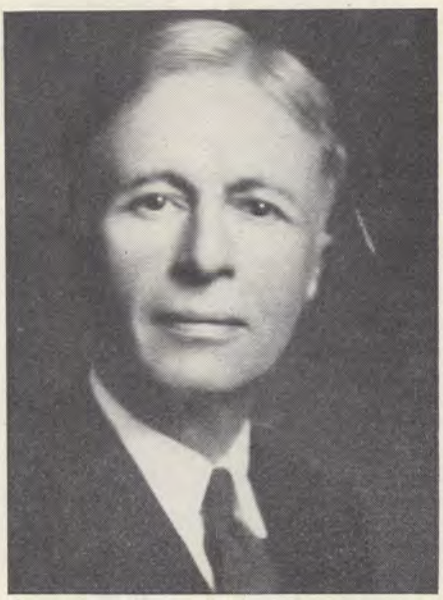
EFFECTS UPON TITLES TO LAND — PROCEDURES — ABANDONMENTS, Etc.

HON. C. D. FRIEBOLIN

Referee in Bankruptcy
Northern District of Ohio
Eastern Division

At the outset it might be well to tell you that the Bankruptcy Act as it exists today may be divided, generally, into two parts: The first seventy-two sections embody what we call strict or ordinary bankruptcy; or Old Fashioned. This part has to do with what we generally have known as bankruptcy, providing, as it does, for a bankruptcy petition — voluntary or involuntary,— Adjudication of bankrupt, election of a trustee, sale and liquidation of the assets and distribution of the fund among creditors; of course there is also the discharge of the bankrupt, unless objections are successfully maintained. The other part containing several hundred sections, was added beginning the last day of President Hoover's administration. (All except Arrangements which is an improvement of the former section relating to compositions). These later sections are called "Debtor Relief Provisions, that includes Corporate Reorganizations, Railroad Reorganizations, Municipal Debt Relief Arrangements and Wage Earner Plans. In all of these, the Debtor is called a "Debtor" and not a bankrupt. All of these have for their purpose not sale or liquidation of assets, but retention by the Debtor of his property or business under a proposed arrangement or plan by the terms of which the Debtor is to give all creditors, either cash or bonds or stock, as may be provided in the Arrangement or Plan. If this adjustment of the Debtor's obligations, which is called Arrangement or Plan, is accepted by a majority of creditors— (some times the stockholders, too) and if it is then confirmed by the court as being fair, equitable and feasible, the Debtor keeps his property or business and is discharged of his original obligations.

So far as "title" is concerned, it will simplify matters for you and for me to use the terminology of Strict Bankruptcy, since the effect, so far as title is concerned, is very much the same.



HON. C. D. FRIEBOLIN

The first thing to remember is that the **date of filing** of the petition in bankruptcy has the effect of transferring to the trustee whenever chosen, the title to real estate. Where the title then goes depends upon what happens in the bankruptcy or Debtor Relief Proceedings.

If no trustee is appointed in an ordinary bankruptcy proceeding, there is no transfer by operation of law; the bankrupt does not lose title. He can give good title. That's one reason I always, in every case, even though there seem to be no assets, appoint a trustee.

So far as the Title-Man is concerned in such cases where a trustee is not appointed in Strict Bankruptcy and the case is closed, the title has remained in the Bankrupt because the Statute provides upon the filing of a petition the title goes to the **Trustee.**

This general rule: that the date of the filing of the petition is the date of cleavage, that is, the date as of which the rights of all parties, bankrupt and creditors, is measured, has two exceptions which became part of the law in 1938,—what is known as the Chandler Act.

The first exception does not often arise; it pertains only to personal property. That exception is effective if an involuntary petition is filed which

means that adjudication is necessarily postponed for a time until there is a hearing upon the petition. The alleged bankrupt in the interim may dispose of personal property in good faith unless there is a receiver appointed or until adjudication takes place. This is to prevent the paralysis of a man or Company by a mere filing of a petition in bankruptcy. It would, for example, make it impossible for a department store to sell and give title to any merchandise while the bankruptcy petition was pending against it.

The second exception does affect you. It provides that any property which vests in the bankrupt within six months of the filing of the bankruptcy petition by devise or inheritance, shall vest in the trustee **as of the date of bankruptcy.** (Also contingent remainders and executory devises which **become assignable** within 6 months) In this situation the title, of course, remains in the testator or ancestor to do what he wishes. But if he dies within 6 months of a bankruptcy, any devise or inheritance to the bankrupt, vests, dates back to the date of bankruptcy. That was inserted to catch those few instances where a bankrupt rushes into bankruptcy to beat the death of some one from whom he expects a windfall.

In this situation, you would be interested in learning whether a bankruptcy petition had been filed by a person who, from Probate Court records, appears to have become an heir or devisee of property. If he became such heir and devisee within 6 months of the death of an ancestor or testator, he would have no title to the property; the trustee would be the owner by reason of this exception. The Trustee would have the right to dispose of it.

Again it should be remembered that the filing of a bankruptcy petition is constructive notice as to real estate in the **county** in which the Federal Court keeps its records. If filed in this District, which covers several counties, it is notice as to real property in Cuyahoga County because the court records are kept in Cuyahoga County. As to any real property in any other county however, a bona fide purchaser from the bankrupt **will** take good title **unless** there is filed with the recorder of the county where the property is located, a certified copy of the petition or of the decree of adjudication or of the trustees appointment or bond. General Code of Ohio Sec. 2757-2, provides that the recorder shall record any papers relating to matters in bankruptcy just as he records deeds and mortgages.

I have already said, when a bankruptcy petition is filed, the trustee, who is later appointed, takes title by operation of law of all of his property wherever located. This includes personal and real property. This includes leases upon real estate, except however, that if the lease provides that it shall terminate if there should occur a bankruptcy or other transfer by operation of law, he would not take title. A provision however, that the lease may not be assigned except by consent of the lessor, does not avoid a transfer by operation of law, as by bankruptcy.

When a lessor is a bankrupt the trustee has 60 days within which to adopt or reject the lease. If adopted, this does not affect the lessee's interest or tenancy. Of course, remainders vested or contingent also pass to the trustee (G.C.O. 10512-4).

The trustee, becoming owner of property must dispose of it in a bankruptcy proceedings, subject always to the orders and approval of the Bankruptcy Court.

In the first place, it may be set aside to the bankrupt as exempt, if a claim for exemption is found valid. The Trustee in such case files a report of exemptions describing the property. If the court approves it, that report is certified to the District Clerk and we then have a record that the property which came to the trustee by the filing of the petition, goes back to the bankrupt.

If not set aside as exempt the trustee may do one of two other things: Abandon the property or sell it. (There is another possibility; he may dispose of it under some compromise agreement which is for all practical purposes, a sale).

1. As to abandonment. At times,

A. WILLIAM SUELZER

Immediate Past-President, American Title Association
President, Kuhne and Company, Inc., Fort Wayne, Indiana

property including real property which comes to the trustee, is worthless or practically worthless; it doesn't pay to go to the expense of selling it. We call it burdensome property. In such case the trustee should abandon it. Real Estate may be so completely encumbered by taxes, mortgages or other liens that there is no value in it for unsecured creditors. There is then no purpose in selling it, except perhaps to accommodate lien claimants who prefer the expedition of the sale procedure in bankruptcy court to the more tardy proceedings of foreclosure in the State Court. In that case the lien claimant pays the expense of sale. The trustee should not, and over objection of lien claimants he **may** not, sell such burdensome property, because the result will be of no profit to the unsecured creditors of the bankrupt whom the trustee primarily represents. Ordinary or strict b a n k r u p t c y, as distinguished from Debtor Relief proceedings, such as Reorganizations, are intended primarily for the benefit of unsecured or general creditors. Secured creditors are brought in only in order that any surplus over liens may be captured for unsecured creditors. This does not mean, as I shall refer to it later, that the trustee must act at his peril in trying to sell. He may try to sell it—even go to expense in trying to do so—if the court authorizes a sale because there is a fair probability of a surplus.

Assuming then that there is no equity in real estate and lien claimants do not ask the court to undertake the sale for their accommodation, the trustee will abandon the property.

Abandonment means in short: he leaves it lay. We sometimes hear, even lawyers, talk of abandoning property to some one: to a mortgagee, a pledgee or some one else who has a lien exceeding its value. That is incorrect. Property is merely abandoned "as is", in whatever condition it is, regardless of who owns it in fact or law. When a baby is left on your doorstep, it is abandoned—it is not abandoned to **you** or to any one else. So with real estate. If the title is in the bankrupt, abandonment means he gets it back as it is; if the title is in the name of some one else it stays there, "as is"; the bankruptcy court refuses to administer it.

Now abandonment may be of two kinds: formal or informal.

a) Formal abandonment means that the Trustee files an application or petition with the court, describing it, giving its condition and asking the court for an order authorizing him to abandon it. If that application is granted by the court, the application and order are certified to the clerk of the U. S. Court for record. This is then a record that the Trustee, who as of the date of bankruptcy became the owner, has in effect, retransferred it to the former owner or title holder whoever he may be; it has some of the elements of a quit-claim deed.

b) An informal abandonment means that the trustee has not taken the steps I have just indicated of a formal abandonment as he should have done. What has happened is that, although the schedules of the bankrupt listed the property, the records of the court show no action whatever taken about disposing of it; that is, so far as the formal records go, the trustee is still the owner by operation of law. However, the courts have held that where it appears that the property was **listed** by the bankrupt and the case is closed without any action by the trustee to dispose of it, it will be presumed that he intended to abandon it; that constitutes an informal abandonment with all of the effect of a formal abandonment, although the records do not show it. The same result would follow if it could

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be shown that the trustee **knew** about the property and deliberately did nothing and closed the case.

If however the property was not listed in the schedules and it does not appear that the trustee **knew** about the property, no such abandonment will be presumed. It is a question of intention which would have to be proved by the one who asserted it. A title examiner could hardly pass it unless willing to take a chance.

Some question might arise in abandonment of real property as to the necessity of **notice to creditors** of an intention to abandon. That question is probably not so serious now under the Chandler Act as it was prior to 1938.

The Bankruptcy Act makes no mention of abandonment; the courts have found that power to exist. Prior to the Chandler Act there was a requirement of a ten day notice to creditors of sales. It always seemed to me that if we were required to give creditors notice of a sale, that the least we could do if we were going to give the property away —abandon it—give them notice also.

But under the Chandler Act no ten day notice of sales to creditors is required. The court may for cause shown fix any period, or order sale without notice to creditors. So today it seems to me that real property may be abandoned without notice to creditors—although I still give it; it is certainly better practice.

If not abandoned—or if not set aside as exempt—the trustee must sell the property.

Property of a bankrupt may be sold in one of two ways: Subject to liens or free of liens.

Subject to liens, means that the buyer will take the property for whatever price he pays, as the title exists; he buys the equity. We should remember that the rule in bankruptcy is caveat emptor—Buyer Beware. There is no guaranty of anything. There is a case in the books where a man bought 8 shares of what he thought was R.C.A. 7% stock; what he got was an obsolete stock that was recalled and worthless. He had no recourse; he lost the $305.00.

Unless a sale is expressly **free** of liens it is always **subject** to liens. Lienholders may not object. Usually a petition to sell does not say "subject to liens", that is understood unless it expressly says "free of liens" — and **names the liens** it is to be sold free of.

A **sale free of liens** means that it is intended to sell the property for what it is worth—ordinarily above its appraisal value—regardless of liens. The liens are to be paid out of the proceeds of sale. But such a sale is sold free, not of all liens **generally**; it is sold free of specific liens **named in the petition to sell.** It may be sold free of some liens and subject to others.

To give you the ritual: the trustee files a petition to sell certain described real estate. The petition is entitled In re: John Smith, bankrupt. This is followed by a title: Frank Jones, trustee, against certain named defendants, very much like a f o r e c l o s u r e petition. Named as defendants are the bankrupt, his wife; e.g. The Cleveland Trust Co., the Enterprise Loan Co., John J. Doyle, County Treasurer, the Collector of Internal Revenue and the State Tax Commission. The petition alleges that these defendants claim some title or interest in the property described and then asks that they each be required to set up their liens by cross petition or be barred of any claim in the property.

Those defendants which fail to file answers and cross petitions are barred whether they have liens or not. Those that file cross petitions and set up their liens will then have the validity of

their liens considered by the court and an adjudication made thereof. If found valid, the entry so states and orders that the property be sold free of their liens and their rights in the amount found due to them be transferred to the fund, that is the proceeds. When the property is sold by the trustee he files a report that the property has been sold to a person named, for $—. That report is then considered by the court and if the court is satisfied that the highest amount possible has been obtained, the court confirms the sale. This confirmation is the most important part of the proceeding; it is really the effective sale. The buyer obtains no right or title by reason of his bid or offer; the order of confirmation by the court vests him with equitable title; the deed gives him legal title. If there is any difference in description between the petition and order of confirmation, it is the description in the confirmation order that counts. The order of confirmation cures prior irregularities. The sale being confirmed, the purchaser pays, and the proceeds are distributed as stated in the Journal entry—the order of confirmation—usually as follows: the costs of the proceeding, taxes, the first mortgage or lien, the second lien and so on; the surplus, if any, is retained by the trustee for the benefit of general creditors who receive a dividend.

The court—the referee—then certifies the pleadings and orders to the District Clerk for record, where title-men may find them. Presumably the purchaser, also will file his deed for record.

As I have said, there is nothing in the Bankruptcy Act about selling subject to or free of liens; it is merely a power that the court has, incidental to the power to collect the assets. There was a time when some people questioned the jurisdiction of the Bankruptcy Court to compel a lien claimant to come in and set up his lien or be barred. For years I had a feud on with the old Guarantee Title Co.; they wouldn't recognize a title so obtained —so I told the trustee to go over to Chas. White who was with another company and who always agreed with me on bankruptcy questions—he was a percipient and wise title man.

The question finally, in 1931, reached the Supreme Court of the United States (Van Huffel v. Harkelrode 284 U. S. 225.) It arose in Trumbull County, Ohio and the goat was Mr. Harkelrode the County Treasurer who must have got his ideas in bankruptcy from the Guarantee Title Company. What happened was that in the Bankruptcy Court the Trustee filed a petition to sell, naming the County Treasurer as defendant with a notice to him to set up any claim for taxes he might have by cross petition or be barred. He ignored it and was barred although as a matter of fact he had a perfectly good lien. The mortgagees got all the money that was produced by the sale of the property. You will have to give me credit I never mentioned the subject to the Guarantee Title Company and thus passed up one of the best gloating opportunities I had in all my life.

I have said that by the Bankruptcy Act there is no requirement of notice of petitions to sell; that is, notice to **creditors.** Nothing is said, either, about notifying lien claimants. But it is fundamental in our law that every man is entitled to his day in court before he may be deprived of property or liberty. So quite clearly it is necessary to notify lien claimants before barring them or adjudicating their liens. By our local Rules this is recognized. So it is provided in our Rules that in petitions to sell real estate, ten days notice by rule to show cause must be given to lien claimants to file cross petitions whereupon the court may consider their liens; if they fail to set up their rights, they may be barred.

It is our rules also which require the certification to the district clerk. Whether this is true in all districts I don't happen to know.

I might say a word of the Bankruptcy Court's jurisdiction to bar the spouse of the bankrupt of incohate dower or even to fix her dower. Inferentially I should say that if the bankrupt (wife) has an incohate right of dower in property owned by her spouse (husband) that incohate dower does not go to the trustee; it is not regarded as property.

While title-men are not interested, it is my judgment that in Ohio the Bankruptcy court can consider the value of the incohate dower of the bankrupt's spouse and require her to set it up or be barred, if one of the defendants whose lien is to be adjudicated, has the spouse as one of the obligors upon the lien. For example: A mortgage by bankrupt, signed also by the wife.

One other feature of sales of real estate in bankruptcy I might mention although it will seldom, if ever, come to the attention of title-men. That is the jurisdiction of the Bankruptcy Court to sell property of the bankrupt outside of the jurisdiction, free of liens, when the **lien claimants** also live outside of the district. My judgment is, in a bankruptcy case pending in Cleveland with real estate located in this district, all lien claimants no matter where living may be required to file their cross petitions in this court or be barred. If however, the real estate is located outside of this district and the lien claimants also live outside the district and therefore can not be served here, the bankruptcy court may not bar such a lien claimant **unless** he enters his appearance.

The Title Men sometimes kick up some trouble when the bankrupt has transferred property shortly before bankruptcy; specifically, when the property was transferred within four months of bankruptcy. What bothers them I think is the section of the Bankruptcy Act that provides that a transfer by an insolvent bankrupt to a creditor within four months, in payment or security for an antecedent debt, is voidable as a preference if the transferee (creditor) had reasonable cause to believe that the bankrupt was insolvent.

All that the preference section of the Bankruptcy Act does is to give the trustee the right to recover that preferred transfer; that is, he may recover the property if the transferee (creditor) still has it. Under our Ohio statute against fraudulent transfers a transfer may be set aside within four years. I never heard a Title man question the title of a transfer made more than three years ago, on the ground that it might be fraudulent. In my judgment such a transferee has good title unless before the case is closed, the Trustee files a suit to recover, or obtains an injunction against transfer to permit the Trustee to file suit. I might say also, in preference cases the transfer is made to an honest creditor; there is no fraud about it, although you will find courts sometime refer to a "fraudulent preference;" there is no fraud in a strictly preference situation.

There is one other feature of bankruptcy that may interest you: that is the reopening of estates. A case may be reopened after it has been closed for any good reason. Rather frequently they are reopened because the bankrupt quite innocently forgot to list a piece of property which at bankruptcy he really owned by reason of the death of a relative. Often there was no administration of the estate. He is one of 6 or 7 heirs in the fee or in a remainder. Finally the heirs want to transfer title and the bankruptcy case shows up on the records.

Since the bankrupt was the owner at bankruptcy by operation of law, the trustee then became the owner and still is. The case being closed, the old trustee has no power to act. So the case is reopened, and a new trustee must be chosen. The new trustee must dispose of that interest in real estate just as he would do it in the original case. The procedure is the same: the property may be exempt; if not, the trustee may abandon it or sell it and thus dispose of his title. Similarly if the case should be closed in less than 6 months and the bankrupt within 6 months became the owner of property by devise or inheritance,—as I have previously mentioned —the case would have to be reopened in order to dispose of that property.

That I think, in simple language, should enable you to read your title clear in bankruptcy proceedings. It may well be that I have told you a lot of things you already know. If so, you can regard it as a refresher course. Something tells me that you may need it pretty soon unless all signs fail.

The Bankruptcy Act

IN BANKRUPTCY PROCEEDINGS, CAN REAL PROPERTY BE ABANDONED TO LIENHOLDERS?

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That a bankrupt's trustee can reject or abandon property (either real or personal) which is encumbered beyond its value or which is of a burdensome or unprofitable character is universally recognized. (See cases cited in Collier, 13th Edition, Vol. 2, page 1738 or any other text on bankruptcy.) Upon rejection or abandonment, title ordinarily reverts to the bankrupt subject to all undischarged liens. (Remington, Vol. 2, Section 1161; The Abo Land Co. v. Tenorio, 191 Pac. 141; Mesirov v. Innis-Speiden Co., 97 Atl. 160.)

That such revesting of title in the bankrupt can be avoided and title be diverted instead to a lienholder, if the court so orders, is indicated by statements to that effect in Collier (above) and in Brandenburg on Bankruptcy (4th Edition, Section 760). In my opinion, a careful reading and analysis of the cases which these writers cite in support of their statement will show that the cases themselves do not actually constitute authority for the view expressed; and, despite such stated view, I do not believe that real estate can be ordered abandoned to a lienholder. The cases which are cited are the following:

In re Jersey Island Packing Co., 138 Fed. 625 (1905): In this case, the U. S. District Court (California) had enjoined the trustees named in certain trust deeds from proceeding with a sale of the bankrupt's property under a power of sale contained in the trust deeds. The entire controversy related solely to the right of the District Court to grant the injunction, it being argued (inter alia) that, under the trust deeds, the entire title vested in the trustee named in the deeds, and that there was nothing left which could pass to the trustee in bankruptcy and that, therefore, the power of sale contained in the trust deeds could not be affected by the bankruptcy proceedings.

Not only was no abandonment to a lienholder sought, or ordered, or approved in principle in this case; but actually, the lienholder was restrained from enforcing his right of foreclosure until the trustee in bankruptcy decided whether he wanted to take over the property. There is nothing in the case to indicate that, if the trustee decided to abandon the court intended to order him to abandon to the lienholder. On the contrary, it was quite evidently the intention of the court in such event simply to permit the lienholder to proceed with his foreclosure.

Matthews & Sons v. Joseph Webre Co., Ltd., 213 Fed. 396 (1914): This is a District Court opinion (Louisiana). It involved the right of the state court to proceed with the foreclosure of a mortgage in an action begun seven days after an involuntary petition in bankruptcy had been filed against the mortgagor. No question of abandonment was involved nor is there anything in the opinion even by way of dictum which relates to the abandonment of mortgaged property to a lienholder or which indicates that the court considered such abandonment possible.

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Exec. Vice-President, Title and Trust Co., Portland, Oregon

The nearest the court comes to the subject is a dictum to the effect that "it is not likely that the jurisdiction of the state court would be disturbed in the matter of a foreclosure of a mortgage if it in fact attached first, for the trustee is not bound to take possession of mortgaged property, unless it is for the benefit of all of the creditors". If this plain language means anything more than it actually says, it would seem to mean that the court recognized that in case mortgaged property is abandoned, the mortgagee is simply in the same position he would have been in had there been no bankruptcy.

In re Zehner, 193 Fed. 787 (1912): This is another district court opinion (Louisiana) and another case where the only issue involved was whether a sale of the bankrupt's property should be had in the state or in federal court. There was no application or order for an abandonment. While it is true that the first paragraph of the syllabus reads (in part),

> "A bankrupt's trustee is not required to administer property of the bankrupt burdened with liens or mortgages but may abandon the same to the secured creditors,"

it is equally apparent that the court does not mean that title can be abandoned to the creditor but simply that the trustee may (and should) surrender all of his rights in the property to the end that the mortgagee may proceed to invoke whatever remedies are open to him. That this is all the court had in mind is clearly shown by the opinion itself and by the statements in the second paragraph of the syllabus that "whenever the trustee abandons the property voluntarily or is forced to do so by order of court, the bankruptcy court may grant the mortgagee permission to foreclose in the state court." No foreclosure, or permission to foreclose, would be necessary if the property itself had been abandoned to the mortgagee.

Equitable Loan & Security Co. v. Moss & Co., 125 Fed. 609 (1903): At first blush, the syllabus and the opinion in this case might seem to sustain the view that a bankrupt's property can be abandoned to a lienholder; but a careful reading of the opinion shows that, while the transaction which the court approved was termed an abandonment, it was actually more in the nature of a sale. The order was made on condition that the mortgagee reimburse the trustee for monies paid for taxes, insurance premiums, and wages of a night watchman, less rents received; and was made without prejudice to the right of the trustee or the other creditors to contest the validity of the mortgage. Since the court required payment of a consideration, the transfer was not a true abandonment but was more properly a sale.

Another thing is also noted in this case. The entire assets of the bankrupt consisted of a "cotton milling plant." While it cannot be definitely deter-

mined from the opinion that such plant embraced personalty only, it would seem, from all the facts and circumstances set forth, that such was the case and that no realty was involved. If this was so, the case loses its value, in any event, as authority in regard to the abandonment of real estate. Surrendering possession of personal property is something quite different from transferring title to real estate.

The above are the only cases cited by Collier and Brandenburg on the subject of the abandonment of property to lienholders and, outside of In re Radcliffe (below) are the only ones found that touch upon the matter even incidentally. In none of them, except the last, was an abandonment to a lienholder the issue in controversy; and in that last case the property was really sold to the lienholder and not abandoned to him. In the others, anything that the courts said on the subject of abandonment was pure dictum and would be of no authoritative value even if the courts had title in mind when they used such phrases as "turn the property over to the mortgagee", "abandon the property to the secured creditor", etc.

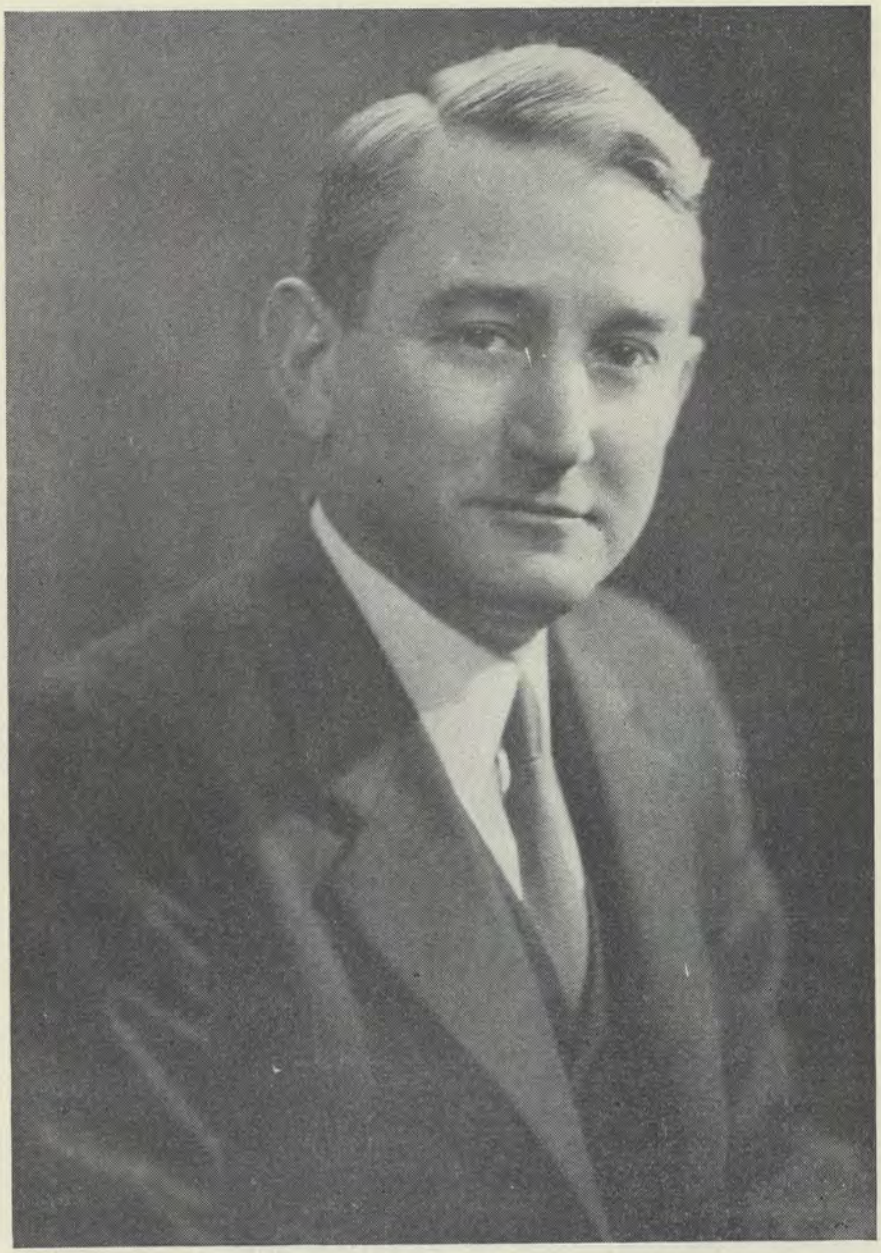
The only other reported case that is found on the subject of abandonment of property to lienholders is In re Radcliffe, 15 O. L. R. 287 (1917). In this case such an abandonment was entered in so many words and, on a cursory reading, the case might appear to be pretty strong authority in support of the contention that title can be thus abandoned. But a careful consideration of the facts makes it clear that the case should not be given such importance.

The issue in dispute was whether the bankrupt was entitled to $500 in lieu of homestead. The homestead itself was encumbered by two mortgages aggregating more than the property was worth and the bankrupt owned no other real estate. In allowing the exemption, the court based its decision upon the fact (1) that it was illogical "to assert that the bankrupt has a homestead when it is covered by valid mortgages in excess of its value" and (2) that upon adjudication, the trustee became the owner of the homestead, instead of the bankrupt, and "the surrender thereof to the mortgagees is a substitute merely for a sale and distribution of the trustee, and serves no other purpose, except to save the mortgagees and the bankrupt estate from expense".

Admittedly, the court allowed the exemption partly upon the theory that the bankrupt did not own a homestead, which theory would be incorrect if, by the order of abandonment, title was revested in the bankrupt instead of in the mortgagees. Obviously, therefore, it can be argued that the court regarded the abandonment as vesting title in the mortgagees. But even if the court did regard it as having that effect, such view is at best an unconsidered assumption on the court's part. The point was not in issue and was not vital to the court's decision. If the court took it for granted that the order of abandonment produced certain results, when in fact it did not do so, the fact that the court relied upon such erroneous premise in reaching its conclusion does not make the premise correct. To argue that it did so would be bootstrap lifting with a vengeance.

However, in my opinion, the case contains ample evidence that the court never gave more than a passing thought to the question of the legal title. Among other things, although more than one lienholder was involved, the property was ordered abandoned simply "to the mortgagees". Who would take what? Was the first mortgagee to take title subject to the second mortgage or was the second mortgagee to take title subject to the first mortgage? Or were both to take in some unexplained but intricate proportions? It is apparent that the court never gave such matters any consideration and that all the court actually had in mind was the fact that there was no equity left for the bankrupt and that when the trustee abandoned the trustee's rights, nobody but the mortgagee would have any further interest.

As a matter of interest, it might be noted that the Lake County records show that the parties themselves in In re Radcliffe did not consider that the order of abandonment vested title in the mortgagees. These records show that the first mortgagee cancelled her



CHARLES H. BUCK

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mortgage (Vol. 43, page 611) and that the bankrupt and his wife conveyed the property to the second mortgagee (Vol. 61, page 410).

The five cases above are the only ones found which deal either directly or indirectly with abandonment of property to lienholders. For the reasons set forth above, not only would they seem to be inconclusive as constituting any authority for the statements made by Collier and Brandenburg that real property can be abandoned to lienholders instead of to the bankrupt but it would also seem to be fairly obvious that they were never intended by the courts themselves to be so construed.

Remington sums up this whole matter of abandonment very succinctly when he says:

> "It is incorrect to make the order of abandonment read 'abandon to' any particular person. An abandonment is a going away and leaving a thing. The moment it is an abandonment 'to' a particular person it becomes a transfer to such person of whatever rights are sought to be 'abandoned'. The distinction is more than verbal; it denotes an entirely different method of procedure with consequent different rights." Remington on Bankruptcy, Vol. 2, Section 1156, Note 9.

With that statement the writer agrees.

Report of Planning Committee

WILLIAM GILL, SR., *Chairman*

Vice-President
The American-First Trust Company
Oklahoma City, Oklahoma

At the National Convention held in Chicago in December, 1945, President Al Suelzer appointed a Planning Committee of five members to conduct a study with reference to our present activities and possible additional activities. The Committee was instructed to submit its suggestions, observations and recommendations to the Board of Governors.

Nothing in this report should be construed as a criticism of the American Title Association. We have been operating exceptionally well, under a serious handicap caused by lack of adequate finances and the war. Assuming that adequate finances will soon be available, it is proper that improved services and additional activities be now considered. We therefore make the following general observations, suggestions and recommendations which are not listed in the order of probable importance:

ITEM ONE

We recommend that the Association continue, in an increasingly active manner, its contacts with Associations of professions and industries whose activities are allied with the general purposes of this organization, such as:

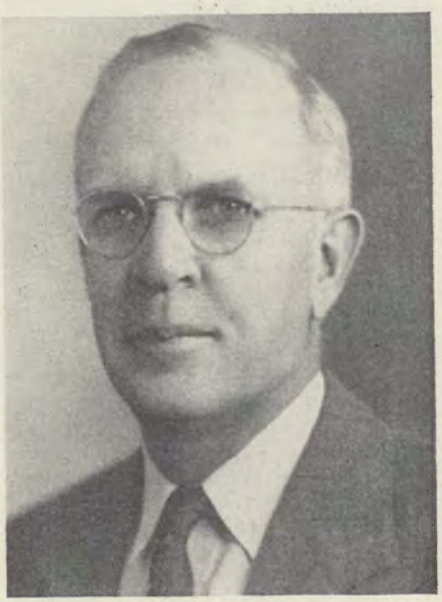
- Mortgage Bankers Association of America
- National Association of Real Estate Boards
- United States Savings and Loan League
- American Bankers Association
- American Bar Association
- National Association of Home Builders
- Institute of Life Insurance
- American Life Convention

and other trade organizations representing oil companies, royalty and lease brokers, chain stores, etc.

It is recommended that the American Title Association be represented at the national conventions and where feasible or possible, the regional meetings of these allied associations.

We recommend consideration be given, by proper committee, to have an association exhibit, at certain of these conventions, of material, advertising the products and services of our members. The exhibits shall not include advertising of any member of this Association.

We recommend a continuous effort be made to consumate arrangements



WILLIAM GILL, SR.

whereby qualified representatives of our Association will appear on the programs at conventions of the organizations above named in order to better inform their members with facts about the title profession.

We recommend that representatives of the allied organizations be invited to appear on our National and Regional convention programs.

We further recommend that all affiliated state and regional title associations be encouraged to make arrangements of like character as set forth in the two preceding paragraphs.

Fourteen years ago the Board of Governors of this Association sent our representative to Washington to estalish contacts with Federal Departments, Agencies, Bureaus, Commissions and Corporations. This practice has been continued by succeeding Boards. We recommend these contacts be continued on an even closer and regular basis.

We further recommend that officers of our affiliated state and regional title associations establish and maintain contacts of like character with the state, regional and field offices of all such Federal Units.

Recognizing we have many common problems with industries and professions engaging in land activities, we recommend the maintenance of a firm co-operative position with these organizations.

ITEM TWO

We recommend using the office of the Executive Secretary as a clearing house, statistical bureau and library on matters pertaining to the title profession, all such information to be available to affiliated state and regional title associations and individual members. An information file is in existence on many of the following topics:

- Taxation of Title Plants
- Valuation of Title Plants
- Title Courses
- Publications issued by Affiliated State and Regional Title Associations
- Use of space in Public Offices by Abstract and Title Companies
- Legislation (State) regulating Abstracters
- Legislation (State) Regulating

Title Insurance/Title Guaranty Companies
Preservation and Rebuilding Title Plant Records
Public Registration System
Operating Expenses
Schedule of Premium Charges of Title Insurance/Title Guaranty Companies
Schedule of Charges on Abstracting, including TIME AND VALUATION CHARGES
Standardization of Showings in Abstracts
Retirement, Group Insurance and Bonus Plans
Collateral Subjects — Practice of member companies in the matter of Employer - Employee Relations, including pamphlets, talks and articles treating on these subjects
Liability of Title Insurance/Title Guaranty Companies
Liability of Abstracters
Pamphlets, briefs and articles dealing with various legal problems on Title Matters
Advertising — Newspaper, house organs, direct-by-mail, billboard, pamphlets, radio, etc.
Publicity—Talks and articles by informed title men
Educational campaigns conducted by members in their respective localities
Losses under Title Insurance/Title Guaranty Policies
Losses by Abstracters
Bonding of Abstracters
Abstracters License Law
Pamphlets and lectures on ways and means of improving cooperation with the Bar Association and its members on common problems.

It is recommended that National Headquarters be staffed with sufficient personnel to amplify these files and records with additional data and maintain them on a current basis.

ITEM THREE

We recommend the issuance of a monthly publication to keep the membership posted on "what's going on elsewhere."

The publication should carry information regarding the activities of various State Associations and individual members; important United States and State Supreme Court Decisions; as well as questions and answers of problems submitted; abstract plants for sale or wanted to buy, etc. (Regional and State corresponding secretaries or "reporters" would be helpful in keeping the publication newsy and interesting. A closer contact between our title folks is important.)

It is further recommended that special bulletins be issued as needed and that National Headquarters make available, to the members, a special binder for these bulletins.

ITEM FOUR

We recommend continuance of the practice of printing and distributing the American Title Association Directory; that a deadline be set which will make possible its preparation and distribution from National Headquarters not later than January 1st.

We further recommend continuing the well established practice of offering for sale extra copies of the Directory to our members, thus further increasing its distribution. We recommend that our members be encouraged to support this program of advertising. Distribution of the Directory by this and other means has been increased from approximately 3,000 copies to over 10,000 copies per year. This should and can be substantially increased through support of this advertising program by our members and wider distribution by the National Association.

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President, Delaware County Abstract Co., Muncie, Indiana

ITEM FIVE

The lack of public knowledge about the services rendered by our members is appalling. There is an amazing misunderstanding of the vast amount of work necessary to furnish a properly made abstract of title, policy of Title Insurance or Title Guaranty.

A continuous effort should be made to procure copies of all worthwhile addresses prepared by our members. These should be distributed in bulletin form or in issues of the monthly publication. These would be of use and benefit to our members, not only in connection with appearances upon convention programs of allied organizations, but also of material aid to our members in their individual effort to publicise the title profession by addresses before civic groups, luncheon clubs, schools, etc.

ITEM SIX

With increased activities there will be increased interest in the American Title Association. Therefore, it is of importance that a continuous and strenuous membership campaign be carried on by both the National and State Associations. Any effort to retard increased membership of eligible prospects by our members should be discouraged.

ITEM SEVEN

Encourage use of the ATA cut or insignia by members.

ITEM EIGHT

We recommend that all state and regional title associations adopt a forward looking program of activities and that the services of the National Officers be tendered them to aid in the fulfilment of their programs.

We recommend to these affiliated title associations that a copy of each convention program be furnished National Headquarters; and that, from time to time, bulletins be issued from National Headquarters to these affiliated title associations listing worthwhile topics for discussion at state and regional meetings of our groups.

ITEM NINE

It is the belief of the Planning Committee that photography can play a more important part in plant building, plant maintenance, increased production and provide greater safety to our members. We recommend the President be instructed to appoint a special committee to make a study of such possibilities, said committee to bring in a report at the next annual convention.

It is further recommended this committee be empowered to consumate arrangements for displays and demonstrations at our national conventions of such mechanical devices and machines.

ITEM TEN

It is our belief that in the larger communities a title company will find it profitable to enlarge its activities to include commercial microfilming, photo copying, blue printing, etc. It is recommended that a special committee be appointed to make a study of this important matter, and that this committee and the committee suggested in Item 9, include in its study a suggestion as to the best types of equipment necessary, cost of same, etc.

ITEM ELEVEN

Invite business concerns who have equipment and merchandise for sale to our members to exhibit such items at our National and Mid-winter meetings.

ITEM TWELVE

We recommend that ten percent (10) of our gross receipts from dues be set aside for contingencies; said fund to be administered by a Board of three trustees probably selected from past presidents of the Association and not members of the Board of Governors selecting same; and that such fund

shall only be used upon approval by a two-thirds vote of the full Board of Governors.

ITEM THIRTEEN

We recommend that the title of our Executive Secretary be changed to "Executive Vice President". (This will not change the Executive Secretary's duties but will give our paid representative more prestige with those whom he contacts and comports with the practice of similar National Associations.)

ITEM FOURTEEN

It is recommended that a survey of the general accounting and auditing practices of the American Title Association be made by an accredited firm of public accountants and presented to the Board of Governors, together with any recommendations.

* * *

ABSTRACTERS SECTION

(1) It is recommended that an Assistant be employed by the Association. Either the Assistant or some other officer of the American Title Association should attend all State Conventions and any Regional meetings of several states. Dates of State Conventions in most instances could be arranged to permit a representative of the National Association to attend more than one convention on the same trip. Keep the membership of the section fully advised at all times with reference to the activities of other abstracters and pending or likely legislation affecting their business.

(2) Encourage State Associations to issue their own monthly publications. Give the abstracter information as to how to reduce overhead expense, better abstracting, plant management, building or rebuilding or preserving his records, production of new business, handling of complaints, etc.—not merely theories but experiences of our own members.

(3) Furnish the abstracter with suggested newspaper advertising copy; suggested talks for use before civic groups, schools, etc., and investigate the possibility of short motion picture or lantern slide advertising for smaller communities. Consider the advisability of making available, by purchase from the American Title Association, advertising gadgets such as small desk calendars, memo pads, pencils, matches, etc., in the same manner as blotters are now sold.

(4) Encourage states to regularly hold regional district meetings in their own state.

(5) Consider the advisability of regional meetings of several states in sections where custom and practices are similar, such regional meetings to be approved by the National Association, but financed, planned and run by the states participating.

(6) Assist State Associations in planning and arranging proper convention programs, suggested convention publicity and entertainment, and encourage more uniformity of abstracting, etc. Outline and submit to each State Association a suggested "Program of Progress" similar to the "Fourteen Point" program adopted several years ago.

(7) Encourage State Associations to make closer contact with State organizations of building and loan men, mortgage companies, real estate dealers, bankers, oil companies, etc.

(8) Suggest to State Associations that the President or Secretary of such association be sent to National Conventions and/or especially the mid-winter conference. Arrange a meeting of such representatives at each National Convention and/or mid-winter meeting for disussion of common problems, State President or Secretary to submit

OSCAR W. GILBART

Secretary, Abstracters Section, American Title Association

President, West Coast Title Co., St. Petersburg, Florida

questions or problems for consideration, in advance of such association officers conference.

(9) Arrange enough meetings of the abstracters section at Conventions and mid-winter conferences, and allot sufficient time therefor.

* * *

LEGAL SECTION

(1) Encourage the adoption of uniform title examination standards.

(2) One of the functions of the Legal Section could well be a review of cases. State and Federal, relating to title insurance, guaranteed titles and abstract companies, and furnish briefs or copies of briefs on various other subjects of interest.

TITLE INSURANCE SECTION

(1) Encourage the larger title companies to submit a workable plan whereby the smaller responsible title insurance and guaranty companies can obtain reinsurance of large risks.

(2) Request all title insurance companies to promptly notify our National office of unusual losses to permit the immediate issuance of special bulletins to those interested.

(3) Determine the possible advantage of State, Regional or District Meetings of Title Insurance and Title Guaranty Company executives annually for discussion and consideration of common problems arising within a particular state or area.

* * *

Respectfully submitted,
Charles H. Buck,
Joseph T. Meredith,
Kenneth E. Rice,
W. A. McPhail,
Wm. Gill, Chairman

The above Report was submitted to the Board of Governors of the Association at the 1946 Mid-Winter Conference. It was adopted by the Board by passage of the following resolution:

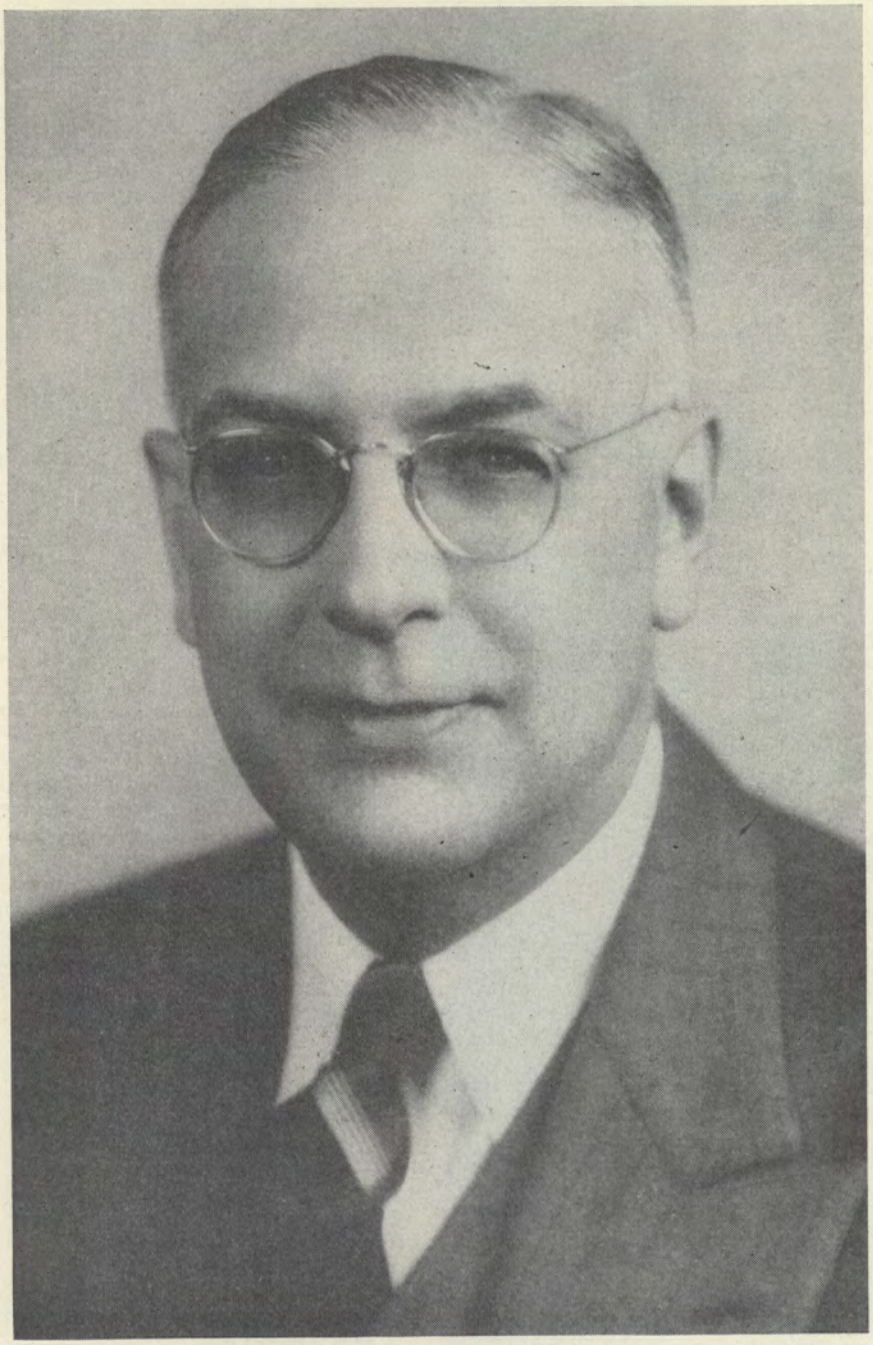
BE IT RESOLVED that the Report of the Planning Committee be approved as a highly commendable and meritorious exposition of long range objectives which this Association should seek to obtain as funds are available and as specific recommendations shall have been approved and authorized by the Board of Governors.

BE IT FURTHER RESOLVED that the Report be spread upon the minutes of the Board of Governors and sent to all members of the Association.

BE IT FURTHER RESOLVED that the Board express its sincere thanks to the members of the Planning Committee for the energy and time given to this assignment and that this record contain the special thanks of the Board to Mr. William Gill, Sr., Chairman of the Planning Committee, who once again has rendered outstanding service to the Association.

The Board of Governors of the Association instructs that particular attention of the membership be directed to the point that the Report of the Planning Committee contains references to many objectives, all desirous of accomplishment, but that it would be impossible to complete all of these immediately. The Board of Governors charged the President and other officers with the duty of carrying out as many of these objectives as possible, and as our personnel and finances permit. Further, the Board instructs that the record contain a statement it will be impossible to expect to carry out all the objectives within one year or several years.

The Board further instructed the officers to set this fact clearly before the membership at large.



E. L. ALWARD

Assistant Secretary, American Title Association,
Detroit, Michigan

We present our newest addition in National Headquarters — Mr. Edward L. Alward. He comes with us as fulfillment of one of the objectives of your Planning Committee appointed by immediate past President Suelzer after the amended dues schedule was adopted.

Mr. Alward brings a background of talent and experience. He is a former officer of the Union Guardian Trust Company of Detroit and liquidated some thirty million dollars of real estate when it folded up together with an untold number of mortgages. He veritably lived with title evidences in those years. We are satisfied he will become an asset of increasing importance to National Headquarters with the passing of time.

Title Insurance

HARRY E. RANDEL

Vice President
National Title Insurance Co., Ft. Lauderdale, Florida

The right to own land in fee simple is a privilege not given to all citizens of many foreign countries. That is a fundamental right that we enjoy in our own country.

Ownership of land, particularly a home, is an urge, universal I believe, in the hearts of all men.

And even in our own great and free country it is still well for the buyer of property to take certain precautions to guarantee to himself that he is actually getting what he pays for.

You men of the Rotary Club of Ft. Lauderdale and men generally, in this part of Florida, are interested in some phase or form of Real Estate—either owning it, selling it or developing it. Real Estate is the basis of all wealth. It is the good earth!

When you own Fee Simple title to Real Estate you own down to the center of the earth, and up ad infinitum. And it is about protecting this title that I wish to talk to you today.

TITLE INSURANCE

Title Insurance protects the owner of Real Estate or a lender of money on Real Estate against loss which may be sustained because of defects in the title. And it protects the insured against liens or encumbrances against the property at the time the Title Policy is issued. Often Title Insurance purposes are not well understood. To some laymen Title Insurance means insurance of known defective or bad titles. But that idea is wrong.

DEFINITION

The Supreme Court of Pennsylvania once defined Title Insurance in the following words: "Title Insurance is not merely guess work, nor is it a wager. It is based upon careful examination of the muniments of title, and the exercise of judgment by skilled conveyancers. The quality of a title is a matter of opinion, as to which even men learned in the law of Real Estate may differ. A policy of Title Insurance means the opinion of the company which insures it, as to the validity of the title, **backed by an agreement to make the opinion good** in case it should be mistaken and loss should result in consequence to the insured."

UNIQUE

Title Insurance is unique in that liability under it ends where liability under other forms of insurance begins. It insures against the consequences, acts, and defects of the past; whereas other types of insurance protect against happenings or losses in the future. For instance:

1.—A Title Insurance Policy issued today insures the holder against defects of the past that may affect the title, but the policy does not insure against defects originating at a later date.

2.—Fire Insurance, Life Insurance, Accident Insurance and the like protect against happenings in the future.

KNOWN DEFECTS

Title Insurance is not intended for known bad or defective titles. A title company would not write a title policy where there is a known serious defect, anymore than a Life Insurance Company would write a life insurance policy for an applicant whom a Doctor reports to be seriously ill of cancer or tuberculosis. To issue a title or a life policy in such cases would surely be a gamble as well as a bad business risk.

ABSTRACTER'S CERTIFICATE

When an abstracter makes an abstract of title or brings it down to date, his certificate at the end simply certifies as to what the record, at the Court House or other place where Public Records are kept, shows.

He does not say that the abstract shows good title. That is left for the examining attorney.

Many people think that when they have an abstract of title, or even a **"Warrantee Deed,"** as they sometimes call it, that possession of those documents makes their title good beyond question.

That, of course, is a fallacy. The abstracter may have made mistakes in searching or copying the records. The recorder may have made errors when recording deeds, mortgages, releases, and other instruments. The deed may have no value for many reasons.

SEARCH OF RECORDS OR ABSTRACTS

Before issuing a title policy a careful search is made of the County, State and Federal records that affect Real Estate titles. Or, of an abstract of such records. This search is made by an attorney who is competent and experienced in titles and conveyancing.

IF DEFECTS

If he finds any serious defects such as liens, encumbrances, taxes, or other matters derogatory to the title, these are either corrected and cleared from the records, or made a matter of exception in the Title Policy.

WHY HAVE POLICY IF TITLE IS GOOD?

Now, you may say, what is the sense of paying a premium for a Title Insurance Policy if, after a careful search of the records or an examination of an abstract by a careful, competent, experienced title attorney, the title is found to be good. Well, just so long as we must depend upon human beings to draw deeds and other instruments affecting titles, spread them on the records, index them, and then copy same into the form of abstracts, or to search such records to find the status of the title, just so long will we find errors being made.

WHEN ATTORNEY EXAMINES ABSTRACT

When an attorney examines an abstract of title, or the records at the Court House, he gives a written certificate or opinion of title in which he states that according to the abstract or the records examined, the title is vested in, say John Jones and his wife, Sarah Jones. The attorney's judgment of the record may or may not be correct.

THOSE LEARNED IN THE LAW

Even those learned in Real Estate Law, such as lawyers, judges of our lower courts, as well as Judges of the Supreme Court of the United States, do not always agree in their judgment on the construction of laws, wills, trusts, and the like.

A few years ago a question came up in the State of Missouri as to whether or not a devise in fee simple could be cut down by a later clause in the will in favor of other parties. It was discovered at that time there were 24 decisions by the Supreme Court of the State of Missouri holding that a fee could **not** be cut down; and 25 cases holding that it **could be.** One of the cases is Sorrensen versus Booram 297 S. W. 70.

HIDDEN DEFECTS

There are a great many hidden defects which may affect the title to Real Estate. These defects are of such a nature that they do not show in the records, or the Abstract of Title, and might not be discovered by an experienced conveyancer or attorney.

Here are some of this class of defects:

1. Forgeries
2. Frauds
3. False representation
4. Lost wills
5. Dower claims
6. Undisclosed heirs
7. Mistakes at law
8. Illegal trusts
9. Lost deeds
10. Deeds by infants
11. Copyist's errors
12. Misrepresentation of facts

13. Defective acknowledgements
14. After born children
15. *Invalid powers of attorney
16. Mistakes in description
17. Defective partition suits
18. Undisclosed restrictions
19. Leases and mortgages omitted from the records
20. Defective foreclosures and others too numerous to mention

*(Power of attorney)

When taking a Title Insurance Policy, a purchaser of land or the holder of a mortgage, gets not only all the protection that the Attorney's opinion or certificate gives, but he gets in addition protection against defects outside of the record, such as I have just mentioned.

LOSSES IN YOUR COMMUNITY

You may think that losses in your community on account of defective titles are negligible. I have found upon examining records in this connection that one National text-writer cites more than 7500 cases on marketability of titles alone. Only a small percentage of defective title cases is on Marketability. Then too, perhaps not more than one-tenth of 1% of cases arising, wherein there are serious defects in title, ever reach the higher courts where the final judgment is reported.

TWO TYPES OF POLICIES

There are two types of Real Estate Title Insurance Policies. Fee or Owner's Policy, which insures against loss to the owner of the Fee Title, and Mortgage Title Policy which assures the holder of a mortgage that his mortgage is a valid first lien on the Real Estate.

A Fee or Owner's title policy protects the insured indefinitely, even protecting him on his Warranty Deed when he sells. Premium is paid but once, and the protection is perpetual. A Mortgage policy protects the lender until the debt is paid and there is but one premium charge.

Under the L.I.C. Standard Mortgage form of policy, if the assured acquires the land under foreclosure or other legal manner in extinguishment of the debt, or under FHA Insurance Contract, the policy automatically becomes an Owner's policy as of its date. If the land is thereafter sold the policy shall continue in force to protect the interest of the assured under its terms so long as any payment is outstanding.

ECONOMIC ADVANTAGES

Title Insurance is the economic method of handling title transactions. What is the use of continuing a system that requires a search of the muniments of title from the Government or original grant, down to the present, to advise a client whether or not the seller or mortgagor has a good title? After a title policy is once issued by a reliable and substantial title insurance company, the next time the property changes hands it is necessary only to go back in the search to the date of the last policy. If the second transfer is within a reasonable time, say five years, a re-issue policy can be given with premium charge of 75% of the regular rate.

FEATURE VALUE TO USERS

Naturally, the important feature of any service is its value to the user. Life Insurance, as such, is of no value to the insured nor to his wife, but a wonderful asset to his widow and children, while Title Insurance is a commercial asset from its very inception for it stimulates the transfer of Real Estate and allows a faster turnover of invested funds.

The owner of the mortgage paper is protected against all latent defects, errors of recording, error of attorneys, omissions of abstracters, forgeries, frauds, grantors non compos mentis, taxes (Federal, State, and Municipal), failure of consideration. The Mortgage owner is assured that his lien is first and valid, and that the grantor had a fee title absolute, without dispute as to encroachments, boundary line disputes, or party wall agreements adverse to his title.

HARRY E. RANDEL

For the protection of fee owners the policy guarantees, up to the value of the estate covered, but not exceeding the face of the policy, that, at the date of the filing for record of the instrument vesting title in the insured, such title was free of defects of every kind and nature. The policy further guarantees that his grantor had a legal right to convey; that his title originated from the Government, State or other indisputable source, legally capable of conveying; that there are no unrecorded deeds or mortgages, no lost wills, no outstanding interests, no defective judicial sales, sheriff's sales, or tax sales, no equitable judgments or suits pending. That his title is good as against the world, subject only, of course, to such defects and claims as are revealed by the certifying attorney.

FOR INSTANCE—$44,000 FORGERY

A few years ago a title company paid to a large Building and Loan Association of Missouri, a loss of more than $44,000 because of a forged mortgage. The forger, a resident of Fort Worth, Texas, was a man of good social, financial, and moral standing in his community. He had been an approved applicant of the title company for some years. He was a trusted loan correspondent for a life insurance company and for the Building and Loan Association mentioned. He had credit at the local banks; was an officer and worker in one of the local churches. He and his wife had some domestic difficulty and were divorced. Financial reverses followed him and he conceived the idea of forgery to obtain money.

He made a deed purporting to convey certain down town properties which he did not then and never had owned, to his father. The deed, of course, was made in the names of the then owners of the properties, and neither his father nor the owners, knew anything about the transaction at the time. A deed was placed on record, and so far as an examination of the records showed, the title was good in his father. He made application for a loan. There was ample value in the property, and the loan was approved. Application was made to the title company for title insurance. Application was accompanied by an attorney's certificate showing the title clear. Policy was issued and delivered with the mortgage papers to the investor.

The notes secured by the deed of trust required heavy amortization payments. For a year or two the forger made payment of taxes, interest, and principal installments as they came due. When he was no longer able to make these payments, foreclosure proceedings were instituted and it then developed that this man had perpetrated seventeen (17) distinct forgeries, including the deed to his father, filing certificate, recorder's certificate, notes, coupons, deed of trust, attorney's certificate, and finally the check sent in payment of proceeds.

The mortgage policy guaranteed to the investor that the mortgage was a valid first lien. There was nothing left for the title company to do but to make good the loss. You may say that such a transaction cannot occur in our community. The danger in such cases is that it is generally **"A good man gone wrong."** An ordinary crook could not come into a community and get away with such fraud.

GREATER NEED FOR TITLE INSURANCE THAN IN PIONEER DAYS

There is greater need now for Title Insurance than in pioneer days. In earlier days, real estate, in many communities, had little value. Purchasers knew, or could usually find out from neighbors, who the previous owners were. Then it was customary for a Notary Public or Justice of the Peace to prepare the deed. Sometimes it was filed for record but often times not. It was the exception to have an attorney examine the records or abstract. In fact, there were few abstracts.

Now that communities have become more densely populated, we have less opportunity to know the parties with whom we are dealing. Pioneers are passing away. It is increasingly difficult to find any one to make affidavits about grantors, grantees, heirs, possessions and boundaries.

Who can tell from the examination of an abstract whether the maker of a deed was single or married? He may have stated in his acknowledgement that he was single. If, however, he **had** a wife and she did not join in the execution of the deed and is **still living**, she has a legitimate claim in the real estate. Of course there are many sleeping claims that will never be awakened, but always there is the possibility of discovery and litigation.

BOSTON TITLE CASE

The most interesting and complicated title that I have ever known is one shown in the records in Boston, Mass. The real estate involved lies within the limits of the territory ravaged by the great Boston fire of Nov. 9th and 10th, 1872. Three successive **alleged** owners were divested of their title and possession, and finally the first of the alleged owners again recovered the property in 1875 through a **violation** of a restrictive covenant in a deed **against the erection of any building on the rear portion** of the parcel of real estate involved.

This restriction was discovered by an attorney, who, more or less by curiosity, was searching title records back through the Book of Possessions which was compiled in Massachusetts Colony in 1643.

You may draw your own conclusions as to the value of Title Insurance.

It is far better to have Title Insurance and not need it, than need it and not have it.

Report of Committee on Federal Legislation

H. STANLEY STINE, *Chairman*

Vice-President
Washington Title Insurance Co.
Washington, D. C.

The duty of this Committee is to study and analyze such bills as are introduced in and passed by the Congress of the United States which affect the title industry. To do this job as it should conscientiously be done it would take the full time of each of the members of the committee during the time the Congress is in session, when you consider more than 10,000 bills and resolutions were introduced in the last Congress—and I know of no one in the title business who has had that kind of time in the past five or six years. This report, then, reviews only those bills passed by the second session of the seventy-ninth Congress which convened January 14, 1946, and adjourned August 2, 1946, and covers the interim since our last convention in Chicago during December, 1945.

Of the seventy-ninth Congress, much was expected. The first session witnessed the end of war. The second session met under post-war conditions for the first time in many years. I recall that back in 1944 predictions were many that it would not take longer than six months after cessation of hostilities to gain normalcy which approximated pre-war days. It was this session of Congress, then, that would formulate and pass the laws that would reconvert us from war to peace. We can hardly say this has been accomplished, but if this Congress did not do everything it should have done, suffice it to say the agenda was of such vast magnitude that this one body could not give it the complete deliberation it commanded. Great decisions had to be made. Critical problems, both domestic and international had to be solved. Labor strikes were rampant and these together with the draft law, control of wages, prices and atomic energy all needed consideration, and each of these subjects is headache enough for any member of Congress.

Recent Federal legislation which is closest, perhaps, to the heart of the title industry, especially to those of us engaged in the title insurance business, is House Joint Resolution 225 which provided for the quieting of titles of the respective States, and others, to lands beneath tidewaters and navigable waters. Passed by the House and Senate, the President on August 1, 1946, vetoed the measure and said in his veto message that the issue was now before the Supreme Court and "presents a legal question of great importance to the Nation, and one which should be decided by the Court. The Congress is not an appropriate forum to determine the legal issue now before the Court. The jurisdiction of the Supreme Court should not be interfered with while it is arriving at its decision in the pending case". We await with eagerness the decision of the Supreme Court on this issue.

H. STANLEY STINE

Other legislation, while strictly local in application, may set a precedent and have some influence on the action of the various State legislatures at their next meeting and which may directly affect you. Public Law 372 (S. 1152) removed the disability of minority of a resident of the District of Columbia, and of a minor spouse when acting with such resident, to permit him or her or them to acquire property with the proceeds of a G.I. loan including the right to sell, convey and encumber the same. Public Law 508 (S. 2307) provided—and I know you all hope this becomes universal—that every Saturday shall be a holiday in the District of Columbia and not a business day for those banks, banking institutions, fed-

eral savings and loan associations, and local building and loan associations that have offices in said District.

A few of the laws which were passed and are of interest to the title business are:

Public Law 322 (HR 5471) Amending the First War Powers Act of 1941 which authorizes the President or a designated officer or agency to restore property vested in the Alien Property Custodian during World War II to persons who were never hostile to the United States.

Public Law 336 (S. 1821) increases the appropriation for National Defense Housing from 160 million dollars to 410 million dollars.

Public Law 375 (S. 1757) amends the Surplus Property Act of 1944 by providing additional priorities for veterans over certain types of property.

Public Law 377 (S. 2) provides Federal aid for the development of public airports.

Public Law 388 (HR 4761) known as the "Veteran's Emergency Housing Act of 1946" makes provision to expedite the availability of housing for veterans of World War II by expediting the production and allocation of materials for housing purposes and by curbing excessive pricing of new homes. Section One of the act recites that accomplishment of the objectives expressed "will assist returning veterans to acquire housing at fair prices, stimulate industry and employment, prevent a post-emergency collapse of values in the housing field, and promote a swift and orderly transition to a peacetime economy."

Public Law 395 (HR 5504) amends the bankruptcy act as it affects farmers.

Public Law 464 (HR 4160) amends the bankruptcy act relating to the appointment, removal and qualifications of referees.

Public Law 481 (HR 6682) amends the bankruptcy act generally.

Public Law 563 (S. 704) authorizes the Secretary of Agriculture to continue to administer and to ultimately dispose of and liquidate Federal rural rehabilitation projects including the real estate.

Public Law 635 (HR 6702) clarifies the rights of former owners of real property to reacquire such property under the Surplus Property Act of 1944.

Then there were other acts which affect title people simply because they reflect on the every day life of all Americans. Some of these are the following:

Public Law 304 (S. 380) called the "Employment Act of 1946" declares a national policy on employment, production and purchasing power with a view of promoting free competitive enterprise and the general welfare.

Public Law 396 (HR 3370) provides for the assistance to the States in the establishment, maintenance, operation, and expansion of school lunch programs.

Public Law 473 (HR 6164) extends the Selective Training and Service Act and provides for the training of men between the ages of 19 and 45.

Public Law 548 (HJ Res. 371) is the Price Control Extension Act of 1946. It may be noted that since this act became a law the OPA has released many items from its operation.

Public Law 585 (S. 1717) is known as the Atomic Energy Act of 1946 and provides for government control over atomic energy and for government programs of information, production, research and development.

Public Law 601 (S. 2177) provides for the reorganization of the Congress commencing with the 80th Congress.

Public Law 392 (HJ Res.) provides for the proper observance of the 155th anniversary of the adoption of the first ten amendments to the constitution and authorizes and requests the President to designate December 15, 1946, as Bill of Rights Day and invites the people of the United States to observe the day with appropriate ceremonies and prayer.

There are numerous other acts which might be of interest to the members of this Association but they are all strictly of a local nature, such as land transfers in various localities, but neither the limited line nor space seems to justify listing them here.

Up to this point we have briefed legislation passed by the second session of the seventy-ninth Congress. But what of the future? There has been some discussion ever since the Detroit Bank case in 1943 (317 US 329) that some corrective legislation should be sponsored to require the recordation of the estate tax lien and remove it from the category of a secret lien. If and when such corrective measures are introduced in the Congress, it is the recommendation of this committee that the American Title Association and each of its individual members spiritedly and vigorously endorse the passage of such legislation.

Since this report was drafted, there has been an election. The results indicate that the complexion of the next Congress will be completely changed. What will be the complexion of the laws to be passed by it? At this time we can only sit back and hope that the 80th Congress of the United States will accept the challenge before it and legislate to the best interests of all Americans and those peoples in the rest of the world.

Exhibits Accompanying "Geographic Plant" Article

(See Page Six)

10-15 Eggelston Twp.

Section	Draw	Guide
1	461	2
2	458	1
3	23	6
4	23	5
5	23	4
6	656	6
7	478	1
8	830	2
9	298	3
10	664	5
11	281	3
12	281	2

5 x 8—White Bond Sheet

NAME OF PLAT Reynold's Addition to the City of Muskegon. OUR L. & P. 3/76 REG'S L. & P. 7/41

(W½ of NW¼ of SW¼ 7-10-15) 6/28/23

BLOCK	TRAY	GUIDE	TRAY	GUIDE	TRAY	GUIDE	LOTS	REMARKS
1	478	2					1-20	
1	478	3					21-30	
2	479	1					1-20	
2	479	2					21-30	
3	479	3					1-20	
3	479	4					21-30	
4	479	5					1-20	
4	479	6					21-30	

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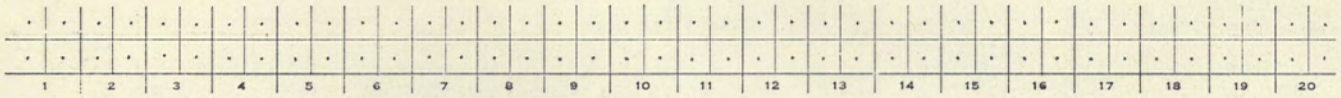

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OFFICE SUPPLIES, INC., MUSKEGON

LOT AND BLOCK ABSTRACT CARD

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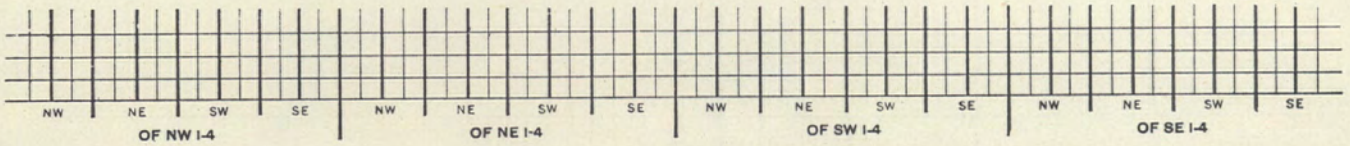

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BROWNE-MORSE CO., MUSKEGON 14894

SECTIONAL ABSTRACT CARD

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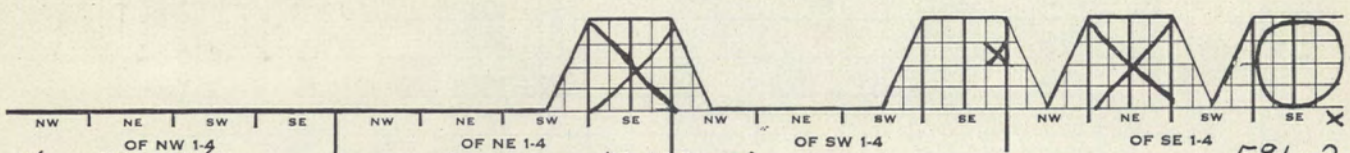

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Roscoe Frutchey (Kathleen),
De Witt Frutchey (Elizabeth), R.R.#3, Muskegon, Michigan.
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Also Gov't Lot 3 & SE¼ of SE¼ sd Sec.

OFFICE SUPPLIES, INC., MUSKEGON

SECTIONAL ABSTRACT CARD

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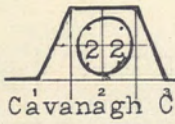


Cavanagh Civic Park Addition to the City of Muskegon 385-8X

L & P 522 5

D 10 8 46

R OCT 10 1946

Deed $1.

Muskegon Trust Company, a Mich corp, Trustee, by Otto L. Godfrey, Vice Pres & R.H. Hawkins, Sec, under corporate seal,

Kenneth Cline (Mabel), 1109 East Larch Avenue, Muskegon, Michigan.

Lot 22.

And sd 1st pty, for itself, its successors & assigns, does covenant, grant, bargain & agree to & with sd 2nd pties, their heirs & assigns, that it has not heretofore done, committed or

(see next card)

OFFICE SUPPLIES, INC., MUSKEGON — LOT AND BLOCK ABSTRACT CARD

2½ x 8 — White Filing Index Stock

5.

wittingly or willingly suffered to be done or committed, any act, matter or thing whatsoever, whereby the prem hereby granted, or any part thereof, is, are or shall, or may be charged or incumbered in title, estate or otherwise howsoever. This deed is given in fulfillment of a ld cont dated 12-1-35, & is subj to such taxes, liens or encs which may have accrued theron subsequent to sd date.

522-5 2

1¾ x 8 — White Filing Index Stock

6.

NW NE SW SE NW NE SW SE NW NE SW SE NW NE SW SE

OF NW 1-4 OF NE 1-4 OF SW 1-4 OF SE 1-4

L & P

D

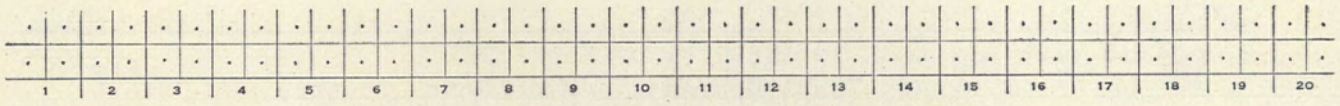
R

I

BROWNE-MORSE CO., MUSKEGON 14894 — SECTIONAL ABSTRACT CARD

2½ x 8 — Salmon Filing Index Stock

7.



L & P

D

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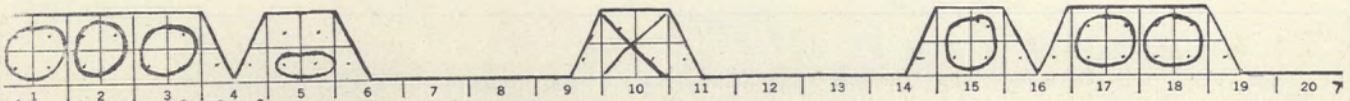
I

OFFICE SUPPLIES, INC., MUSKEGON

LOT AND BLOCK ABSTRACT CARD

2½ x 8 — Salmon Filing Index Stock

8.



50 City of Muskegon 329-2

Kenneth Birch (Elsie),
Muskegon Federal Savings & Loan Association, a corp.

L&P 342 10 Lots 1, 2, 3, S½ of Lot 5, E 30 ft of Lot 10 & entire Lots 15, 17 & 18 sd Blk.

D 10 6 46

R OCT 26 1946

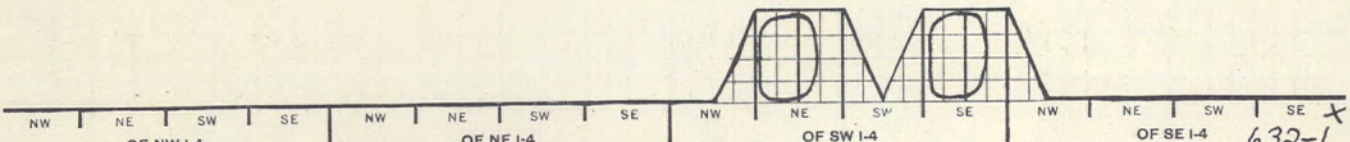
I Mtg $1500.
Note

BROWNE-MORSE CO., MUSKEGON 97507

LOT AND BLOCK ABSTRACT CARD

2½ x 8 — Salmon Filing Index Stock

9.



632-1

32 10 14

L&P 255 609

D 10 19 34

R OCT 26 1934

I Mtg $2200.

Albert W. Good, also known as Albert Good & Maud I. Good, also known as Maud Good, as his wife & in her own individual right,
Land Bank Commissioner, acting pursuant to Part 3 of the Act of Congress known as the Emergency Farm Mortgage Act of 1933.
W 3/4 of E½ of SW¼ sd Sec, containing 60 acres, m or l.

(see next card)

BROWNE-MORSE CO., MUSKEGON 97507

SECTIONAL ABSTRACT CARD

2½ x 8 — Salmon Filing Index Stock

10.

Prin payable at the rate of $62.00 per month, all due in three years from date.

255-609 2

1¾ x 8 — Salmon Filing Index Stock

11.

196-22

L & P 341 | 300 Muskegon Trust Company, a Mich corp, by Otto L.

D 10 | 9 | 45 Godfrey, Vice Pres & R. H. Hawkins, Sec, under

R Oct | 31 | 1945 corporate seal,

ASST. OF MTG. 310 540 $1. Kenneth Cline (Mabel).

(Lots 1, 2, 3, & W½ of Lot 4 of Blk 500 Revised Plat, City of Muskegon)

1¾ x 8 — Salmon Filing Index Stock

12.

474-5

L & P 341 | 395 The National Lumberman's Bank of Muskegon, by

D 10 | 5 | 46 J. N. Dykema, Asst Cashier, under corporate seal,

R Oct | 10 | 1946 Gilbert W. Lundeen (Wreatha B.).

DIST. OF MTG. 269 | 431

(Lot 128 & W½ of Lot 127 of Roosevelt Park)

BROWNE-MORSE 14894

1¾ x 8 — Salmon Filing Index Stock

13.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20

OFFICE EXAM. BY TO TAX HISTORY EXAM. TO

PLAT: PURPOSE OF EXAM.

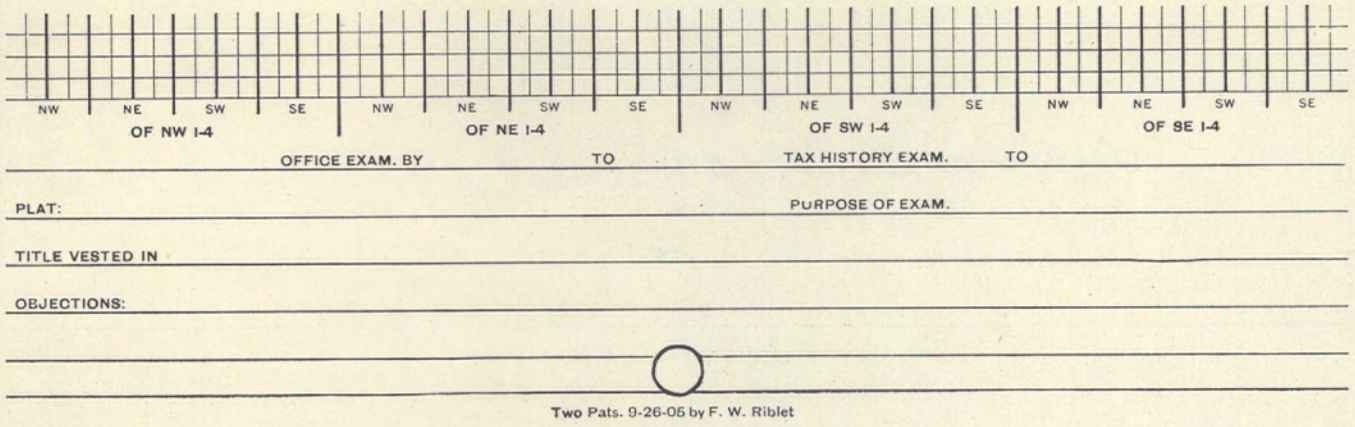
TITLE VESTED IN

OBJECTIONS:

Two Pats. 9-26-05 by F. W. Riblet

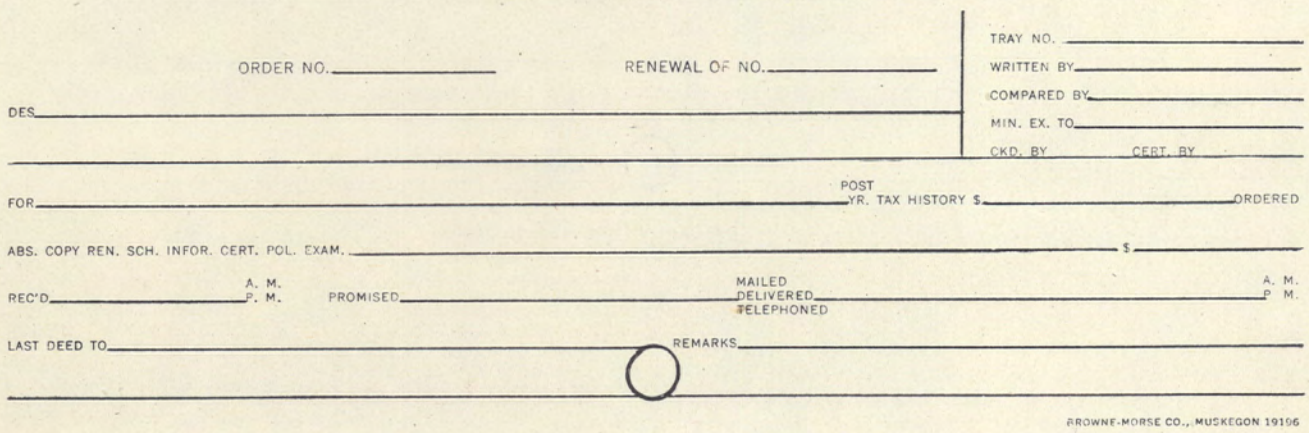
2½ x 8 — Buff Filing Index Stock

14.



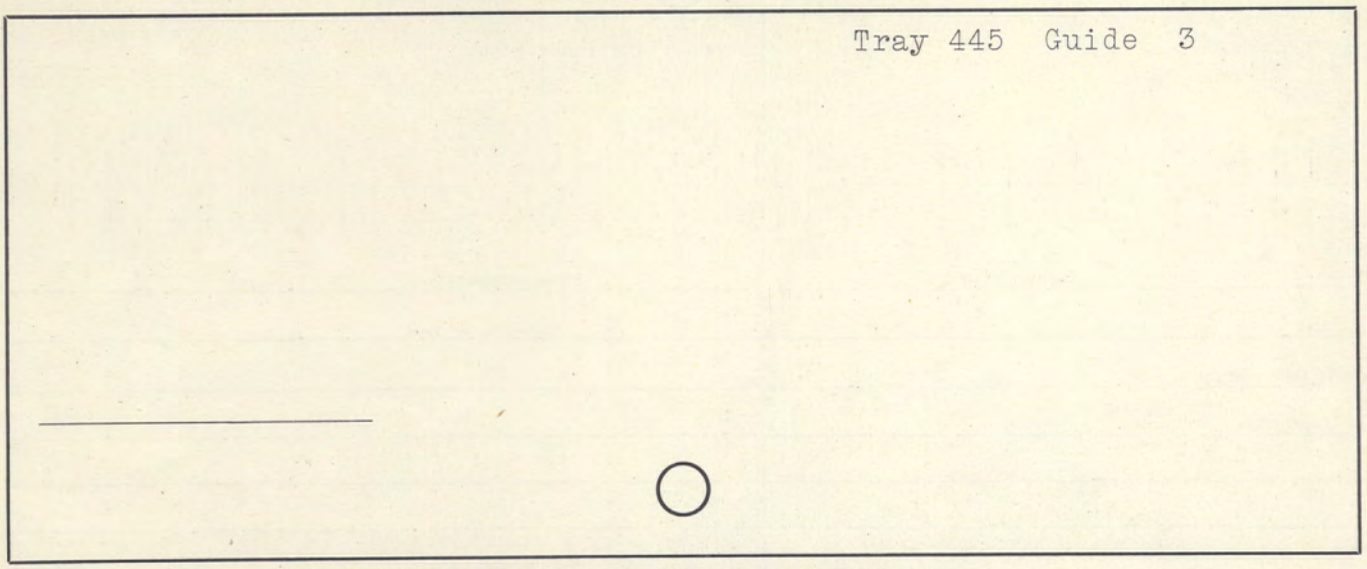
2½ x 8 — Buff Filing Index Stock

15.



2½ x 8 — Manilla Tag Board Stock

16.



2⅞ x 8 — White Filing Index Stock