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# TITLE NEWS

Official Publication

THE AMERICAN TITLE ASSOCIATION



VOLUME XXX

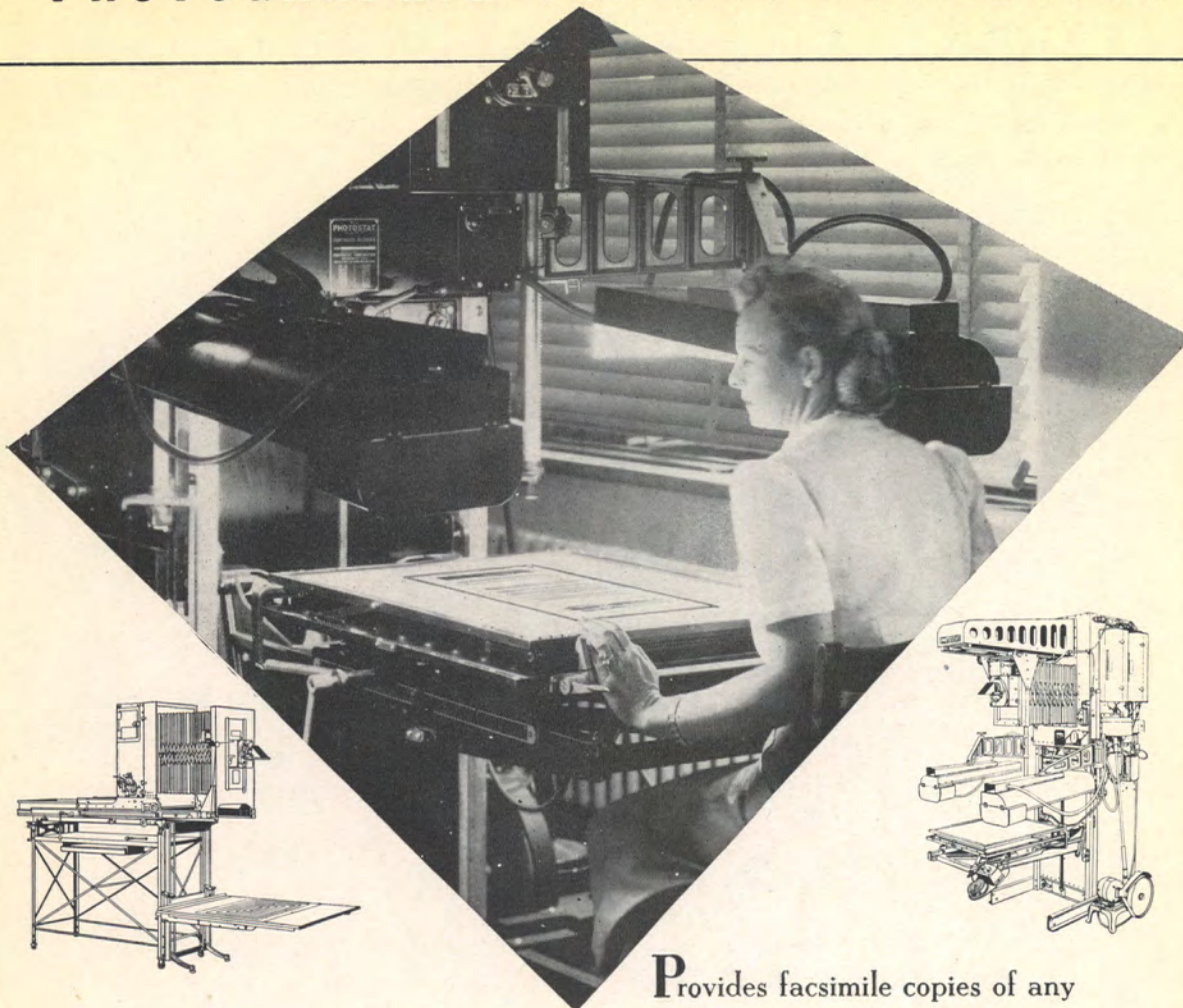
JANUARY, 1951

NUMBER 1

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## THE AMERICAN TITLE ASSOCIATION

3608 Guardian Building — Detroit 26, Michigan

VOLUME XXX

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# PROCEEDINGS OF THE FORTY-FOURTH ANNUAL CONVENTION

(IN PART)

of the

## AMERICAN TITLE ASSOCIATION

Oklahoma City, Oklahoma—September 18th to 21st, 1950

### Generals I Have Known

It has been almost three decades since I attended your first convention in Kansas City right after the First World War, but vivid are the memories and recollections I have retained of the grand association with members of The American Title Association of that day and time, many of whom are still in your ranks. It is extremely gratifying to be able to appear tonight on this very happy occasion to greet you collectively and individually, renew acquaintances, and relive some of the experiences of the past.

I thought it might be interesting to you, and especially to the ladies, if I gave you some anecdotes of the war days and especially to relate these anecdotes to generals I have known in that time. I will begin with General Marshall.

#### General George C. Marshall

My first contact with General Marshall was at Camp Barkley, Texas. Of this I recall very little of his personality. Next was at Camp Pickett, Virginia, in May, 1943. General Middleton, commanding the Division, had already left for Africa by airplane and left me in command of the Division. General Marshall phoned the Chief of Staff that he would like to come to Pickett and look over the Division as it was soon to leave for an extremely delicate operation somewhere in the Mediterranean known as a ship-to-shore amphibious operation. He directed that no one but the Chief of Staff and myself should know he was to arrive. He spent two days looking over the Division and talking to various commanders and many of the GI's. He spoke freely and fluently in our ride from one place to the other, was completely informal, and spoke directly of points which, by his long experience, he knew bore on campaign readiness. He was tolerant of things which were

#### RAYMOND S. McLAIN *Lt. General, U. S. Army Washington, D.C.*

apparently matters of course or due to recently arrived recruits.

In talking of his work in Washington, he stated that he had a habit, when going from his car to his office or to any other place for an appointment, to duck his head under his



RAYMOND S. McLAIN  
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shoulder and never look up. He said that one of his staff officers had said that he was liable to be misunderstood and that his friends would think he was too exclusive. At that time he was an extremely busy man; events of great moment requiring his whole attention were almost constant-

ly before him. He was handling the over-all conduct of war in two great fronts on opposite sides of the world. He was participating in conferences; his presence and advice in these conferences were sought by the highest political figures in the world on the side of the Allies. Notwithstanding, he had found that if he conducted himself in the normal manner that others used, friends seeking advice or simply wanting to be friendly would consume valuable minutes of his time.

He made a wager with his friend that the following morning they would arrive at the Pentagon together and that he would proceed in a normal way, recognizing people as he passed along the corridor to his office, which was some two hundred feet from the door, while his friend would note the time it took to arrive at his office. When he had arrived at his office and sat down at his desk, it had taken 45 minutes to cover this two hundred feet. Thereafter, he continued to duck his head.

After that visit, I did not see him until during the Battle of France, at which time I was commanding the 90th Division in Patton's Army. It was a very rainy day, and my headquarters was in Doncourt, a small, muddy little town northwest of Metz. He came to the Headquarters with General Walker and General Patton. He had asked to see some of our combat soldiers, and I had brought him about ten who were due for decorations, thinking it would be a very high honor to them to have General Marshall award their decorations. This he was extremely glad to do, and when I apologized for the fact that they were just as they came out of the trenches, he said, "That is exactly the way I wanted to see them and have an opportunity to talk with men living and fighting under those conditions."

When he arrived at the CP, I advanced to meet him. He held out his

hand, and the first expression he uttered was, "My, you have lost a lot of weight." I had, in fact, lost about 30 pounds since he had seen me at Pickett. I replied that anybody that stayed out of the way of General Patton had to lose weight. This tickled General Marshall, and I don't think it displeased General Patton.

I saw General Marshall several times after I came back from the war, and it was he, in particular, who persuaded me to stay in the Army after he had given me a permanent appointment as General officer in the Regular Army without asking me whether I wanted it or not.

One remark that I heard him make several years later at the Army War College I think is worth noting. He told the officers of the class that it was not enough to produce the most excellent plans, but that at the same time they produced these plans, they must insure the will and the ability to carry them out. Otherwise, the planning would be futile, and results from all the good planning would be nil and wasted effort.

Certainly Marshall is **one** of the greatest, if not **the** greatest, figure we have produced in America in this century. His selfless objectivity, clear vision and direct approach enabled him to direct a war on two fronts with success, and relatively a minimum of casualties for such a far-flung war, against two of the greatest military powers of any age.

#### General Dwight D. Eisenhower

I had met General Eisenhower in the maneuvers in Louisiana in 1941, but had never been well acquainted with him. I saw him at a distance just before we landed in Sicily.

He joined with Generals Middleton, Bradley and Patton in asking that I come to England for the Normandy Invasion and, of course, had been responsible for my being given command of the 90th Division, as that decision was his ultimate responsibility. He later recommended me to command the XIX Corps, and a few days after I had taken command of the corps near Aachen, he came to visit it. The Corps was then up against the Siegfried Line and was extended over a very long front. Practically all of the soldiers were engaged, and some had been heavily engaged. He wanted to talk to some of the men, and it was arranged that he would talk to a battalion of the 29th Division which was in a woods about two miles behind the front lines. It was a cold, rainy day in the latter part of October. We went in jeeps to the position of the battalion, which was on a steep knoll. It was necessary to climb up to the woods through an orchard, and when we arrived at the edge, there were a few boards laid on the wet ground on which he stood and talked to the men. He made a very human and appealing talk, which

they received with some unusual enthusiasm. They were much impressed. General Eisenhower turned, when he had finished, and stepped off the boards on which he had been standing to go back to his transportation; but, in doing so, the slippery mud caused him to fall and roll over, and when he got up he was very much covered with mud. It was too much for the boys to hold, and they let out a yell that could almost be heard in the German lines. If it had been some Generals I have known, I would have been taken out of there for the front. I am sure that the battalion would have been sent back to the front and the Division Commander probably court martialed, but General Eisenhower got up with a big smile on his face and gave the boys a "high ball" in as good nature as if he had fallen in a football melee. That took the boys as much by surprise as the tumble did, and they let out another cheer of enthusiasm and admiration for his human reaction. I am sure they would have followed him in any mission which he asked them to undertake, and within a few months after that, he called on them to undergo some of the hardest fighting that was encountered in the German campaign. General Eisenhower mentions this incident in his book, but does not identify the unit or place.

#### General Omar Bradley

I had an introduction to General Bradley, whom I had never seen, when General Marshall visited the 45th at Camp Pickett, Virginia. The action in Africa was just concluding. He stated that during the First World War, they had had a very studious young officer whom they had not permitted to go overseas because he had done such a grand job as instructor at Fort Benning Infantry School. He said that also during this war they had found his pedagogical capacity so valuable that they had put him on the shelf as a school teacher. He said, however, that they had found occasion to send him overseas to get first hand information of the fighting in Tunisia, and that when things had gone badly there, they had given him command of a corps, out of which he had immediately brought order from circumstances which were uncertain, and that he was proving to be one of the best finds as a battle commander since the start of the war.

My Division, which at that time was the 45th, was to come under Bradley's command, immediately we arrived in Africa, and fight under him during the battle of Sicily. I learned from serving with him there and later in France and Germany, there is not a more humble, human, courageous, and, I want to say emphatically, more **daring** commander than Omar Bradley.

A striking characteristic is his absolute discipline. I remember once in

Sicily we had advanced for the purpose of cutting a road. When we had arrived within a mile of the road, we got orders to stop and advance no farther; and, under no circumstances, deliver fire on the road. Very soon after we were in position close to the road, we saw German troops moving west, making a wonderful artillery target. I phoned the Division requesting authority to fire; they referred me to General Bradley. I got in touch with him very quickly. He was quite sympathetic, but said he could not authorize it and would try to get the authority. Before he called me back, I had personally verified the targets and the identity of the troops as being German. I then got in touch with him again, and he informed me very sympathetically, but quite firmly, that he had just discussed the matter with the Army Commander, and not matter what we thought they were or how sure we were that they were Germans, we could fire on them. He reminded me that orders were orders, to be obeyed. The point, of course, was that the Canadians, who were driving these Germans before them, had been authorized to follow them down the road, and it was feared that our artillery fire would not only kill Germans, but might take the Canadians under fire as they pursued the Germans. It was quite a hard thing to see those Germans escaping, knowing they would kill our boys later, but instructions in battle must be simple and they must be obeyed implicitly. I think this profound sense of discipline explains his reaction to the Navy appealing to Congress over the head of their superiors in what appeared to Bradley as a mutiny. It explains his acquiescence in many questions of National Security which require subordination of judgment to higher decision and to team work. He plays on the team for team results.

I next heard from General Bradley again when he and General Patton and General Middleton joined in a request to have me brought from Italy to England to participate in the Normandy invasion with a view to giving me a higher command. He gave me this command in the form of the 90th Division, which later proved to be one of the outstanding divisions of the French and German campaign. At the time of the Saint Lo breakthrough, Bradley, who was then commanding the First Army, assumed the command of an **Army Group** consisting of the First and Third Armies. Actually, it was the First Army split in two. Hodges took the left group constituting the Third Army. It was my opinion that Bradley's directive to Patton, when the breakthrough was made, to drive across France and **go on to Germany**, was one of the most daring orders given in battle and shortened the war at least six months. A more conservative commander would have designated a line not too far in front of

the existing line, to which he would have driven and secured it until adequate supplies could have been assembled, then gone on by a succession of such drives. Not so these courageous and daring leaders of ours!

After the breakthrough, my Division, being a part of Patton's column, had driven on the town of LeMans. We had passed through what was known as the Avranches Breach, some 90 miles behind LeMans. We were fighting to take the town when General Bradley personally came forward, and I met him in the battle. We discussed the situation. I had just learned of the counterattack at Mortain, where the Germans, who knew we were trying to surround them, were endeavoring to close the Avranches Breach and cut off Patton's Army. This would have put us in a very serious situation. I asked General Bradley how he could take the risk of having the three Divisions which were attacking LeMans, and two others which had turned west, run the risk of being cut off completely. He said he believed we could hold them there and that we could stretch out as far as we could go because he felt that he could learn of any movement against us in time to check it. This was incidentally outstanding perspicacity and astuteness of judgment in a battle situation that was as fluid as the situation was at that time.

I regard the circumstances of the battle of the Ardennes, otherwise known as the Battle of the Bulge, as an outstanding example of Bradley's daring equilibrium. A fundamental axiom of the conduct of war is not to permit the enemy to force you to conform to him. Bradley had refused to do that in the drive to the Siegfried Line from the beaches in Normandy. He had fought the first and second battles of Aachen in spite of reverses and delicate situations elsewhere.

I visited Middleton, who commanded the Corps defending the Ardennes at Bastogne, three days before the breakthrough. He had three divisions that had been decimated in the Hurtgen and one never before in battle. He told me he was concerned about the buildup of the Fifth and Sixth German Armies covered by the Fifteenth German Army holding the lines in the Eiffel Sector, of which all of us had information. He said, however, he had discussed it with Bradley, and since Bradley's headquarters were in Luxembourg, as close to the front as Bastogne, he didn't see why he should worry, if Bradley wasn't worried.

The night before the Germans attacked, Bradley had said to Hodges, "Why, Courtney, if they come through here, it will be foolish. We will destroy them, and they will lose the force they would have to defend the Rhine. But Hitler's intuition overruled his commanders; they came. Weather conditions aided them. They struck

with the fury of a dying giant. Weakened Divisions gave way. Middleton's conduct of his Corps was superb, as was his handling of the 45th Division at Salerno, where he, more than any other man, influenced the defeat of the best German troops they ever threw into battle. Middleton's decision to hold Bastogne was critical, and sound. Breaking through north of Bastogne, the Germans found themselves facing superior forces on both flanks and Horrock's British Corps of four fresh divisions moving toward the Moselle. They were defeated before he was needed, and Bradley's prediction that they could not defend the Rhine was borne out when we again struck in March.

#### General George S. Patton

My first acquaintance with General Patton was at Camp Benning in December, 1940. A group of generals from the National Guard and Reserve were observing the school and looking at some of the exercises. Early one morning we were invited to observe an armored exercise. We arrived and, since I was sitting with the driver, I alighted from the staff car first in my group. Standing within ten feet of me, leaning against a tree watching us alight was a tall stately officer dressed in green jodhpurs, a pea green jacket fitted at the waist with brass buttons running from the waist up over the right shoulder, with a pearl handled pistol on a peculiar sling under his left arm. His helmet had a gold raised band around it looking very much like a halo, and he had a look of amusement on his face. He saw that I was taking in the peculiar garb and said, "What do you think of my uniform?" I said, "General, I don't quite understand it." "Well," he said, "I have been trying to devise a uniform for these tankers which will enable them to get in and out of their tanks quickly and which will not cause them to hang up either getting in or getting out." He said, "Come on, I will show you." He made me get into a nearby tank. I had a pistol around my waist, as was then the regular equipment. He showed me that in either getting in or out the pistol hung up on the tank turret. He said in a split part of a second it might delay a tanker getting out of a tank and lose his life. "I am trying to find a way that will save his life." How much influence that had would be hard to say, but our experience in battle was that three of four of all tankers escaped when their tank was hit without being badly injured.

I served under General Patton in Sicily and was given a Distinguished Service Cross by him just before I left for Salerno and he was leaving for England. He joined with General Eisenhower, General Bradley, and General Middleton—in fact, he urged that I be sent for to participate in

the Normandy invasion with a prospect of higher command.

I was assigned at his request to the 90th Division on July 25. It had had some hard mauling and was somewhat demoralized. I was told by General Bradley that I could have ten days to reorganize it, but it would have to get back in action, if possible, at the end of that time. I went back to the Division and talked to the officers in small groups, as they were scattered about, relieved a few, and did some reorganizing. I had planned the next day to talk to the non-commissioned officers. That night, however, I got a call from General Patton. He said he was sending down six Quartermaster truck companies and wanted me to mount up the Division, go through the Avranches Breach, and attack St. Hilaire Du Harcouet and drive on LeMans. I expressed surprise and said General Bradley had indicated I would have ten days to reorganize the Division. His only reply was, "Hell, I have given you ten hours, haven't I?" So, we went the next morning before daylight, and the Division never slowed up from that time until it reached Germany, fighting many hard battles unflinchingly and with most fabulous success.

Significant of his attitude and his respect for a courageous soldier was his action in a case which I mentioned to him one time as we were standing before his fire just before a Corps conference. I related the circumstances of a young sergeant who had come over with the 90th as they landed on Utah Beach. His LST had been hit, the Captain had been killed, and several members of the company had been killed or wounded. There was no other officer with his company. The sergeant, knowing the plan after reaching the Beach, went ashore, took the remainder of his company, and fought until he took the objective. There, he was joined by the First Lieutenant with another part of the company from another LST. The Lieutenant took command, but within a very short while after that, the Germans counterattacked, and the Lieutenant was wounded and taken to the hospital. The attack had been serious, and the units on the flank of the company had been driven back. The Sergeant had told his men that they would not give up until the last man was hit. He maintained his position throughout the night, and the counterattack by the Americans the following morning enabled units on the flank to come up again and regain their position. After the company was reorganized, he showed exceptional courage from that time on. It seemed that certainly he was the type of leader which was needed in battle.

However, on examining his record further, I found that in the States he had not been a good student. In fact, he had played hookey most of the time. After he was mobilized, he had

a number of absences without leave. He had been tried for two of them and had served time in the Guard House for one. I began to wonder if this sort of background showed stability enough for officer responsibility. I mentioned this case to General Patton. His remark was, "He is a fighter, isn't he?" I said, "Yes, his record sure shows that." He said, "Hell, I would make him a Captain."

General Van Fleet relieved me in command of the 90th Division on October 15, 1944. Patton came to Corps Headquarters to meet Van Fleet. His opening statement to Van Fleet was, "Now Van Fleet, you've been up in that First Army. We do things differently in the Third. I don't want you spilling any of your doctrine down here and spoiling our soldiers. I don't want you having the boys putting out wire entanglements, digging fox holes and laying mine fields. They are liable to think we've gone on the defensive. Then the Germans might think we're on the defensive. Hell, the Germans know Patton don't go on the defensive. Don't change your C.P. signs to code. Put them out big. If the Germans want to find you tell 'em where you are, then let them have it. If you get any new officers who want to cover up their insignia, send them down to me; I'll take it off them for good." After leaving the conference, Van Fleet rode in silence for some distance, then he said to me, "Did you hear what that General said to me? Do you think he meant it?" I said, "Yes, it's got some good sound sense in it, but don't pay too much attention to 'not digging' fox holes."

#### Field Marshal Bernard L. Montgomery

My first acquaintance with Montgomery was in England. After arriving there, I went with the officers of my new command to a conference on the coming assault on Normandy. At the conclusion of the briefing, Montgomery made a short talk. What I remember was that he made very brief and sane points, predicting exactly how he felt the assault would go, and as each one of these points was made, he remarked, "I bet you money on it; I bet you money on it."

During the Battle of the Bulge, Montgomery ate at my mess about three times a week. The boys took quite a shine to his beret. That was the only piece of uniform you could be reasonably certain he would be wearing at any particular time. Sometimes he was in corduroys; sometimes in OD uniform, but he always had the beret. Some of the boys, noting it hanging on the hat rack with a number of other military helmets and caps, took a picture of it. It is the one inanimate object that spoke louder than words of Montgomery's personality.

Simpson's Ninth Army, of which

my Corps was a part, was attached to Montgomery's group for the crossing of the Rhine and the Battle of the Ruhr. Montgomery issued an order of the day, which I think, generally, is a classic. One of the expressions which struck me very forcefully at that time and which I will remember was, "We will force the crossing of the Rhine; we will drive the Germans back and hurl him on to Berlin and go 'cracking about' on the Baltic Plain." That "cracking about" struck the American soldiers as a very funny expression.

Montgomery was a different type of soldier than the American leaders. He was simple, direct, deliberate, and played his cards close to his chest.

#### Monhov

When the American Army was stopped, the XIX Corps had crossed the Elbe River and was set to drive on Berlin about 35 miles distant. After waiting some ten days, the Russians had not come up but were approximately 15 miles up the Elbe River in the direction of Wittenberg, home of Martin Luther and where he is reputed to have thrown the ink well at the devil, chased him out of town, and tacked his 99 thesis on the church door. Wittenberg had become the headquarters of the XXVII Russian Corps commanded by General Monhov. We again attacked up the river, gaining some additional miles, and came in contact with his troops. I requested a conference with him because I had a number of Russians whom I wished to turn over to him, and I knew that he had a large camp of allied soldiers within his lines that I would like to bring back to our lines. The conference was set by him for 1:00 o'clock. I did not know whether it meant a luncheon or whether he wished to finish his lunch and then talk business. I set out for his headquarters and arrived about 1:00 o'clock. I found two things, first, it was not only a luncheon, but a feast to which he had called in his principal commanders and staff. It was obviously elaborate. It lasted until 4:30 when he told me he was sorry he would have to cut it short to get back to fighting. The next thing, I found that he would not talk business about anything. About releasing prisoners, his answer was that he had no instructions from Moscow or higher authority. One of his subordinates, who had immediate charge of the Allied prison camp, said that what we were trying to do was to get him sent to Siberia for acting without authority. I pleaded with him that we were his allies and certainly our nationals were entitled to return to their own lines as well as his nationals were entitled to return to Russian lines. I did not tell him his nationals did not want to return to the Russian lines, but it would have made no difference.

#### There was no word from Moscow.

Monhov was a short, heavy-set man, with large, well-moulded head, big trunk, short and sturdy legs, with a voice like a bull. He was a Georgian. He was clean shaven, but with a mustache, he might have looked very much like Stalin. He had come from the vicinity of Yalta. In trying to make conversation, I related to him an experience I had had about a month before when I had two days' leave after the Battle of France and the drive to Rhine River, while a bridgehead was being prepared and executed by another corps. During those two days I flew to Cannes on the French Riviera, and on the day of arrival got acquainted with the Dutch Consul, whose home was in Amsterdam, but whose station was Cannes and Monte Carlo. He had married a Russian woman from Yalta. The next day they both accompanied me in looking over the French Riviera. As some of you may know, it is a very magnificent sight with the blue Mediterranean overlooked by the magnificent mountains; and mountain slopes on which are built picturesque buildings covered with flowers and semi-tropical fruit. The Consul's wife stated that they had lived on the Riviera some 15 years when not in Amsterdam and that she was devoted to it and thought it very beautiful, but that for genuine scenic beauty, the Black Sea Riviera in the vicinity of Yalta was superior. To make polite conversation, I repeated this statement, thinking that Monhov would be interested in it because of the fact that she had originally been from his country. The astonishing reply he made was, "She made this statement on her own private **personal** responsibility, didn't she?"

At a point a little farther in the conversation, I asked him whether he thought Hitler was dead or had gone in hiding inasmuch as the Russian troops had captured Berlin just a few days before. His reply was that he had no idea since Moscow had made no formal announcement.

He made many and frequent toasts throughout the meal to Stalin, to Roosevelt, to the **Red** Army (which by the way, of some significance, they never called the Russian Army), and to the Allies. After one toast, he whipped out his pistol, explaining he had crossed the Dnieper River with it, and gave it to me. I then asked him what they did about crossing so many rivers, what kind of bridging material they carried. He said they carried none. When they got to a stream, they told the Engineer to build a bridge and gave him all the troops he needed for labor. The Engineer in charge knew he was to have a bridge by a certain time, and built it. I knew, of course, he meant "or else." It was the same philosophy Zukoff expressed to Eisenhower that the way they

cleared a minefield was to run troops across it.

\* \* \*

I would like to close my talk to you tonight with a few words on the world situation, in which I know you are all intensely interested. I would like to speak on this as I have spoken on the anecdotes, on my individual responsibility. I would like to quote from a recent article by Colonel Conrad H. Lanza, retired, an independent writer and, as far as I know, entirely without official connections, but a man whose "Perimeters in Paragraphs" over the past number of years has shown some very studious thinking based on matters which he has developed from press reports and other civil sources. This quotation is entirely on his own and was published in the September Combat Forces Journal, a private publication.

**"Soviet Intentions.** An early war plan envisaging war against the United States was issued at Moscow on January 15, 1945, when the USSR was an ally. A copy of this plan was furnished to Earl Browder, the American Communist leader, who received it at New York on March 23, Browder had the plan mimeographed. His distribution list is not exactly known but eventually the Chinese had a copy.

"That 1945 plan is a long-range one covering the post-World War II years. It provides that the fascist and reactionary forces are to be liquidated successively and individually, alternately in the East and West, without provoking another world war. In the East, China, under direction of 'that great patriot Mao Tse-Tung,' was to be brought under Communist rule by 1949. Sovietization of Manchuria and Korea and their incorporation within the Soviet Union were to follow. Next step was to be the invasion of Japan for which no date was set. India was expected to become Communist on its own volition. British and French influence in Southeast Asia was to be destroyed. By the late 1950's all of Asia ought to be Communist.

"In Europe, Germany, with appropriate help, was to become Communist and then join the Soviet Union. France and Italy were then expected to become Communist. Great Britain would probably follow. All these states desired to avoid another war. By 1957 all Europe would be controlled by the Soviet without any world war. Then work would begin on establishing suitable air and naval bases for attacking the United States. That was to come in 1963.

"A new war plan, or a modification of the preceding one, was issued in Moscow on January 28, 1949. Rear Admiral Ellis S. Zacharias, former Navy Chief of Intelligence, describes it in his new book, 'Behind Closed Doors.' A Soviet officer who was a member of the guard at the Kremlin on the abovementioned date obtained a copy of the new plan. Subsequently

deserting, he delivered this plan to the Western Powers. The major change in the new plan was to advance the date for war with the United States to a date to be determined precisely later, sometime between 1952 and 1956.

"Some may believe that the two Soviet plans discussed were plants. But events over the past five years indicate that the Soviet Union has followed these plans, and that they are marching forward on time. Hence, the danger in the present situation is apparent."

\* \* \*

This, like the "Tanaka Memorial" which presumed to set out the program of the Japanese prior to the time they launched their attack on China and which was later held by an international commission to be spurious, was a pattern which the Japanese faithfully followed until the time of their challenge and ultimate defeat by the United States and her allies.

As to whether there is any intention on the part of any segment of the Communist movement to follow this pattern, I personally have no knowledge, other than events as they happen from day to day. It seems that if there is any validity to this formula for world conquest, that the consolidation of Asia prior to launching an attack on Western Europe would be, militarily, a very appropriate action. No military force likes to fight on two fronts. It is also sound military strategy to draw a potential opposing force as far away as possible from the decisive area. That has been accomplished to a considerable extent by the problems of the French in Indo-China, the British in Hong Kong, and now the Americans in Korea. If the conquest of any of these areas should fail, they would at least succeed in causing these major powers to conform to the action of the aggressor.

The decisive point on the globe is Western Europe. There we find 240,000,000 people who largely have descended from ancestors common to our own. They profess the Christian religion and substantially have the same social and economic outlook which we, here in America, have. The over-running of these 240,000,000 people and their subjugation would make a differential of nearly one-half billion people. It would deliver vast resources in raw materials and industrial capacity to the enemy. It would so encourage Communism that we would find Communist leaders sprouting from every road corner in America, and the pressure from outside eventually overwhelming. It is unbelievable that Communism, having achieved the conquest of the Eastern hemisphere, would long leave America, the richest country of them all, as a challenge to its system.

What is the stake which we, as American citizens, stand to lose should

the Communist concept take over in this country? I think I could state it simply this way: In the days of the wandering of the Children of Israel, Moses went up into Mount Sinai and returned with what we call today, "The Ten Commandments." Some 2,000 years ago, Christ delivered what is known today as "The Sermon on the Mount." From many countries in the world came what we have termed "The Golden Rule," and from these basic principles of morality, we have built the spiritual life which we believe is the essence of civilization.

From these broad moral principles we have produced other documents which have generated in man a sense of dignity of the individual, and over the period of years since the birth of our Christian concept, have given us such great courage we have removed the shackles of slavery, both physical and mental, one by one. These acts of civil liberation have been consecrated in a few highly significant documents. One of these was the Magna Charta, gained at Runnymede. Another is the Bill of Rights appended to the Constitution of the United States.

On these broad principles, we have built the most prosperous, the happiest, and most powerful nation in the world. Yet, that very success is now the envy of a sinister and insidious movement masked behind a false philosophy known as "Communism," which has been moving toward world conquest by preaching the violation of every one of the Ten Commandments, of every implication of the Sermon on the Mount and The Golden Rule. It teaches the youth to serve the Communist State by denying the Deity; dishonoring their fathers, mothers, brothers, sisters, and neighbors; that to steal, cheat, lie, and perpetrate other crimes is worthy of great praise if done in the interest of the Communist State. Their methods of enforcing compliance with their despotic decrees is more sinister than the methods of the Dark Ages. They have brought a Dark Age back to the world because they have erected an iron curtain designed to shut off the light on what is going on behind it.

I recently visited the horror camp at Dachau in Germany, scene of perhaps the greatest tragedy since Golgotha, where some 350,000 people were murdered. I can assure you that will be a side show as compared to what can take place under the philosophy propounded by a police state operating under the political principle of one-party government and liquidation by violence of all opposition.

I have seen the ravages of this police state in Germany, because there were many other camps such as Dachau. I captured one of them near Magdeburg. One of my divisions occupied a Fascist headquarters near

there, and in it was a chamber of inquisition, and from it we found this small instrument. It was very effective, as you can see. It was a "persuader" that we had not believed could exist in a Twentieth Century Christian civilization. Now we know that there still remain people in the world who can resort to such sordid means to accomplish their ends.

We have been told a great deal about the power of atom bombs, and

we have seen in Europe the destructive power of air warfare, even with conventional bombs. We know that there are more powerful weapons today than before and that science has produced more means of destruction than was ever thought possible. It is possible to visualize right now what might happen to our great cities, but I say to you, as destructive as these forces might be, and as disastrous as we might find them to be, they are

completely insignificant as compared to the implications of this small instrument. It is **this** thing that we fear and resent, and it is **this** thing that we must guard against ever visiting our own country. It must be the determination of every American man, woman, and child to prevent such an eventuality in this country. To dedicate ourselves to that purpose should be our foremost thought as we enter that fatal decade 1950-60.

## Receivables

PAUL J. WILKINSON

*Vice-President, Title Guarantee Co.  
Baltimore, Maryland*

With our very popular Moderator, Al Wetherington, missing by reason of conditions beyond his control, Mr. Kunkle and I realized that, although we were not qualified as musicians, singers, comedians or intelligentsia, the program had to be carried on.

We've listened to music with singing and art,

Been regaled with poetry and wit from the start,

So many theories have been skillfully expounded

That our willing minds are completely confounded.

The papers and panels have been especially well done

After the convention convened in a spirit of fun.

So now near the end it's hardly conceivable

That you'd have to listen to talks on "Receivables."

### Fools Rush In

When Mr. Dwyer first suggested that I take a place on the panel upon "Receivables," I accepted with a great deal of misgiving for I realized that I knew nothing whatever about the subject, and, furthermore, it did not appear to me, at that time, that a discussion of the subject was any business of title people. I thought of the young man who visited a young lady for the first time on a blustery, early winter evening. As they left her house the sky was overcast and snow flurries were in the air. He looked up at the bleak clouds, pulled his overcoat a little tighter around his neck and said, "Winter draws on," to which she replied quite indignantly, "I don't think that is any of your business."

After struggling around with the problem for weeks and getting nowhere fast, I finally began to realize that the subject was an important one and one that should be of interest to all of us. Each of us should be entitled to the increments of his own efforts and we should know best how to get them. A young colored woman, who had been somewhat indiscreet

in her relations with men, other than her husband, was being sued for divorce by him and he was asking the Court for custody of their three children. The Court after due deliberation awarded the husband an absolute divorce and custody of all the children. As the wife was leaving the Court, someone heard her mumble, "Dere ain't no justice in dis here land



PAUL J. WILKINSON

Giving them children to dat air man,  
'Cause just as sure as de Lord is risen,  
Dere ain't nary one of dem children hisn."

### Laborer Worthy of His Hire

The foundation of our system of free enterprise is the unrestrained right of anyone to engage in any lawful business of his choosing. The necessary element in the development of a successful business is the ability to sell enough goods, or perform

enough service, at a reasonable profit to pay all costs of overhead plus a reasonable excess.

The successful conduct of a business, therefore, requires not only the sale of goods or services at a profit, but also the collection of the charges made for such sale.

The above statements are so self-evident that it is almost foolish to make them. It is safe to say that all Title Insurance companies exert every effort to give to their customers a maximum of service, and are, therefore, entitled to, and in most instances do, receive payment of their charges when and as they become due and payable.

There has never been a general discussion by representatives of Title Insurance Companies as to individual methods of handling "Accounts Receivable," but without doubt every company has its own method of handling them which has probably proved satisfactory to that company. It was with the idea in mind that a general debate on this question, with ideas expressed from the floor, would prove beneficial to the entire membership, that a panel was formed, not for the purpose of telling the various companies what should be done, but to stimulate the development of thoughts and ideas which might prove to be useful.

### Various Methods

In order to develop ideas in advance, Al Wetherington sent out numerous questionnaires to member companies and received a very satisfactory response.

One of the questions dealt with the time upon which the bill for title work was rendered, but limited the answers to when the preliminary report on final policy was delivered. About fifty per cent of those replying seemed to favor each method. These answers struck me as a little strange for in Baltimore we collect over ninety-nine per cent of all title fees in the same manner as a cash and carry store by securing all title fees, stamps, notary fees and recording charges at the time of settlement. In

rare instances we are asked to make settlement and advance charges and send a full bill, which would be done immediately after settlement. This method greatly simplifies collections and can be fitted into most title insurance transactions perfectly because the purchaser or mortgagor who in our locality pays the bill, normally likes to know, at once, just what the entire transaction is going to cost him, and pays far more readily than at a future time. This method eliminates a costly method of accounting.

#### **Commissions**

Many representatives criticized the practice of paying commissions on title fees to lawyers and brokers who bring in the business, but this, it seems to me, is a purely personal problem that can be worked out by the individual companies to their own satisfaction. Only a few of the reporting companies seem to be paying such commissions. A few companies also appear to pay as high as ten per cent discount for settlement of accounts within a definite period of time. This is done usually where no commissions are paid for bringing in the business.

#### **Cash Advances by Company**

In many jurisdictions it is customary to advance money for stamps, recording and incidental charges in settlements and the collection of these amounts constitutes a serious problem in many instances. Of course, as is true of so many other problems, this is one for each company to work out for itself in conjunction with competing companies in its locality. It is sometimes difficult to break down a practice of years standing. But, as a practical matter, I would feel that, under normal circumstances, all charges of this kind should be advanced at the time of settlement. A title company, ordinarily, should not be required to make advances of this kind.

#### **Unclosed Files**

One of the main problems of this type with which a title company is

confronted is that of clearing its books of applications which have just remained dormant for a long time or where the company has declined to insure title. The old files should not be allowed to lie sleeping too long, but should be brought up periodically for proper disposition. Where the company declines to insure there usually exists an understanding that the applicant is to pay some portion of the scheduled fee. In many cases the purchaser or mortgagor signs the application for the title work so that the question of liability is easily determined. However, in a large number of cases, applications have been filed by a broker or mortgagee, and in cases such as these it is also necessary to bear in mind the amount of business received from that source before being too insistent upon payment. It is often necessary to discuss the matter in a friendly manner so that a satisfactory compromise may be arrived at.

#### **JOHN H. KUNKLE**

*President, Union Title Guaranty Co.  
Pittsburgh, Pennsylvania*

After supervising the reviewing of more than 750 delinquent accounts, including those of disappointed home buyers, veterans, one traveling in a wheelchair, others thinking more of becoming established and buying food for a young family than of paying a title company, attorneys or agents who have collected fees and have failed to remit, I find little humor in the subject assigned to me.

To a great extent accounts receivable represent dollars spent in processing applications which have not been closed. This failure to close arises frequently when the purchaser under agreement is unable to raise sufficient funds, fails to qualify as a mortgagee, is unable to procure a sufficient loan, withdraws from the transaction and from other reasons.

Let us follow a typical case. The application is received from the mortgage company as agent for the mort-

gagor, processed and preliminary report delivered. The file then becomes a case awaiting settlement. Three to four months later inquiry is made why closing has not occurred. Deal fell through is the report. Title is continued from our records for confirmation. Billing for our costs to applicant is then made, and record kept in special ledger and not considered earnings. Billing continues every 60 days for 6 months. Telephone and letter collection efforts by accounting department also made with an ear to public relations and business acquisition departments. Reviewed by Treasurer and others in authority and contact is made in some instances in person, finally forwarded to attorneys for further action.

In applications where preliminary reports have been used to close the transaction but not at our office, the same procedure is followed but more vigorous effort is made to collect and attorneys are finally instructed to enter suit.

#### **Cash With Order**

In an effort to reduce these receivables we now require a deposit in most over-the-counter applications, also a number of lending institutions and brokers in an effort to cooperate now procure deposits and forward with the application.

In this special ledger, also, is recorded losses paid, while effort is made to recover from the previous owner.

We operate strictly on a cash basis and no fees are considered as earnings until received. Collections are made at closing by our settlement officers in both mortgage and owner transaction.

We have a small amount of accounts receivable in our statement, consisting of funds advanced for taxes, for recording, for revenue stamps, etc.

Receivables and their collection or other disposition should be under the direction of a senior officer with experience, judgment and customer acquaintanceship.



# Filing System—General Correspondence

## A PANEL DISCUSSION

### MEMBERS OF PANEL:

Charles W. Mickle, *President*, Phoenix Title & Trust Co., Phoenix, Arizona.

J. C. Brand, *Vice-President*, National Title Division of Title Insurance and Trust Co., Los Angeles, California

Gordon M. Burlingame, *Vice-President*, Bryn Mawr Trust Co., Bryn Mawr, Pennsylvania.

J. B. O'Dowd, Moderator, *Vice-President*, Tucson Title Insurance Company, Tucson, Arizona.

### J. B. O'DOWD

I have noted that the most successful speakers warm up their audiences by a joke, a story or quotation. I had proposed to open this panel with a quotation from Lewis Carroll's "Alice in Wonderland" about "Shoes and Ships and Sealing Wax, Cabbages and Kings"—But I couldn't find the reference in my files; wouldn't have been able to quote you this much of it if Earl hadn't used it yesterday—soon as I heard it quoted by President Glasson I wired my office out of sheer curiosity to see if my file clerk had yet found the quotation. This is the answer I received: "Of course, found Karroll quotation under 'K' for Karroll—cross-indexed to 'K' for Kabbages."

The lawyer was confirmed according to yesterday's story, as representing the oldest profession in the creation of the Chaos out of which the Almighty engineered the construction of the world. Apparently the Chaos continued, for Adam is Biblically quoted as having said, "I plunge into the Abyss, confident that the work of God will be done." Obviously, a reference to his filing system.

We of this Panel, Adam-like, are plunging into the Abyss of filing systems.

This is perhaps an affront to the industry, suggesting that our filing of matters other than tract or general index, could be any less perfect than our Tract or General Index files. I think it would be a safe hazard to state that we of this Title Industry represent en masse more and better filing systems—more items under correct and usable indices than any other industry or business (private, that is) in the country.

You all have Tract indices, General Indices, Card Systems, Photostat, Microfilm and other such tools of the trade that you are justifiably proud of in which, when dealing with a specific parcel of land, are faultless—or very close to it.

But, as to matters of business not immediately identified with a specific parcel, person or file, what happens

to it? Or more important, where is it next time you look for it?

The purpose of this panel is to try to shed a little light on the question I asked Jim Sheridan, "Has A T A ever published anything on General Filing?"—and the asking of the question (something I'm passing on to the members attending their first convention) made me automatically Moderator. Its the same cause and effect of making a simple remark at a Chamber of Commerce meeting—you are thereupon appointed Chairman.

### Army Training

I became intrigued with the idea of a National System on Correspondence Filing along the lines of the Army Decimal System of Filing—the Army System is good in almost to perfection; it has two features we do not advocate, but which, nevertheless, insure its continuity and permanence in the Army:

1. It is compulsory.
2. There is no margin for imagination, for no new numbers can be added without *order* of the Adjutant General.

For reference: "Army Decimal System of Filing" CPO — \$1.00.

The proposal that we have available a system for correspondence filing is just that—for use by those who desire to adopt it, with, nevertheless, the central control in our new Executive Vice President's office — he to keep it current, to add new sub-heads and delete others as the occasion demands—perhaps on an annual basis—and by publication of an Annual Supplement.

### The Army System

The Army System uses an alphabetical cross index—it is questionable whether this is necessary—Time and use of the system will answer that.

There are 100 or so copies of the proffered decimal system, as prepared in our office for use of Title men, available here at the rostrum right after this panel — additional copies may be obtained by writing me at my office.

Basically, there are seven General Subjects as follows:

- 000—General
- 100—Finance and Accounting
- 200—Personnel
- 300—Administration
- 400—Title Questions
- 500—Services
- 600—Customers

Each of these main topics are subdivided further, retaining the same basic number, with unlimited room for expansion—inasmuch as it's almost impossible to run out of numbers.

It is recommended that the filing and numbering within the office be handled by trained personnel only; that no new sub-heads be added without authority, after absolute necessity for it is determined. Under a centrally controlled national system, *only* after publication (as say the Title News) could a new number be added. Perhaps *something* along this line would afford the smaller companies the benefit of top-quality experts guiding our decimal system of filing, experts we could not afford individually.

I have intentionally avoided going into more detail on this suggested system; for a filing system is a personal thing and that one item (the personal touch) is what spells the death knell of most of them. This mimeographed sheet has to be *studied* by those who are interested; it may have its weak spots. However, any thoughts on it I will appreciate and perhaps in a few years we can develop something worthwhile to many.

### GENERAL FILING SYSTEM

Presented to American Title Association, Oklahoma City — September, 1950.

### GENERAL SUBJECTS

- 000.—General
- 100.—Finance & Accounting
- 200.—Personnel
- 300.—Administration
- 400.—Title Questions
- 500.—Services
- 600.—Customers

- 000.—General**
  - 010.—Stockholders
  - 020.—Directors.
  - 030.—Public Relations
  - 040.—Associations and Clubs
- 100.—Finance & Accounting**
  - 110.—Banks and Banking
  - 120.—Investments
  - 130.—Taxes
  - 140.—Reports
- 200.—Personnel**
  - 210.—Applications
  - 220.—Employees' Welfare
- 300.—Administration**
  - 310.—Office Maintenance
  - 320.—Office Building Maintenance
- 400.—Title Questions and Decisions**
  - 410.—Real Property
  - 420.—Policy Provisions
- 500.—Services**
  - 510.—Title Insurance
  - 520.—Escrows
  - 530.—Tax-assessment Service
  - 540.—Photostatting
  - 550.—Trusts
  - 560.—Abstracting
- 600.—Customers**
  - 610.—Government Agencies
  - 620.—Real Estate Agencies
  - 630.—Title Companies
  - 640.—Life and other insurance companies.
  - 650.—Individuals.

**000.—GENERAL**

- 010.—Stockholders**
  - 011.—Meetings
    - 011.1—Annual
    - 011.2—Special
  - 012.—Elections
  - 013.—Reports
  - 014.—Dividends
  - 015.—Stock Sales
- 020.—Directors**
  - 021.—Meetings
    - 021.1—Regular
    - 021.2—Special
  - 022.—Elections
  - 023.—Reports
- 030.—Public Relations**
  - 031.—Advertising
    - 031.1—Newspapers
    - 031.2—Radio
    - 031.3—Programs
    - 031.4—House Publications
      - 031.41—Realty Financing Review
      - 031.42—Timely Title Topics
      - 031.43—Legislative Enactments
      - 031.44—Court Decisions
      - 031.45—Government Rulings
  - 032.—Donations
    - 032.1—Red Cross
    - 032.2—Community Chest
    - 032.3—Boy Scouts
    - 032.4—Other Welfare
  - 033.—Employee Activities
    - 033.1—
- 040.—Associations and Clubs**
  - 041.—National Associations
    - 041.1—American Title Association
    - 041.2—Mortgage Bankers' Association
    - 041.3—American Bar Association
    - 041.4—National Ass'n of Real Estate Boards

- 041.5—National Ass'n of Home Builders
- 041.6—American Bankers' Ass'n.
- 042.—State Associations
  - 042.1—Arizona Title Association
  - 042.2—Arizona State Bar
  - 042.3—Corporate Fiduciaries of Arizona
  - 042.4—Real Estate Boards of Arizona
  - 042.5—Arizona Bankers' Ass'n
  - 042.6—Greater Arizona, Inc.
- 043.—Local Associations
  - 043.1—Pima County Bar Ass'n
  - 043.2—Tucson Real Estate Board
  - 043.3—Tucson Chamber of Commerce
  - 043.4—Tucson Sunshine Climate Club
  - 043.5—Tucson Community Chest
- 044.—Local Clubs
  - 044.1—Tucson Country Club
  - 044.2—Tucson Rotary Club
  - 044.3—Old Pueblo Club
  - 044.4—El Rio Country Club
  - 044.5—American Legion

**100.—FINANCE & ACCOUNTING**

- 110.—Banks and Banking**
  - 111.—Bank of Douglas
  - 112.—Southern Arizona Bank & Trust Company
  - 113.—Valley National Bank
- 120.—Investments**
  - 121.—Realty Mortgages
  - 122.—U. S. Bonds
  - 123.—Other Bonds
  - 124.—Stocks
  - 125.—Buildings and Lands
    - 125.1—Acquisitions
    - 125.2—Sales
    - 125.3—Leases
  - 126.—Other
- 130.—Taxes**
  - 131.—Real Property
  - 132.—Personal Property
  - 133.—Income
    - 133.1—U.S.
    - 133.2—State
  - 134.—Social Security
  - 135.—Workmen's Compensation
- 140.—Reports**
  - 141.—U.S.
  - 142.—State
    - 142.1—Corporation Commission
    - 142.2—

**200.—PERSONNEL**

- 210.—Applications**
  - 211.—Stenographer
  - 212.—Clerk.
  - 213.—Accountant
  - 214.—Lawyer
  - 215.—Other
- 220.—Employee's Welfare**
  - 221.—Pensions and Retirements
  - 222.—Vacations
  - 223.—Sick Leaves
  - 224.—Insurance
    - 224.1—Life
    - 224.2—Compensation
    - 224.3—Hospitalization
    - 224.4—Medical
- 230.—Club Memberships**
- 240.—Classification**

**300.—ADMINISTRATION**

- 310.—Office Maintenance**
  - 311.—Supplies
  - 312.—Equipment
    - 312.1—Repairs
  - 313.—Printing & Stationery
  - 314.—Library
- 320.—Office Buildings**
  - 321.—Janitor
  - 322.—Supplies
  - 323.—Repairs
  - 324.—Heating and Cooling
  - 325.—Fire Protection
  - 326.—Insurance

**400.—TITLE QUESTIONS AND COURT DECISIONS**

- 410.—Real Property**
  - 411.—Community Property
  - 412.—Joint Tenancy
  - 413.—Tenancy in Common
  - 414.—Condemnation
  - 415.—Probate Procedure
  - 416.—Foreclosures and Suits
    - 416.1—Parties
    - 416.2—Services of Summons
    - 416.3—Redemption
      - 416.31—Federal
      - 416.32—State
    - 416.4—Partition
- 420.—Policy Provisions**
  - 421.—Marketable vs. Insurable Title

**500.—SERVICE**

- 510.—Title Insurance**
  - 511.—Rates
    - 511.1—Schedule
    - 511.2—Subdivision
    - 511.3—Other Companies
  - 512.—Owner Insurance
    - 512.1—Policy Forms
      - 512.11—Standard
      - 512.12—Full Coverage
      - 512.13—Special
    - 512.2—Endorsements
  - 513.—Mortgage Insurance
    - 513.1—Policy Forms
      - 513.11—Standard
      - 513.12—A.T.A. Loan Policy
      - 513.13—A.T.A. Revised
      - 513.14—Additional Coverage
    - 513.2—Endorsements
  - 514.—Leasehold Insurance
    - 514.1—Policy Forms
      - 514.11—Standard
      - 514.12—Special
    - 514.2—Endorsements
  - 515.—Underwriting
    - 515.1—Co-insurance
      - 515.11—Proposals
      - 515.12—Contracts
      - 515.13—Other Companies
    - 515.2—Re-insurance
      - 515.21—Proposals
      - 515.22—Contracts
      - 515.23—Other Companies
  - 516.—Losses
    - 516.1—Forgeries
    - 516.2—Liens
      - 516.21—Judgments
        - 516.211—Individual
        - 516.212—Governmental
      - 516.22—Assessments

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- 516.23—Taxes
  - 516.231—Real Property
  - 516.232—Internal Revenue
    - 516.232.1—Income
    - 516.232.2—Gift
    - 516.232.3—Estate
    - 516.232.4—Social Security
  - 516.233—State
    - 516.233.1—Income
    - 516.233.2—Gift
    - 516.233.3—Estate
    - 516.233.4—Social Security
    - 516.233.5—Workmen's Compensation
  - 516.24—Attachments
  - 516.25—Mechanic's & Materialmen's
- 516.3—Encroachments
  - 516.31—Survey
  - 516.32—Hidden
- 516.4—Easements
  - 516.41—Unrecorded
  - 516.42—Hidden
  - 516.43—Possessory
- 516.5—Marital
- 516.6—Missing Heirs
- 516.7—Attorneys-in-Fact
  - 516.71—Defective Power
  - 516.72—Expired Power
  - 516.73—Minors' Power
  - 516.74—Decreased Principal
  - 516.75—Limited Power
- 520.—Escrows
  - 521.—Rates
    - 521.1—Schedule
    - 521.2—Subdivision
    - 521.3—Other Companies
  - 522.—Forms
    - 522.1—Standard
    - 522.2—Special
    - 522.3—Other Companies
  - 523.—Losses
    - 523.1—Pro-rating
      - 523.11—Taxes
      - 523.12—Insurance Premiums
      - 523.13—Rents
    - 523.2—Commissions
    - 523.3—Over-payments
    - 523.4—Under payments
- 530.—Tax-Assessment Service
  - 531.—Rates
    - 531.1—Wholesale
    - 531.2—Individual
  - 532.—Losses
- 540.—Photostatting
  - 541.—Rates
    - 541.1—Contracts
    - 541.2—Other
- 550.—Trusts
  - 551.—Subdivision
  - 552—Other
- 560.—Abstracting
  - 561.—Rates
    - 561.1—Schedule
    - 561.2—
  - 562.—Losses
- 600.—CUSTOMERS
- 610.—Government Agencies
  - 611.—Federal
    - 611.1—Federal Housing Administration
    - 611.2—Veteran's Administration
    - 611.3—Home Owners' Loan Corp.
  - 611.4—Reconstruction Finance Corp.
  - 611.5—Farmers' Home Administration
  - 611.6—Bureau of Reclamation
  - 611.7—Department of Justice
  - 611.8—Internal Revenue
  - 611.9—Defense
    - 611.91—Army
    - 611.92—Navy
    - 611.93—Air Force
  - 612.—State
    - 612.1—Highway Department
    - 612.2—University of Arizona
  - 613.—County
    - 613.1—Supervisors
    - 613.2—Recorder
    - 613.3—Treasurer
    - 613.4—Assessor
    - 613.5—Engineer
    - 613.6—Clerk
    - 613.7—Attorney
  - 614.—Assessment District
    - 614.1—Commission
    - 614.2—Superintendent of Streets
    - 614.3—Attorney
    - 614.4—Secretary
  - 615—City
    - 615.1—Mayor and Council
    - 615.2—Manager
    - 615.3—City Attorney
    - 615.4—Engineer
    - 615.5—Superintendent of Streets
    - 615.6—Clerk
  - 616.—School Districts
    - (File by district numbers)
- 620.—Real Estate Agencies
  - (File alphabetically)
- 630.—Title Companies
  - (File under appropriate subject)
- 640.—Life and Other Insurance Cos.
  - (File under appropriate subject)
- 650.—Individuals
  - (File alphabetically)

### GORDON M. BURLINGAME

The subject under discussion at this panel is "Filing Systems—General Correspondence." I am more than happy to have been selected as a member of the panel, for it will afford me the opportunity of finding out what the subject is all about.

The moderator has asked me to lead off with a review of systems currently recognized. Filing systems have been a mystery to me, for it seems that the only way in which we can find a letter is to determine where it is least likely to be, and lo and behold, there it is!

The textbooks state that generally speaking correspondence includes all written or printed communications to, from or about a correspondent or subject.

The storing of correspondence many years ago, we are told, was not worthy of the name filing. The methods employed were crude and time-consuming. Some systematic people folded their letters, wrote either the name of the correspondent or the subject on the outside and stored

them in pigeon-holes in their desks or cabinets. When these compartments were filled, the bundles were folded tight together and stored away in boxes or trunks according to the year. Some folks used the W. C. Fields system which was to buy a new desk when the pigeon-holes in the currently used desk were filled.

### The Old Letter Press

People who were even less systematic did not bother to fold the correspondence, but merely stuck it on a spike or spindle and when the spindle was filled, it was hung in the cellar and a new spindle bought.

My earliest recollection of filing copies of letters in our company was caused by one of my first jobs, which was to place the letter between some damp pages of a thin-papered book, put the book in a letter press, turn the handle, allow the book to be compressed for a certain number of minutes and then take out the original letter which was the most beautifully messed up piece of correspondence ever seen.

These books were then filed according to date in our basement and are still there for some future archæologist to read after the effects of the last atom bomb have been dissipated.

### Then the Paper Box File

The next step in filing was the introduction of the box file by means of which letters and copies were filed flat by an alphabetical system. Following this, we find the introduction of the use of vertical files, similar to that used for filing cards. These vertical files were also generally arranged alphabetically, but in the files all correspondence to, from or about an individual firm, place or subject was brought together, making for more speed, accuracy and accessibility. This method of filing is still generally used.

In addition to the alphabetical system, we find that the title insurance companies generally, at least in our section of the country, file all correspondence pertaining to a transaction in the folder covering that transaction. Thus we have a numerical filing system for correspondence referring to a particular title matter.

Until the title matter is ordered, of course, it is necessary to have some means of filing correspondence pertaining to a potential transaction, for this vertical filing is commonly used, indexed either alphabetically or geographically or cross-indexed.

### Save Filing Space

I am led to believe that in the more progressive sections of our country, photographic methods are being used to copy correspondence on economically stored film, after which all originals are destroyed. It would appear to me that this method or something of the kind will be used eventually by all of us, for finding space available for storage is one of our acute problems.

## J. C. BRAND

Our moderator asked me to talk about "Correspondence Filing in a Large Title Company" and instructed me to cover specific points regarding the Title Insurance and Trust Company of Los Angeles.

If some of my figures sound as though they were a release from the Los Angeles Chamber of Commerce, they nevertheless are substantially correct. These figures are for the Home Office only and do not include Branches or Divisions. The company has over sixteen-hundred employees (and numerous vice-presidents). In addition to the Home Office in Los Angeles we have ten Branches and Divisions in various counties in Southern California.

In 1949 we received 180,644 orders for policies of Title Insurance. The first eight months of this year we averaged 19,843 title orders per month and about 13,000 miscellaneous orders for title information.

In addition to our title business we handle between eight and nine hundred escrows per month and also quite a volume of Trust business.

We estimate our incoming mail at about fifteen hundred pieces per day and our outgoing at about 4000.

All incoming mail is received at a central location. The job of opening and sorting starts with two people at 6:15 a.m. and by 8:00 a.m. there are twenty people on the job.

Our outgoing mail is all sent to a central mailing department.

There is no central filing department. Each department keeps and files its own correspondence.

Executive Officers have various systems.

The Title Department gives a number to each title search and all correspondence relating to that search is kept therein.

The Trust Department keeps its files under Trust Numbers.

Filing in a large company is not more difficult than in a small one, more volume, yes, but that need not be a real problem.

The real problem is when you want an important paper and your system will not produce it.

There are many good systems for filing. All the result of various minds trying to find the ideal place to put something so it can be quickly found when wanted.

You have no doubt heard about the old file clerk showing her new assistant how to file, "Never, never file anything in the 'L' drawer, that's where I keep my lunch."

### Cutting Filing Costs

I believe the latest and probably most complete work on filing is to be found in "Report 590—Cutting Filing Costs," published by the Dartnell Corporation. The price of the report is \$7.50.

But even that will not tell you

where to find the carbon copy of the letter the boss forgot to dictate.

I appreciate the attention you have given me, and to show you my appreciation I am going to give you one of my most valued filing ideas, one that will save you a lot of time, effort and money.

Buy a larger waste basket and use it more often.

## CHARLES W. MICKLE

The lack of better and more efficient filing system in an important business such as the title business is due primarily to indifference and neglect on the part of top management. Too often executives have not the slightest idea of the importance of adequate filing, properly indexed and properly manned. The matter of filing is often considered beneath the dignity and "superior talents" of the



J. C. BRAND

important executive. The only attention given by them to the subject arises when they are seriously embarrassed by not having promptly available certain files or data needed at the moment. Then they shout and fume and criticize certain subordinates for their own lack of knowledge of accurate and efficient filing methods.

As a result, filing systems in many title companies, like Topsy, "just grewed." Management needs to realize that the outlay of funds for better filing methods is not an expense, but an investment. This attitude of management sifts down the line to lesser employees. Too many people underestimate the importance of filing in office routine. It is considered the lowest and most despised of all office jobs. As a result this important clerical function is entrusted to low-salaried boys and girls without experi-

ence—or they let anybody put material in or take it from the files regardless of whether they know anything about filing procedure or not. That's hardly the way to treat records—records which, especially in the title business, are our most important and precious tools.

### Competent Personnel

We do not give the occupation of filing the chance it deserves, either in dignity or salary. No wonder there are not enough well-trained file clerks available to give business the competent treatment its filing problems deserve. We should convince more young men and young women that filing is not a mere job, but an important one outranking many other office duties because it teaches ability to organize, and brings one in intimate contact with all departments of business.

Records are of such importance that their care should be placed in capable hands, under the control of persons who have a full appreciation of their value and the importance of being able to produce them when they are wanted. We should help train people in the science of filing just as we train them for other important business functions. We should instill in the minds of file clerks an enthusiasm and pride that will convince them beyond doubt that they have a real importance in our organizations.

### Centralization

There are many advantages of centralizing the filing in a large organization where there are many departments and an abundance of materials. Some of these advantages are:

1. Prevention of lost material—the safest plan for records is in the file. With centralized control and adequate follow-up and charge-out procedure, it is more certain that it will be known where material is. Records are immediately available—reducing to a minimum the chance of loss.
2. All material in one place—this is advantageous because there is only one place instead of many to look for it. This saves time—and dispositions.
3. Uniform filing plan—it is much more efficient to have material filed under one uniform system than to have each department manager file according to his pet notion and to have a mixture of filing plans scattered through the office.
4. Standardization of equipment—if all files are used in one place, uniform style, finish and dimensions of cabinets is a simple matter. The office takes on a neater and more attractive appearance.
5. Centralization of responsibility—in central filing, the chief file clerk is responsible for all records. He permits nothing to leave the depart-

ment unless someone signs for it. Absent material is followed up at regular intervals. Under such method, because the responsibility is fixed, there can be no argument as to who is responsible for misplaced material. With this responsibility should go corresponding authority to set up and maintain practices and routines not only for members of the filing department, but for anybody who sends material or requests material from the file room.

6. Reduction of mistakes—in central filing, the file clerks, because they have no other duties, become proficient in their work. This means fewer mistakes.
7. Better Service—filing is a specialized job, involving more than simply putting material in a drawer and taking it out. A person who has many other duties cannot become a good file clerk. But one who does filing only, can. It is obvious then, that a central filing department with trained file clerks can render a distinct service to business.
8. Economy in purchasing—in a centralized filing arrangement there is a standardization of equipment and supplies that not only makes purchasing a simpler task, but makes better discounts possible as a result of quantity buying. It also reduces to a minimum the current inventory of filing supplies.
9. Above all, the filing department should be considered sacred ground. Nobody, except members of the filing personnel, should ever be permitted to handle material to and from the files. In fact, they should not be allowed in the department under any circumstances. Only in this way can the chief file clerk be expected to provide

for the safety of records entrusted to his department.

Some months ago we became conscious of the need for centralization of our office files. Up to that time our nearly half-million files were handled separately by each of our separate departments—title, escrow, trust and accounting. Each department had its own pet system. Dead files were scattered in as many as four different nooks and corners on any one of the three floors of our building. The space consumed was expensive and in most cases not efficiently used. Finding some of the older files required the combined skill of a detective and an historian.

Our first move was to remodel adequate space in our basement where all the files could be centralized. We assigned the job of re-filing to one of our brighter young men who had shown ability as an organizer. We increased his salary and gave him complete authority.

#### Establish a System

Today all our files are in one space, uniformly filed under one system. They are adequately indexed. A charge-out and follow-up plan has been established. No one can take out a file or put it away except through the clerks in the file room. Responsibility for loss is centralized in one person. A mere telephone call to the file room will produce the delivery of a file in a few minutes. We have received bids for, and plan to install, a dumb-waiter to connect the file room with our second and third floors so that delivery of files can be speeded.

We have begun a systematic and continuous plan of microfilming some of the older records so that they can be destroyed. The file clerks handle this along with their other duties. By the destruction of older records we expect our present space to be adequate for many years to come.

#### Correspondence Filing

With respect to the filing of correspondence, we have up to this point taken the view that central filing would not accomplish any worthwhile purpose, but rather would complicate our system. We have found that over 90% of our letters relate solely to the particular order or transaction involved and have no application to our business generally or to another department. Two carbon copies of such correspondence are made. One copy goes to the head of the department; the other is retained in the file to which it relates. The copy going to the department's head is filed in that department's general correspondence file. By furnishing the department head with a copy of each letter written, he is able, more adequately, to keep in touch with the business of his department. Then, too, he is able to judge the quality of the letter written to determine that from the standpoint of customer relations it conforms to company policy. It is surprising how much better a letter will be, and how less offensively it will be composed, if the writer knows, or thinks, it will be reviewed by the boss.

Correspondence not relating solely to the particular transaction, but more general in its nature, in almost every instance pertains to the business of one department only. Hence, it is filed in that department's correspondence file and we have not seen the need, so far as correspondence is concerned, to establish a central filing system.

What we have done and what we are doing with our files is not original and is not perfect. We have, however, awakened to the desirability of thinking and studying the filing problem, knowing it is good business to give attention to adequate filing, especially in the title industry.

## Committee on Advertising & Publicity

### REPORT OF CHAIRMAN

Your Advertising Committee began the year with a rather ambitious program but bogged down as the industry became swamped with business. Therein lies the text of a sermon which we should heed. The best time to effectively advertise and sell your Company is when people are interested in your product. If the job is done well during lush periods, the years of the locusts will not be so difficult.

We are glad to report that the National Advertising Contests, the Convention Advertising Exhibits and Convention panels on Advertising

### HART McKILLOP

*Vice President, Lawyers Title Insurance Corporation, Miami, Florida*

which have been conducted during the past three years are beginning to pay dividends. Our members, particularly the small and middle-size companies are recognizing that Advertising involves psychology and that it is more or less of a science. There has been notable improvement in the advertising done by the small and middle-size companies.

Your Committee was instrumental in arranging two Advertising panels for the Convention Program, separate

reports upon which will be published in "Title News."

We conducted the 1950 Advertising Contest and supervised the exhibition of Contest entries at the Convention. We owe a debt of gratitude to Mr. Wendell Foster of Coates Abstract Company and Mr. George Ande of The Tom P. Gordon Company, both of Oklahoma City, Oklahoma, for their efforts in arranging the Advertising exhibits. They did an excellent job.

The Advertising Contest winners were as follows:

1. **Grand Perpetual Trophy** for the most effective advertising program

carried on during the year by any Abstract, Title or Title Insurance Company in the Association—**Union Title Insurance & Trust Company**, San Diego, California.

2. **Annual Capital Prize** for the best single ad, series of ads, publicity story or series of publicity stories during the year by an Abstract Company—**Coates Abstract Company**, Oklahoma City, Oklahoma.

3. **Annual Capital Prize** for the best single ad or series of ads, publicity story or series of stories, during the year by a Title or Title Insurance Company whose combined capital and surplus is less than \$1,000,000.00 and which does not employ professional advertising counsel—**Albright Title & Trust Company**, Newkirk, Oklahoma.

4. **Annual Capital Prize** for the best single ad or series of ads, publicity story or series of stories, during the year by a Title or Title Insurance Company whose combined capital and surplus exceeds \$1,000,000.00 or which employs outside professional advertising counsel — **Title Insurance and Trust Company**, Los Angeles, California.

5. **Certificate of Merit:**

**Classification A:** Covering newspaper and magazine advertising, the winners are as follows:

First Award — **Title Guarantee & Trust Company**, Birmingham, Alabama.

Second Award — **Land Title Bank and Trust Company**, Philadelphia, Pennsylvania.

Third Award—**The Maryland Title Guarantee Company**, Baltimore, Maryland.

**Classification B:** Covering booklets, pamphlets, financial statements, etc., the winners are as follow:

First Award—**Title Insurance and Trust Company**, Los Angeles, California.

Second Award — **Washington Title Insurance Company**, Seattle, Washington.

Third Award — **Albright Title & Trust Company**, Newkirk, Oklahoma.

**Classification C:** Covering blotters, the winners are as follows:

First Award—**Realty Abstract Company**, Lewiston, Montana.

Second Award — **Sioux Abstract Company, Inc.**, Orange City, Iowa.

Third Award — **Pearl K. Jeffery**, Columbus, Kansas.

**Classification D:** Covering direct mail letters and series of printed messages, the winners are as follows:



HART McKILLOP

First Award — **The Title Insurance Company**, Boise, Idaho.

Second Award — **Chicago Title & Trust Company**, Chicago, Illinois.

Third Award—**Beckenhauer & Beckenhauer**, West Point, Nebraska.

**Classification E:** Covering miscellaneous advertising, novelties, gifts, etc., the winners are as follows:

First Award — **Pearl K. Jeffery**, Columbus, Kansas.

Second Award — **Coates Abstract Company**, Oklahoma City, Oklahoma.

Third Award — **American Title and Insurance Company**, Miami, Florida.

**Classification F:** Covering business and office forms, legal forms, maps, title policy or abstract covers, etc., the winners are as follows:

First Award—**Title Insurance and Trust Company**, Los Angeles, California.

Second Award—**Land Title Insurance Company of St. Louis**, St. Louis, Missouri.

Third Award — **Coates Abstract Company**, Oklahoma City, Oklahoma.

**Classification G:** Covering publicity releases, the winners are as follows:

First Award — **Albright Title & Trust Company**, Newkirk, Oklahoma.

Second Award — **Coates Abstract Company**, Oklahoma City, Oklahoma.

Third Award—**Reliance Title Company**, Santa Ana, California.

**Classification H:** Covering the radio advertising, the winners are as follows:

First Award — **Chicago Title & Trust Company**, Chicago, Illinois.

Second Award — **Coates Abstract Company**, Oklahoma City, Oklahoma.

Third Award — **Albright Title & Trust Company**, Newkirk, Oklahoma.

**Classification I:** Covering house organs or company publications, the winners are as follows:

First Award — **Union Title Insurance & Trust Company**, San Diego, California.

Second Award — **Land Title Bank and Trust Company**, Philadelphia, Pennsylvania.

**Classification J:** Covering posters, display card and exhibits, the winners are as follows:

First Award—**Realty Abstract Company**, Lewiston, Montana.

Second Award—**Berrien County Abstract and Title Company, Inc.**, St. Joseph, Michigan.

Third Award — **Marietta Abstract Company**, Marietta, Oklahoma.

## New Plans for Promoting Business

One topic for discussion under this panel is "New Plans for Promoting Business." This involves the OLD subject of salesmanship as applied to title evidence. I didn't know that there was anything new. I don't know that I have anything new to offer on the subject of sales, but I do have something different which I have been using for ten years with some success, and this, I am passing on to you. I hesitate to talk on the subject of salesmanship because the very word itself brings to mind the typical salesman ;that dapper, hail-fellow-well-met, who somehow, by his

R. W. STOCKWELL

*Director State Title Insurance Department,  
Union Title Company,  
Indianapolis, Indiana*

very nature, has the common denominator for influencing anyone who crosses his path. Many of you may be saying to yourselves right now, "I am not a salesman; I never will be; therefore, why talk about it." I could fully agree with you in such a statement. The average small plant abstractor is not the typical salesman. By the very nature of things, he is

pinned down too closely to detail work, and this is not productive of the kind of imagination possessed by the typical salesman. I want to try to convince you, here and now, that you don't need to be the typical salesman. Actually, it is very simple to sell title evidence if you will follow a few basic rules.

### Get His Attention

First of all, selling is merely getting the other fellow to think the same way you do. To do this, you must get his attention, and then start telling him the things HE wants to know about your service and product which

will induce him to be your customer. You notice I said, "Tell him the things HE wants to know." Right here I want to emphasize this because I have found that the great majority of title men in both large and small plants are always talking to our customers as though the customers were expert title men, and telling them what you and I know to be our best assets as title men. The customer is not a title man and he doesn't give "two hoots" about our business. I said that you had to get his attention, but this is certainly not the way to do it. You get his attention by getting into his field of interest. You get into his field of interest by talking principally about three things in the following order of importance: speed, economy, and safety. And it is important that you note the order in which they are placed. I would say about 55% of his interest is in speed, 25% in economy, and 20% in safety. All the business assets we may possess, the finest abstracting ability, the finest plant, and the best methods of operation—all, are means toward the goal of speed, economy, and safety. The customer is primarily interested in speed because he is in business to make money through the quick sale of property, the quick closing of a loan, or the speedy purchase of needed property. Remember, that to him title evidencing is just a necessary evil in the closing of that real estate transaction. Just as he goes to the dentist, he wants to get it over with as quickly, as economically, and as safely as possible. THIS is his field of interest. This is the way to obtain his interest, and it is on these subjects in the order of importance mentioned of speed, economy, and safety that he will be interested and sold.

### Concentrate Your Fire

You may be saying to yourselves right now, "I do not have the time to talk about these things to all of my customers." Again, we come to a basic fundamental in your selling plan. You do not need to talk to every customer. Averages prove that a man buys, sells, or mortgages property at intervals of only six or seven



R. W. STOCKWELL

years. Why then waste time and money selling him? He simply will not remember it that long. How then will we reach him when he is ready to buy? We will reach him through our three types of salesmen. These are the lender, the real estate man, and the attorney, and again, in that

particular order as to importance. The very smallest abstractor in the smallest county has these salesmen if he will use them and they are the ones who first contact the real buyer of title evidence when he is ready and willing to buy. These salesmen handle 90% of the title evidence which flows through this abstractor's office. Why not concentrate, then, on training these ten or fifteen lenders, real estate men, and attorneys? Put the necessary words into their mouths for transmittal to the real buyer at the time he urgently needs your services. Strike while the iron is hot, you'll make much more of an impression. We, as title men, know that accuracy and protection are prerequisites to the making of the best title men and title evidence. You can't tell your customer this, however, for you just won't live long enough to educate him in the title business. Tell him the things he wants to know—that you have a good abstract plant because it saves him time and money in making the abstract, or it eliminates curative work required because of the things left out of an abstract made by abstractors having poor plants. He is interested in this time-saving and the saving of money much more than he is in accuracy per se, and he fails to grasp the connection between them. Therefore, the thing I have to pass on to you which is different is that we should throw the bulk of our advertising expense and time into the various educational and sales media necessary to convince the lender, real estate man, and attorney of the facts that what we have in plant, equipment, and methods is for three things in the following order of importance, speed, economy, and safety.

## Legislative Committee

### REPORT OF CHAIRMAN

Last year, as chairman of this committee, my report was rather voluminous, because in almost every state the legislature was in session. This year, it is different; and while every member of the committee responded to my communication, I find only three states, Arizona, California and Virginia, passed laws on which I will report briefly.

Mr. J. R. McDougal, Title Officer of Phoenix Title and Trust Co., reporting for Arizona, stated that the legislature of his state passed a bill creating a department to regulate the real estate business in the State of Arizona. He considers it a great improvement over what they had before; and while the law does not directly affect our industry, it regulates the conduct of the real estate profession in Ari-

### L. A. REUDER

*First Vice-President, Title Insurance Company of Minnesota*

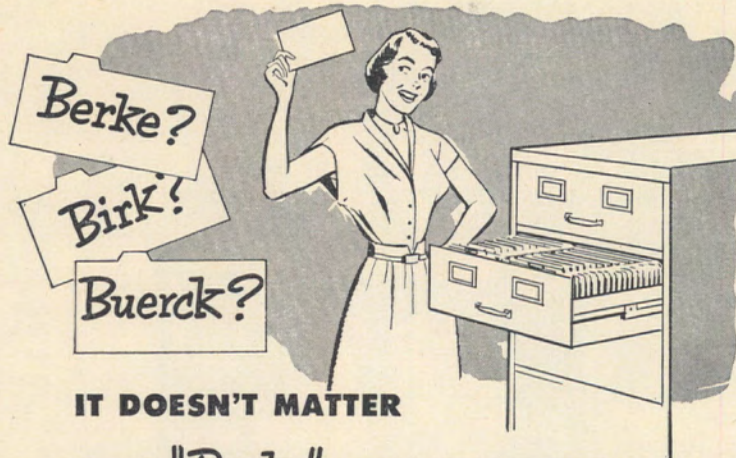
zona. Mr. McDougal also reports the enactment of a law relating to the matter of listing and collecting of personal property taxes. Anyone interested may contact Mr. McDougal for details on these laws.

California has had a strong and influential state title organization for many years, which organization not only brought about the passage of laws helpful and beneficial to members of our association, but prevented the passing of laws which were detrimental to the interest of the people of California. Mr. Walter E. Clark, associate counsel of the Title Insurance and Trust Company of Los An-

geles, committee member from that state, reports the passage of the so-called "Collier Bill" at the regular session and the "Erwin Bill" at the extraordinary session, both pertaining to lobbying activities. He summarizes by stating:

"The net result is that the new legislation will hamper materially the efforts of the title companies and the California Land Title Association in its efforts to see that the necessary remedial legislation having to do with procedural matters be enacted, and that the usual legislative proposals which might drastically interfere with titles to property in California be defeated or amended to permit a proper title practice. As the statutes now stand, persons employed by title companies who might incidentally in connection with their employ-





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ment speak to a legislator or someone close to a legislator for the purpose of pointing out defects or strong points in pending legislation would be subject to the provisions of the new statutes and would be required to register as a lobbyist. This would mean that, in addition to registering, these persons would be required to keep a strict account of all their expenditures which might be remotely connected with legislative activities, and make a monthly report during the sessions of the legislature showing, not only all expenditures with receipts for amounts in excess of twenty-five dollars, but also a statement of their income and receipts. You can see that this may interfere materially with our activities in connection with legislation, as the California Land Title Association has in the past attempted to be of service to the state and legislators in analyzing the proposed legislation which might affect titles or title practices so that no legislation would become effective which would interfere with the convenient transfers of title and the passage of good titles to purchasers."

The impact of this sort of legislation will soon be felt and the consequences certainly could be detrimental. I suggest that anyone interested in this type of legislation write to Mr. Clark for complete details.

Mr. Lee of the Lawyers Title Insurance Corporation, Richmond, Virginia, mailed a synopsis of several acts passed in his state. All are interesting, but I will mention only those which might be of interest to most members of this association, and quote verbatim from Mr. Lee's report:

**"Amending S64-173 of Code 1950—**relating to conveyances made within one year after death of testator or intestate by this addition:

Any conveyance heretofore or hereafter made within one year after the death of a decedent shall, after the expiration of said year, be valid to all intents and purposes as if made after the expiration of said year, if at the expiration of said year no such suit shall have been commenced."

**"Adding S8-378.1 to Code 1950—**relating to docketing and indexing judgments in new name of judgment debtor.

When a judgment debtor whose name is so recorded changes his

name, whether by marriage, court order, or by a voluntary assumption of a new name, or otherwise, the clerk in the court where the judgment was obtained, upon satisfactory proof that the judgment debtor has acquired a new name, has the duty to docket and index in the new name. Execution may thereafter issue against the judgment debtor in the prior name, the new name, or both. This section shall apply to judgments acquired before or after this enactment."

**"Addition of S57-39.1 to Code of 1950—**providing for securing improvement of abandoned cemeteries.

Allows the owner of residential land adjacent to a private graveyard to file a bill in equity for the



L. A. REUDER

purpose of having the graveyard put in suitable condition when it has been abandoned and allowed to fall into a condition of neglect and disuse and there has been a failure or refusal to improve. The court shall not enter an order requiring the graveyard owner to improve but may allow the petitioner, at his own expense, to improve, and the petitioner may enter for that purpose."

The committee members from Iowa and Nebraska commented on proposed and existing legislation which I will mention in this report.

Iowa is prepared to introduce an abstractor's license bill at the next session (1951) of the legislature. Mr. C. L. Johnston, attorney at law, Centerville, Iowa, chairman of the legislative committee of the Iowa Title Association, will be glad to furnish copies of the bill upon request.

Mr. John Gumb, Jr., of the Dodge County Abstract Co. at Fremont, Nebraska, reports no new legislation, but comments on a law passed in 1947. I quote the following from his letter:

"As is probably well known, the Nebraska Unicameral Legislature passed an act in 1947, which became effective April 8, 1947, known as the "Marketable Title Act" which generally provided that any person owning real estate who has an unbroken chain of title to any interest in real estate and his immediate or remote grantors under a deed of conveyance which has been recorded for a period of 22 years or longer, and is in possession of such real estate, shall be deemed to have a marketable record title to such interest, with certain exceptions, unless any persons making claim or asserting interest in the title, shall on or before 23 years from the date of recording of deed of conveyance under which title is claimed, or within one year from April 8, 1947, which ever event is the latest in point of time, file for record a notice in writing, etc., setting forth the nature of his claim."

"The passage of this act has made a considerable difference in this state in the examination of abstracts of title, and attorneys generally here, recognize it."

My sincere thanks to you, Mr. President, and to Secretary Jim and his able assistant, Clyde Morrison, for the assistance given me. To the members of the committee, I am very grateful for their cooperation. From every member, I received prompt replies to my letters and in every instance they indicated their willingness to cooperate and help to promote the interest of our fine organization. Thanks a million, fellows, for your assistance and spirit of loyalty to President Glasson and the American Title Association. All of you, whether specifically mentioned in this report or not, did an excellent job. I consider it a privilege to serve as chairman of this committee and I assure you it was a pleasure to do so.

# Title Examination Standards

It is my assignment on this program to talk about "Title Examination Standards."

The topic, as I propose to discuss it, is not as formidable as it sounds. Let me first define some terms, so that you—and I—will know, to the extent possible, what I am talking about.

## Terms

First be in accord on terms.

It might seem unrealistic to talk about standards, considering that standards generally, as we used to respect and try to maintain them, have broken loose from their moorings and are adrift on currents of expediency—possibly even in the title profession.

(Bill Gill's Oklahoma for years set the whole U.S. a standard of compulsory sobriety—now look at it.)

However, in talking about standards, I shall use the word only as an accepted rule of procedure, to the complete exclusion of any concept of quality.

Nor am I going to talk about the qualifications of title examiners.

(I would not have the temerity to expose myself to a charge of lese majeste by you fellows who have always made of the title examiner an object of veneration and esteem.)

And I am not going to present conclusions based on research into that abstruse question as to what—as a legal proposition—constitutes a marketable title.

## A Marketable Title

I am, however, in that connection, going to talk over with you what a marketable title is, or should be, or can be made to be, as a practical proposition, in an average size county or town, as applied to the daily mine run of transfers, that do not produce issues important enough to require judicial disposition.

As all of you know there is no exact definition of a marketable title. The determination of whether or not, in a given case, the title is marketable, requires a conclusion of law based on the facts in such case; and the facts in the reported cases, on which the question of marketability turned, present so great a variety that an exact definition, which could be applied to all cases generally, is impossible.

## Marketability Defined

The definitions we find are greatly diluted by circumlocution:

A marketable title is one that is reasonably free from such doubts as will affect the market value of the estate; one which a reasonably prudent person, with knowledge of all

## A. WILLIAM SUELZER

*Past President, American Title Association,  
President, Kubne & Company, Inc.,  
Fort Wayne, Indiana*

the facts and their legal bearing, will be willing to accept; or

One which is not doubtful and which does not suggest the possibility of a lawsuit; but one which a well informed and prudent person, paying full value, would be willing to take; or

A title free from reasonable doubt.

When you bear in mind that I am talking about the daily mine run of transfers that do not ripen into issues for judicial decision, then you will quickly understand that—the man who must be reasonably free from doubt—the reasonably prudent person who must be willing to accept, the



A. W. SUELZER

well informed and prudent person who must decide against the possibility of a lawsuit—is, of course, the title examiner.

And, therefore, the question as to whether or not a given title is marketable, as a practical proposition, appears to turn less on its essential, intrinsic composition and attributes, than it does on the examiner's reaction thereto, based on such skill, knowledge and experience as he may have or not have.

And, therefore, we have virtually no uniformity in title examinations. We have local examiners who are liberal and who do not make many exceptions; and local examiners who are technical, who list every fly speck. One says that this or that defect is never going to produce an adverse

claim, and, therefore, does not impair marketability. Another says, with respect to the same defect that, in his opinion, it is serious and the title unmarketable. There is no certainty that a title passed by one examiner will not on the next transfer be rejected by the next examiner.

## Collateral Issues

And then there are collateral issues which have an effect on examinations:

I think it is not unfair to say that examiners are very often influenced by two considerations that are entirely outside the merits of the title:

The first: If I don't write a long opinion and point out a great many defects my client will think I did not earn the fee I am charging him;

The second: If I don't point out all the defects, including those I think can safely be waived, the next examiner may point them out, and show me up to my client as an incompetent;

Sometimes the opinion is influenced by the fact that the purchaser client does not want to go through with the deal.

An so in most localities we run into opinions which list item after item of trivia, which delay deals, cause avoidable expense and make the abstracter and broker want to murder the examiner.

I have actually seen written into propositions a stipulation that if any one of several named lawyers was going to have the job of examining the title, the deal would be off and the proposition null and void.

## Unwritten Standards

But we also find, in our daily practice and experience, that, as time goes on, examiners' opinions in any locality, tend to conform as to defects pointed out, to unwritten standards that have gradually been established by common acceptance.

If the older, more experienced, more outstanding local examiners—say, those for the banks and life insurance companies—regularly waive certain defects, then those defects in course of time will come to be waived by most local examiners, and the titles will be locally accepted as marketable despite those defects.

It is quite possible that in other localities in the same state those identical defects might be considered important and the identical titles held unmarketable, unless the defects are removed.

And so we conclude that, in the ordinary mine run of cases, the question of marketability turns largely on local practice and local standards of title examinations; and that—if such local standards could be formulated

into general rules that meet with general acceptance by local examiners—and if such rules could be gathered together in concrete form, and be given some official sanction by the County Bar Association, so that an examiner could justify the waiver of defects he might otherwise point out—then we could achieve substantially uniform examinations, titles would become stabilized, the delay and expense and nuisance of curing minor defects would be greatly reduced, and the transfer of titles would be greatly expedited to everybody's satisfaction, including the title examiners.

#### Practical Results Locally

This has been accomplished in a growing number of localities with very practical results. I cannot give you a report of these although I made an effort to get the information. I can, however, tell you exactly what was done in my County, and I think it is typical of what was done in other places.

The President of my County Bar Association appointed a Committee of five members to consider defects commonly pointed out in local titles and report on such as the Committee agreed might safely be waived.

He was careful to appoint on such

committee members of the Bar whose opinion on titles were accepted as authoritative by the entire Bar.

The Committee met weekly and adopted suggested waivers. At the end of each meeting the program was made up for the next meeting; and problems were assigned to each member for study during the ensuing week and report at the next meeting.

When the Committee finished its job its conclusions were mimeographed and copies delivered to the individual members of the Bar Association with the request that they be given careful study and that any disagreement therewith be voiced at the next meeting of the Association. At the designated meeting these conclusions were presented for adoption. After their adoption they were printed in pamphlet form as the official act of the Association.

The Bar Association Committee has now become a standing Committee and at intervals new matter is added to the pamphlet.

While at first some of the more technical examiners continued to take the position that nobody else could tell them how to examine a title, they gradually yielded when it was pointed out to them, not only by lawyers on the other side but also by real estate brokers, that certain objections made

could be waived under the official act of the Association; and also because they felt that any responsibility **that might be imputed** to them for waiving the objections could not stand against a showing that they had acted in accordance with standard practice approved by the Bar Association.

I do not exaggerate when I say that three-fourths of the objections which formerly appeared in our opinions are no longer made and that the transfer of our titles has greatly been expedited.

My company printed additional pamphlets and made them available to real estate brokers and to examiners who were not members of the Bar Association; and I appeared before the local real estate association, explained the pamphlet, and urged the members in their own interests and that of their clients to study the pamphlet and qualify themselves on occasion to point out to an examiner that an objection made was one of those suggested to be waived in the pamphlet.

I know that this or similar action has been taken in many places, and I urge those of you who live in counties in which this has not been done, not only in your own interest but also in the interest of the public you serve, to make every effort to promote it.

# Abstracters Liability Insurance Committee

## REPORT OF CHAIRMAN

To call this the annual report of the Abstracters Liability Insurance Committee is probably a misnomer, you will think that I am representing an insurance company rather than your association.

As all of you know, an American insurance company has been writing this type of coverage for the past year and a half. It was through the tireless efforts of the previous committee, particularly Earl Hardy, that the St. Paul Mercury Indemnity Company of St. Paul, Minnesota, finally, after considerable study, agreed to write such policies. The first policies submitted did not meet all of our requirements and did not afford us the same coverage as those policies of others, but it was a step in the right direction.

#### St. Paul Mercury Indemnity Co.

However, your committee continued to work with the insurance company and succeeded in having the form revised satisfactorily so that it is now comparable. The St. Paul Companies

## WILLIAM R. BARNES

*President, General Title Service Corporation, St. Louis, Missouri*

of which St. Paul Mercury is a part were established in 1853 and have survived three Wars, Panics, fires and depressions and today have assets of more than \$79,000,000.00.

To date 448 policies have been written by St. Paul Mercury, however, 85% of the policies in force have limits of 10,000.00. It seems to me that those abstracters in this category have not fully availed themselves of sufficient protection and that the loss that would put them out of business is the one against which coverage is most desirable. All of us can probably afford to pay losses of \$10,000.00 or less without causing bankruptcy, but 85% of the abstracters with insurance are not covered for the twenty, fifty or one hundred thousand dollar loss. I realize how remote the possibility of such losses, but it has happened to others and it can happen to you.

Let us determine the cost of a \$10,000.00 policy for an Abstracter with seven employees and compare

the premium with that of a \$25,000.00 and a \$50,000.00 policy.

#### Costs

An Abstracter with seven employees must pay a premium of \$79.00 for a \$10,000.00 policy, with a \$100.00 deductible clause. The same Abstracter can have a \$25,000.00 policy for a premium of \$116.55 or an additional premium of \$37.55 for \$15,000.00 more coverage. The \$50,000.00 policy would cost \$155.45 or less than \$13.00 per month for protection against the ultimate possible, but not probable loss. The rate schedule for larger and smaller Abstracters is proportionately higher or lower.

Most of you are familiar with the coverage provided, but for the benefit of those who are not, I will tell you briefly the coverage and what is excluded from the policy risk.

#### COVERAGE

To pay on behalf of the Insured or his Estate all sums which the Insured or his Estate shall become obligated to pay by reason of the liability imposed upon him by law for damages arising from any claim

made against the Insured or his estate and caused by any negligent act, error or omission of the Insured or their predecessors in business or any persons now or heretofore employed by the Insured or their predecessors in business or hereafter to be employed by the Insured in performance of professional services for others in the Insured's professional capacity as title abstracters.

#### EXCLUSIONS

This policy does not apply:

1. To any dishonest, fraudulent, criminal or malicious act, or to libel, slander, assault or battery.
2. To the ownership, maintenance, use or repair of any property, or the conduct of any business enterprise that is wholly or partly owned, operated, or managed by the Insured either individually or as executor, administrator, trustee, receiver or in any other fiduciary capacity.
3. To bodily injury to, or sickness, disease or death of any person, or to injury to or destruction of any tangible property, including the loss of use thereof.
4. To claims based upon or arising out of any opinion of title on real estate rendered or furnished by the Insured or by any predecessor of the Insured.
5. To claims under the Federal Securities Act of 1933 or amendments thereof or addition thereto.

I have inquired of the Company information concerning their loss experience and also the possibility of a rate adjustment if their experience has been satisfactory after a sufficient period of time and I will give you their reply. QUOTE:

"Our loss experience has been satisfactory; however, at present due to outstanding claims we are

unable to offer any definite loss figures in this respect."

"Our experience on this class is for a period of 1½ years, which is not sufficient to determine the adequacy of the established rates. You can be assured that we shall continue to watch the experience, and if it remains on the same satisfactory basis, consideration will be given, at a later date, to an adjustment in the present charges."

Your Committee has had a number of inquiries during the past year



WM. R. BARNES

about the rates for these policies and I will quote them now so that you will have a schedule to refer to when this report is published.

The above rates contemplate a \$100.00 deductible per claim clause.

#### SCHEDULE OF RATES

Policy Limit	Premium for 12 months
\$ 5,000.00	\$ 30.00 plus \$ 5.00*
10,000.00	37.00 plus 6.00
15,000.00	44.00 plus 6.80
20,000.00	50.00 plus 7.50
25,000.00	56.00 plus 8.10
30,000.00	62.00 plus 8.65
35,000.00	68.00 plus 9.15
40,000.00	73.00 plus 9.60
45,000.00	78.00 plus 10.00
50,000.00	83.00 plus 10.35
55,000.00	88.00 plus 10.65
60,000.00	93.00 plus 10.90
65,000.00	97.00 plus 11.10
70,000.00	101.00 plus 11.25
75,000.00	105.00 plus 11.35
80,000.00	109.00 plus 11.45
85,000.00	113.00 plus 11.55
90,000.00	117.00 plus 11.65
95,000.00	121.00 plus 11.75
100,000.00	124.00 plus 11.85

\*for each member and/or employee

For a \$500.00 and a \$1,000 deductible per claim clause the above rates are to be reduced 20% and 30% respectively. For full coverage add 15% to above Schedule of Rates.

It is my opinion that the availability of this protection for our members, particularly those with assets of \$100,000.00 or less, will enable us to solicit and obtain business which, heretofore, we either didn't want or couldn't get.

The fact that your father or your predecessor didn't have a big loss won't help you if you're not that fortunate. Can you afford it? Check the premium that applies to your Company, I don't think that you can afford to be without it.

Why don't you make the most of this opportunity? Be safe—protect against the loss that will not only hurt, it might even kill. I'm sure you will sleep much better.

## Abstracter-Underwriter Relations Committee

### REPORT OF CHAIRMAN

From some of the comments made, and from some of the discussions which followed these comments, those in attendance at one of the sessions of the Abstracters' Section, held during the time of our Annual Convention in Atlantic City, were led to believe there existed differences and misunderstandings between the Abstracters and the Title Underwriters.

Following the discussion, a motion was made, seconded and carried, that the Chairman of the Abstracters' Section appoint a Committee of seven to investigate this matter and report

WILLIAM A. McPHAIL

*President, Holland Ferguson & Company, Rockford, Illinois*

back to the Abstracters' Section at our next Annual Convention.

#### Preliminary

At the mid-winter meeting, held at Cincinnati last spring, Joseph T. Meredith, Chairman of the Abstracters' Section, appointed William Gill, A. W. Suelzer, Frank K. Stevens, William M. McAdams, George C. Rawlings, Frank Kennedy, and myself, as members of this Committee. At Mr. Meredith's request, I am acting as Chairman of the Committee.

The Committee selected by Mr. Meredith consists of three from the Abstracters' Section, three from the Title Insurance Section, and one from the National Title Underwriters' Section.

This Committee held a meeting at that time, and after considering the question at hand, decided to mail 150 letters to as many members of our Association scattered through our various State Associations. It was thought unnecessary to mail a letter to every member and unnecessary to mail any letters to Title Insurance companies, as the question at hand seemed to be an Abstracter's problem.

Under date of July 28, 1950, as Chairman of this Committee, I mailed letters to about 150 of our members. In this letter, I explained the reason why it was being mailed and asked them, if they had any grievance or suggestions for better relations which should come to the attention of this committee to write me quite frankly. The Committee felt this was the only way they could get the necessary information before making a report, which they wanted to be based on fact, not hearsay. The letter stated further that all letters received in reply to our request would be absolutely confidential and that no names of either individuals or companies would be mentioned in the report of the Committee.

### Responses

I received 15 replies, as follows: Two from Florida; two from Indiana; three from Michigan; one from Missouri; one from Montana; one from Texas; one from Idaho; one from Iowa; one from Colorado; one from Wisconsin; and one from my own state of Illinois. I did not receive replies from some of those taking an active part in the discussion at Atlantic City. These replies came from eleven states. If you are at all familiar with our membership, I think you will realize that the above named states are some of the most active in our National Association and would be the most likely to report a grievance, if any existed.

As stated in my letter to the Membership, I am not going to mention any names; the letters received by me as Chairman of the Committee being considered as confidential, but I will attempt to give you a brief report of their contents.

Nine of the letters received were very short, and in substance, all stated that their relations with Title Insurance Companies were satisfactory. The remaining letters are all interesting.

The first letter comes from a mid-westerner, who states that his dealings with the Title Insurance Companies are satisfactory, except for one thing—that the small fee he receives for taking the application, bringing the abstract up to date, collecting the money, paying all bills and doing whatever else is necessary to complete the transaction, is not commensurate with the responsibility taken or the service given. He feels the Title Insurance Companies should be a little more considerate of the abstracters, on whom they depend.

Another letter from an active member states that he knows of no differences between Abstracters and Title Insurance Companies in his state. He informs me that there are three companies in his county and that each company now represents a Title Insurance Company. I will read the balance of his letter to you:

### Changes in the Offing

"However, I am somewhat apprehensive of the future. My county is changing rapidly from Abstracts of Title to Title Insurance, as the prevailing evidence of title. Whereas, ten years ago, probably less than five per cent of the title transactions were handled on a Title Insurance basis, now probably more than fifty per cent of the title transactions use title insurance as the only evidence of title.

"With only three underwriting companies represented in this area, it is only natural to suppose that some of the other underwriting companies are going to want to get a slice of the business, and you can't blame them. If those companies who are now on the outside side looking in, follow the same pattern that has been followed elsewhere, they are going to have to operate through attorneys or agents who do not have abstract plants, and that is going to mean



WM. A. McPHAIL

that in some cases they will tie up with an attorney or an agent whose ethics may not be of the highest, and who may not be averse to obtaining his title information in other ways than through recognized abstract channels.

"In a great majority of the communities, there are not enough existing title companies and abstract plants, so that all of the companies who are in the underwriting business can operate through an agent who has a title or abstract plant. Frankly, I do not know what the solution is. I have given a lot of thought to the problem and have been unable to come up with a satisfactory answer.

### A Suggestion

"As a suggestion, to your Committee, suppose you consider whether or not split agencies might be

worked out. For instance, in my own case, ..... Company is the exclusive agent of ..... Company. I know that four other Title Insurance Companies would all like to get into this area. Suppose the three abstract companies now here in ..... County, all three of which have more or less complete plants, would take on one or more of the companies not now represented in this area. Any amount of business which they would acquire through this sort of representation would be considerably more than they could get through an agent or attorney without a title plant, and the great advantage to such an arrangement would be that the orderly conduct of the title business in this area would not be disrupted by unscrupulous competition.

"It would appear to me that even those underwriting companies now represented in this area, would benefit thereby, because their agents would not be continually harassed by cut-throat competition, such as is bound to crop up under any other set-up. Very true, the now represented underwriters probably would squawk, but I just wonder whether, in the long run, everybody, especially the local title companies, wouldn't benefit thereby?"

From a third letter I quote as follows:

"Your form letter of July 28th, relative to your Committee assignment for the abstracters of the American Title Association, was received this morning. Being one of those who complained from the floor, I would like to comment on conditions in ..... State.

### Another Response

"As I recall, the argument and discussion was based upon the action of title insurance companies appointing attorneys and curbstone abstract companies to represent them, and thereby taking away from legitimate abstracters a considerable amount of business. In other words, title insurance companies, members of the A.T.A., are guilty of patronizing curbstoners and supporting the very principles that the State Association and the A.T.A. are trying to eliminate.\*\*"

"In my humble opinion, this situation of title insurance companies ignoring members of the State Association and the American Title Association, and transacting their business through non-members and attorneys, is no doubt the most deplorable condition in our fine National organization, and is perhaps the leading cause for any existing ill-feelings within our Association. I believe it is high time that the Association do a little educational work on the title insurance members. \*\*\*\*\*

"Believe me, Bill, there was a great deal of feeling expressed by the abstracters after the meeting adjourned at Atlantic City, where this matter was brought to the floor. Within 24 hours of that meeting, I venture to say I was corralled by at least 24 persons who felt elated that this matter was brought to the floor. It had been their constant complaint for a number of years, and there is a great deal of feeling on the part of Abstracters generally throughout the United States that the A.T.A., to survive and be the National Association of Abstracters, has to proceed to remedy this situation."\*\*\*\*\*

#### District Offices

The fourth letter comes from one who states that the Title Insurance Company he represents is too slow in getting out their letter of commitment after the abstract has been submitted for their examination. He suggests that the Title Insurance Company establish District Offices, headed by examiners qualified to get out these letters within a day or so after the abstract is received, and that they be authorized to issue the policy as soon as objections are satisfied.

The fifth letter is short, and it is addressed in the form of a question to our National Headquarters in Detroit.

I quote from this inquiry, as follows:

"How can an abstract company keep control over the title insurance business derived in his County without having the lawyers get the premium and the abstract company only getting the abstract fee? In other words, the large title companies are going direct to the lawyers, and by-passing the abstract companies, which the lawyers and the title companies must depend upon."

The last letter I received came just a few days ago. In fact, I had most of this report prepared before it arrived. I am going to read portions of this letter, leaving out the names of individuals, companies and locations, so that the name of the writer will remain unknown.

"Dear Bill,

"It is rather late to be sending information asked for in your letter of July 28th, on title insurance. I debated for some time whether or not to mention our problem, but finally decided it might do a little good for ourselves, and quite possibly, for others, so here goes.

"To acquaint you with our present position in title insurance, let me state that we have represented \_\_\_\_\_ Company, as their agent in our county, since Jan. 1, 1949.

"On February 1, 1950, we became an issuing agent, and now type and issue the policies right here in our

office. In general, we are very well pleased with our contract and relations with them.

"I would like to call to your attention to certain practices of the two other title insurance companies licensed to do business in our state. Although we are the only abstract company in this County, both of these companies compete with us by using attorneys to make their own searches of the public records. They have no title plants.

"I am enclosing a copy of a letter mailed out last year by the State agent for one of these companies to members of the \_\_\_\_\_ County Bar, and I believe, to lawyers generally throughout the state. I think the paragraphs marked indicate that they were trying to sidestep the abstracter, and I do not think they were very judicious in trying to make abstracters of every attorney. Since I am sure this letter went to counties where there are more than one abstract company, I don't think the suggestions were aimed at us alone. I don't think such letters build too much good will for the title insurance companies among the abstracters.

#### Rates

"Where \_\_\_\_\_ Company publishes and operates under an all inclusive rate for the whole State, I believe it is unfair to point out as the agent for one of these companies did in this letter, that the costs under his system were very nominal, without adding that there were other costs that have to be added to the mere insurance premium quoted, to get the total cost to the customer. I quote from the rate book on file with the State Insurance Commission: "Rates quoted in this booklet are for title insurance only, and do not include charges for searches, abstracts, attorneys' fees, escrow or closing services charged for by local attorneys, abstracters or title companies."

"\_\_\_\_\_ Company, the other company doing business in our State, we feel has a discriminatory rate schedule filed with the Commission, in that for all the State except our County, an all inclusive rate is on file. For our County, the National insurance rate only is filed, leaving the local agent free to add anything he pleases or nothing to said rate, in order to undercut our rates, especially on jobs where we both make a quotation. Thus, there is no sound or clear basis for a comparison of rates.

"The \_\_\_\_\_ Company also has at least a local practice of taking over applications which we have turned down on counsel's advice, due to uninsurable defects, but with a reservation that if any loss occurs due to said defect, the seller

agrees to pay a certain amount of the loss, say one or two thousand dollars. This, it seems to me, amounts to a form of deductible insurance, which I do not think is contained anywhere in their rate filings. We know of two specific instances where this has taken place.

"As to the general relations of title insurance companies with abstract companies, I would like to state that I feel there is a tendency, at least on the part of some, not to give full credit to the part the abstracter's service, skill and liability plays in the average title job. Accordingly, he is not always given his just share of the total premium. Judging from experience, in our own case, I also feel that the rules given to agents for title insurance procedure could be considerably simplified, and a little more risk taken by the insurance companies on some title matters."

#### Summary

Let us sum these letters up briefly:

In the first instance, we have a member who states that his dealings with the Title Insurance Companies are satisfactory, but he is not satisfied with the fee he receives for the amount of work done or the service given. He feels that the Insurance Company should be a little more appreciative of his service.

In the second, a member is alarmed because there are not enough abstract companies in his County to represent all the title insurance companies which may want to do business in his County.

In the third, a member is complaining because title insurance companies are doing business in his County through attorneys and curbstone abstracters.

In the fourth, complaint is made because title insurance companies are slow in issuing letters of commitment.

In the fifth, a member is dissatisfied because the insurance company is by-passing him and doing business with lawyers and giving them part of the premium.

In the sixth, the complaint is much the same as in the others, but with the additional complaint that rate schedules are uncertain.

After our letter of inquiry was mailed, and the first few replies received, I almost came to the conclusion that there was no need for this Committee, but as time went on, and more replies came, I was convinced that there were members who really had grievances and that consideration should be given to the cause of these complaints. As Chairman of the Committee I am of the opinion that if we had mailed more letters, any additional replies received would have brought complaints of a similar nature.

This Committee was appointed by the Chairman of our section to determine, if possible, whether or not differences and misunderstandings existed between the Abstracters and the Title Underwriters, and if any were found, it was to report the cause of these complaints at the time of this convention.

From the letters received, your Committee is forced to report to you that there are differences and misunderstandings between the Abstracters and the Title Underwriters. There are several kinds of complaints, but the chief difference seems to be that the Title Underwriters are by-passing the Abstracters and in a great many locations getting the information for their policies from those who do not have complete abstract plants.

#### **Title Insurance Expanding**

For many years title insurance has been used in the East, and in the larger cities, as the means of closing real estate transactions. I am convinced it is coming to all of us much sooner than we think.

A great many of us, either as individual abstracters or as abstract companies, are now acting as agents

for, or representatives of, some Title Insurance Company, and those of us who are not should be making plans to act in this capacity and be ready and willing at all times to give accurate information to Title Underwriters when requested to do so.

On the other hand the Title Underwriters should get their information from individual Abstracters and Abstract Companies who are members of the American Title Association and who maintain a complete plant.

A Title Policy is a guarantee to the purchaser of a tract of land that the company issuing this policy will save him harmless from loss. If such be the case one would naturally think that the Title Underwriters would want to get their information from a reliable source. The only place they can get this information is from the Abstractor in the County where the land is located, and not through an attorney who searches the records, or a curbstoner who does not keep a tract index up to date.

#### **Mutuality of Interest**

This Committee does not have the power or the authority to solve the problems facing us at this time. However, I am certain the Abstracters

are ready and willing to do their part toward eliminating these differences, and I am equally certain that the Title Underwriters when they know of these complaints will want to take steps to satisfy all grievances.

In view of the fact that this Committee has found and reported that differences do exist between the Abstracters and the Title Underwriters, it is the recommendation of this Committee, that a permanent committee under the supervision of our National Association be established to iron out these differences and work out a program that will satisfy the Abstracters and the Underwriters alike. It is recommended further that the Chairman of the Abstracters Section report the findings of this Committee to the Board of Governors of our National Association.

Our National Association never was in better condition than it is at the present time. Let us all strive to work harmoniously together to keep it that way.

The Committee wishes to thank all who took of their time, and answered our letter of inquiry. These letters assisted greatly in the preparation of this report.

# National Title Underwriters Section

## REPORT OF CHAIRMAN

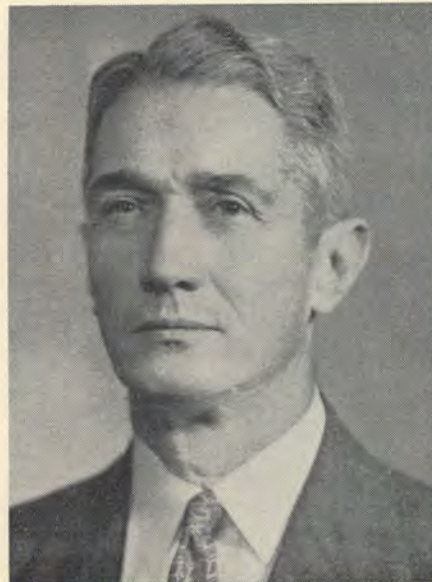
On behalf of the National Title Underwriters Section, I want to express thanks and appreciation for the cooperative attitude assumed towards our group by members of the Association. In recognition of this relationship, it gives me great pleasure to report briefly several items—the consideration of which, might prove of some benefit to the membership at large.

Our section has established a workable arrangement with one another whereby co-insurance is readily obtainable on projects that are too large for one company to insure. There would appear to be considerable opportunity for increased use of co-insurance and reinsurance, and the Association might well continue its studies in this field.

Some progress has been made in the method of keeping and reporting losses and the expenses involved in correcting conditions that would otherwise become losses. Certainly there is need for further study and cooperation in making known to the public and Governmental Agencies, the cost of doing business. There is still work to be done to correct the erroneous impression that the title

GUY T. O. HOLLYDAY  
*President, The Title Guarantee Company,  
Baltimore, Maryland*

insurance business is one in which losses are few and profits easily obtainable. Possibly the establishment



GUY T. O. HOLLYDAY

of a Claim Department in each Company might help clarify this situation.

One mistake has been made that should certainly not be repeated in the future. This has to do with listings in the 1950 Directory that are not in accordance with the requirements laid down by the Executive Committee of the American Title Association. It is believed that these irregularities are now understood and appreciated and that no attempt will be made to repeat them in the 1951 Directory.

Some of the listings in the 1950 Directory were due to misunderstanding and lack of knowledge of the rules. The fact that no complaint was made by other title companies which would have prevented the listings appearing in the 1950 Directory, indicates a broad-mindedness that is commendable. A strict compliance and enforcement of the regulations for the 1951 Directory would seem to be in order.

On the whole, I think it can be said with confidence, that competition between members in the National Title section and between this section and those not doing an inter-State business, has been aggressive, fair, and therefore, wholesome.



# Legal Section

## REPORT OF CHAIRMAN

Between conventions the Legal Section engages in little activity. The Chairman has a certain amount of correspondence relative to legal questions and relative to topics for forum discussion at the conventions. An open forum for the Legal Section is usually a part of every convention program, and the discussions which take place are most helpful.

The American Title Association has the following standing committees dealing with matters of a legal nature:

- The Judiciary Committee
- The Committee on Standard Forms
- The Legislative Committee
- The Federal Legislative Committee
- The Committee on Federal Estate and Gift Tax Liens

For instance, the Judiciary Committee is composed of nearly sixty members selected from all of the states in the Union. Its primary duty is to "report decisions rendered in federal and state courts of record relating to the duties, liabilities, and responsibilities of abstracters and insurers of title to real property or liens and obligations thereon and other decisions relative to land titles." Such decisions are included in Title News or in the various bulletins sent out by the Association.

Each of the above committees is a clearing house for the particular legal subjects which come within its jurisdiction, and each committee, periodically, makes a comprehensive report to the Association.

My only point in mentioning these committees and their work is to emphasize the fact that there is apparently no type of particular activity left open for the Legal Section except the general discussions which take place at its open forums.

I wish to mention, however, two local activities of lawyers which members of the Legal Section might well encourage in their own communities.

The Denver Bar Association and The Colorado Bar Association appoint a legislative committee and a com-

## GOLDING FAIRFIELD

*General Counsel, Title Guaranty Company,  
Denver, Colorado*

mittee on real estate standards. Attorneys for the title companies usually have a member on these committees. The legislative committee is most diligent in collecting suggestions between legislative sessions of new statutes or of amendments to existing laws, and many of these suggestions concern real property law. In Colorado, over a period of years, we have solved a number of title problems by legislation.

Many questions, however, arise in



GOLDING FAIRFIELD

real estate titles which have not been settled either by statute or by court decision, and the same situation may arise repeatedly. Our Committee on real estate title standards has now promulgated, since February of 1942, sixty-eight of such standards. These standards concern recurring title situations which may or may not affect marketability, interpretations of ex-

isting statutes, the validity of certain recorded instruments, title litigation, and estate proceedings. The committee has even gone so far in a few cases as to construe a Supreme Court decision and to pass on the meaning of the decision or what the court intended it to mean. These title standards have settled a large number of additional title problems, and they are followed by practically all examiners of titles in Colorado. Bar Association committees in some of the other states are also promulgating real estate title standards. (I have available a copy of the Colorado real estate title standards.) Members of the Legal Section can render a real service to the title fraternity by encouraging the use of real estate title standards in their various communities.

The Legal Section will conduct an open forum on Wednesday morning for fifty-five minutes beginning at 9:45. Let's arrive on time and have a good attendance at this Wednesday morning session. Come prepared to ask questions and to enter into the discussion. You may be able to obtain the answer for which you have been searching. We have no set program although a few topics have been suggested as follows:

1. Old city surveys—shortages—extra ground—how remaining unconveyed lots are affected.
2. Marketability questions where deed executed and acknowledged by previous grantor, antedating his recorded conveyance later appears of record.
3. Methods whereby title to previously patented land is obtained from the United States Government.
4. Use of reserved mineral rights by the government.
5. Use of quit claim deeds for correction purposes without identifying the grantor or connecting him with the title.

It has been a pleasure to serve as your Chairman, and I have greatly enjoyed a most pleasant association.

# Title Insurance Section

## REPORT OF CHAIRMAN

I assure you it isn't modesty that prompts this statement. If it were not for the small chore of building a program for this convention, the chairman of your Title Insurance Section would, in truth, have led a quiet life since our last meeting.

Either the general membership assumed that it knows all there is to know about the title business, or perhaps, and let us hope that this be true, no new questions presented themselves which they felt needed to be referred to this section.

To our group fell the small task of helping to formulate the answers to certain questions on title insurance and procedures now contained in Bill Gill's "Revised Title Course." We can but hope that our small effort was of some assistance to Bill Gill and Jim Sheridan.

It is my opinion that the most outstanding movement in this year's activities is the work thus far accomplished and the ground work laid for future accomplishment by the Standard Forms Committee so ably headed by Ben Henley.

Whether we like it or not, we should realize that we must stop looking at the broad subject of title insurance from a provincial point of view and come to the realization that the title business today is a real factor in our national economy and must be looked at from that angle.

It is to be hoped that our association will ever be alert to the needs of our customers and that we take the lead in all movements looking toward a more complete and uniform coverage to all holders of our policies.

Our industry, it seems to me, is rapidly approaching the stage when some thought should be devoted to a program for the training of future title men. I have in mind an organization similar in scope to the American Institute of Banking. Ours is a profession in all respects except in name. Too long have we thought of

## EDWARD T. DWYER

*Vice President, Title & Trust Company,  
Portland, Oregon*

ourselves as menials. The public, you may rest assured, is not going to gain a higher degree of respect for us than we have ourselves.

It is difficult if not impossible for one in the title insurance field, one who has gone through the abstract of title—certificate of title periods, to understand why in this year of grace, 1950, there should be so many of our brethren engaged in the field of abstracting. Could it be that the



EDWARD T. DWYER

National Association has not done a selling job for title insurance?

For each year the abstracter remains an abstracter, the public in his county suffers for want of the protection to which he is entitled. The shift is simple. Oregon, Washington and California, at least, have seen the transition. Looking back over the years, it would appear that we were

too timid to sell our wares to the public. Now we may ask ourselves, "Why didn't the leaders in the industry in those states do the job much sooner?" The job has been done, however, can be done again, and if you will pardon my saying so, should be done.

Before closing, may I give a word of advice to future chairmen of sections whose duties entail building a program for a national convention.

Begin framing your program early and keep at it constantly until convention time.

Even title men, I have learned, are not beyond sending in as many and as varied excuses as those related in the well-known Gospel of St. Luke, in which it is revealed that the Master, after inviting a host of his socially prominent friends to the wedding feast and getting such excuses as "I took unto myself a new wife, and can't make it"; another: "I just bought a pair of oxen and must try them out," etc., finally sent his servant out into the highways and byways to give word to the down and outers there were free eats and drinks at the mansion.

I am forcefully reminded of another Gospel. This time I take it from St. Mark. I have taken the liberty of making a few slight alterations to make it read, "For many are called; but few permit themselves to be chosen, if by being chosen might entail some work."

Despite the many rejections, declinations, excuses and plain not-answering-my-letters, I hope that the program as finally arranged will meet with the approval of our severest critics—and they undoubtedly will be those who either answered and rejected or didn't answer

To all those who helped make the program possible, I give my sincere thanks. To our affable and efficient executive secretary, without whose help all program chairmen must give up in despair, I give a special thanks and my blessing.



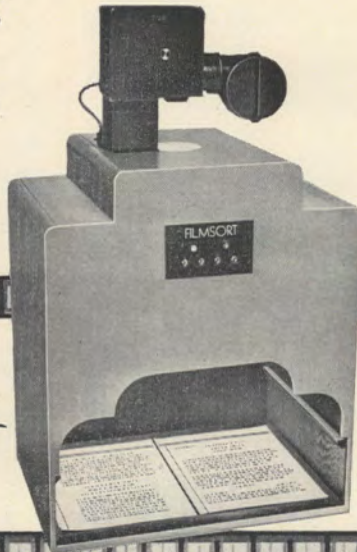
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or make an abstract without  
going back to the courthouse  
for missing records



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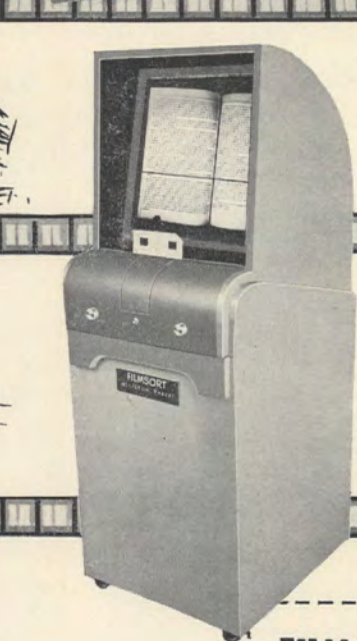


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Each instrument is in an individual card.  
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nation of any other chain in your plant.  
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More and more title companies are learning how they  
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Please tell me more about how FILMSORT *can*  
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Firm name .....

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Attention of Mr. ....

I am sending along a roll of my microfilm.  
(WEST OF THE MISSISSIPPI, please address  
Micro Record, Inc., P.O. Box 2840, Boise, Idaho.)

# Publicising and Advertising Title Insurance

## A PANEL DISCUSSION

### MEMBERS OF PANEL:

Joseph D. Shelly, *Vice-President*, Chicago Title & Trust Co., Chicago, Illinois.

Mortimer Smith, *Vice-President*, Oakland Title Insurance and Guaranty Company, Oakland, California.

Maclin F. Smith, Jr., *Vice-President*, Title Guarantee & Trust Co., Birmingham, Alabama.

Hart McKillop, Moderator; Chairman, Committee on Advertising, American Title Association; *Vice-President*, Lawyers Title Insurance Corporation, Miami, Florida.

### MORTIMER SMITH

No one is as well informed about any segment of the Title Industry as are Title People. They know what they are doing, why they are doing it, and the results of their respective methods of endeavor.

Knowledge is power, they say, but of what power is the knowledge of us in this business unless those not of our industry know how much knowledge we do have and of what use that is to them. Probably the greatest story never effectively told is the story of your business; and many times probably the reason for the lack of effectiveness in the telling of our story is either the fact that many of us do not have the knack of doing it, although we are armed with a wealth of material, or, if we are equipped with that knack, we very often tell our story to an unresponsive audience.

The lack of the ability to put down on paper parts of our own business knowledge so that dry information may become good advertising need not prevent good advertising, however. Any good advertising man can counsel on that score, and you will be surprised what he will do in the way of dressing up your information concerning business statistics, local history, unusual title problems and the like.

But what are you going to do then? What is to become of this brain child of yours (and of your advertising man) after the product is finished? Where and how should it be presented to the public so that it, the public, will receive it, learn from it, and, remembering the lesson taught, keep you in mind when the time comes to buy your product?

Just as are many lives, much advertising may be mis-spent, so we will attempt to channel this brain child as effectively as possible.

### Appeal

The first word on the first page of any advertising primer is the word

"Appeal." Every writer of copy learns the buying public's reactions to appetite appeal, simplicity appeal, eye appeal, sex appeal and all of those wiles which cause all of us to reach into our pockets and pay over our dollars. So, we, too, have to appeal to prospective users of title insurance and in order to do that must use more than ordinary care to make certain that our messages are placed properly in the right channels to reach our potential consumers.

We title insurers do not sell Delectably, Delightful, Deciphered titles

directed toward any audience listening for entertainment only.

But there are audiences or viewers toward which we can direct our advertising where it will appeal because they either are constant, continuous users of what we sell, or are potential buyers of our product. Toward the first group we should, and many probably do, channel informative advertising and institutional publicity. They are the large lenders, both national and local, and always want to know that we have been on the job, are on the job now, and will continue to stay on that job.

An agent was seeking advertising for a local paper and stopped in the village store. The old, grizzled proprietor would have none of it. "Don't need 'em," he said. "Been in business nigh on to eighty years and never advertised."

"Could you tell me what that building is on the hill?" inquired the agent.

"That's the village church."

"Been there long?" was the next question.

"Oh, 'bout 300 years," reckoned the storekeeper.

"Well," said the agent, "They still ring the bell every week, don't they?"

That was one method of institutional advertising. The kind that is used not too often but yet often enough to ring a bell in the minds of the people of your community to remind them that your establishment is one of the old institutions in the financial world of your area and that as such, you have in the past contributed much to the stability of the area, you now in the present are caring for the title needs of buyers of and lenders upon real estate, and that yours is the kind of an institution which, because of its record of past and present integrity, will be here in the future at all times doing the best job possible.

Of course, any news publicity which ties the name of your company with a progressive, large real estate transaction closing is the best advertising



MORTIMER SMITH

—Designed Deliberately — and Duly Descriptive, and any attempt to sell our product through a display reading along that line would be Darn Dumb. We cannot sandwich a Commercial of that kind of pretty language in between a radio comedian and a few corny jokes and sell title insurance because or message would have no appeal and would be mis-

you can obtain. The fact that people read your name in a news article which tells of a new factory coming to town is an indication to them that you carry weight in the business world, that the business world has confidence in you.

### To Specific Groups

But institutional advertising can only be considered in the nature of background music to any business promotion program and has to be supplemented from time to time with messages channelled on a direct hit basis. In most instances, this sort of advertising, as far as the title insurance business is concerned, at least, is very closely aligned with the public relations idea, in that such publicity should take advantage of large gatherings of either real estate people or people who are real estate minded at the time.

A lay man or his wife who may be visiting a home show must be real estate minded at the time or they wouldn't be in attendance. Your name and your story should be in attendance also.

A real estate board roster is a good place for your display to appear because when it does, the folks whose names appear in the roster know, by the mere fact that your space is there, that you are supporting their efforts and that you are current with them.

Any edition of any publication which, for instance, may be themed upon "Real Estate Week," "Own Your Own Home Week," and backgrounds of that nature should contain your message to the people interested in those subjects because there your audience of readers is receptive to the idea of title protection and is interested in the appeal presented.

Some methods of advertising are necessary in one locality and other methods are a must in other places. You must know your potentials and act accordingly.

I think that one thing is very true in the title insurance business, however, perhaps more so than in any other business. The making good on your advertised promises of financial protection, personal service and courteous treatment is more important than the promises themselves. We have to perform or we had better not tell people that we do.

### Joint Advertising Efforts

And now as to co-operation in advertising between competitors:

The number one principle under this subject must be the firm desire on the part of all title insurers operating in an area that no one of them will at any time advertise detrimentally to the industry. You can't call any competitor names in public, even inferentially, and expect the public not to lose some measure of confidence in the title insurance business.

On the contrary, the public and the operators of advertising media should

very early in the game be made to understand that neither you nor your competitor are ever going to engage in verbal fisticuffs at your expense and their financial gain.

Surely you are going to compete for business, but your performances should be based upon perspiration and not proclamation.

It helps no one in the title insurance business and it certainly does our clients no good if this week Competitor A publishes a display which says that he is the best and then next week Competitor B publishes twice that display saying "No, he ain't—I am." Only two people benefit when Company B gives away a Buick automobile this week and then Company A tops that by giving away a Cadillac car next week, and those two are the recipients of the two gifts.

The best publicity in the world is for the world to know that you competitors do get along even though you are competing and do compete, and to realize that you will not allow yourselves to be placed in the position of spending money, just to be spending it, for bull dog advertising where one is pitted against another.

I do not believe particularly in joint advertising, but two or more competitors can take the same amount of separate space and as a result each Company obtains a beneficial result because the industry in the area has been beneficially advertised through and by the name and material presented by each company.

This co-operative spirit in advertising can, and I know personally of many cases where it has, cut the advertising expense of many companies, caused a rise in the ethical standards of the business and produced a good public re-action.

Give it a try. I know you will like the way it works.

### JOSEPH D. SHELLY

Our subject has to do with publicizing and advertising title policies. The need to publicize and advertise our service is perhaps admitted and agreed. This stems from the fact that by and large most people don't understand what a title policy is or why they need one. A corollary to that is their failure to appreciate the valuable contribution which a title company makes to the security and well-being of its community.

Our industry is not alone in needing to explain its function. All industries share the problem, but many have been more alive to the seriousness of it. To the extent that we can impress our respective communities that we provide a basic social and economic need, we build confidence in our individual enterprises. At the same time by helping to create an informed public opinion, we aid the common objective of preserving our

system of economy which is so vitally necessary for the prosperity and preservation of our respective businesses.

### Above All, Good Service

Of course, it goes without saying that good service is the cornerstone of our business. It is foolhardy to engage in advertising and promotional efforts unless we are honest with ourselves and the public. If we are about to emerge in another wartime economy, we must be prepared through the service that we render to make an important contribution. Such a condition presents at once both a challenge and a responsibility. We can be sure, however, that if we fail significantly we can expect the imposition of some kind of governmental system that will meet the necessity. There are plenty of instances of such developments where private business has developed inadequacies.

The observation that business needs to create public understanding and acceptance is a general statement. The problem of just how the title industry might build understanding and confidence is more complex. The question of exactly how an individual company should proceed to improve public acceptance within its community is difficult to prescribe with precision. There is no pat answer. Local conditions and circumstances are variable. What is good in one situation may be bad in another. Which statement reminds me of a little story which I hope will not be offensive to the ladies present. It concerns a young woman who visited the doctor. After a physical examination the doctor directed her to dress and stop in his office. When she entered he said: "Mrs. Smith, I have good news for you." To which the young woman replied: "I am not Mrs. Smith, I am Miss Smith." "Oh!" said the doctor, "In that case, I have bad news for you." So you see, circumstances do vary.

In the spirit that no one possesses all the answers I should like to comment on the program with which I am most familiar—that of the company which I represent. My remarks are not submitted as being all inclusive, but merely informative as to certain aspects of the problem of creating better understanding.

### Our Most Important Clients

All of us recognize the importance of our direct customers—the lawyers, realtors, mortgage bankers, and builders. They stand between us and the real customer who buys our service. They are called upon to explain why our service is necessary and that our charges are reasonable. It is necessary that these professional and trade customers understand our business, and it is helpful if they have a friendly attitude toward us.

To try to accomplish these objec-

tives, our company does several things. We have membership in the various boards and associations, and participate in their activities. We advertise our services in the trade publications and bar journals. We have a weekly luncheon and tour for these groups. At the luncheon we have a brief word of welcome from the officer who is acting as host, and a short talk to condition the group for the tour. Suggestions, inquiries, and criticisms are solicited. We hand out booklets and pamphlets descriptive of title policies and the work that has to be done to produce a title policy quickly. We endeavor to personalize the company for the group through the officers who participate. We believe it is helpful for the company to be thought of in terms of individuals rather than as an abstraction. And this aids the customer in transacting future business with the company.

Tours are also given for law students and for students taking courses in real estate and finance. In connection with these tours, we regularly take a photograph of the group, including our officers who are participating, and present it to each student as a souvenir of his visit. This tends to personalize the company for the students and to have them feel acquainted with some of our officers.

The president of our company writes a letter to law students who pass the state bar examination, congratulating them and offering to send them a desk calendar which we distribute to lawyers as well as several booklets of interest to lawyers.

A letter is sent to newly licensed real estate salesmen extending good wishes, telling them of our services, and inviting them to call us for any assistance that we can render.

#### **The Ultimate Consumer**

The real customer—the buyers and sellers of real estate—are somewhat more difficult to reach. We feel, however, that it is important for them to know the company better and to understand our service. A couple of years ago we began the practice of writing a letter to a selected list of home purchasers who have just received a title policy. This is a personalized letter from the president of the company which welcomes the home purchaser as a policy holder. In it we stress two points—the day-to-day work that is done to compile pertinent title information so as to have it readily available to furnish a policy quickly at any time, and a brief statement as to the protection which the policy affords the purchaser in the continued ownership and enjoyment of his home. The letter includes an offer to send the home purchaser who would like to know more about his title policy our booklet entitled “Why Does a Title to Real Estate Need to Be Guaranteed?” About twenty-five percent of the persons who receive the letter write to

us for the booklet. People who are experienced in direct mail advertising feel that this is a rather phenomenal response.

Prospective customers for title policies are an important group in a business development program. But sifting out from the general public and identifying the persons who are about to buy a home or other real estate is an arduous task. A simple though somewhat limited approach is to participate in home shows and other promotions of builders and home furnishers. Such affairs are attended by thousands of persons who are home minded.

#### **Display Booths**

Last spring we had an attractive booth at the Metropolitan Home Builders Show. One of the features of our exhibit was the continuous flashing of short messages explanatory of title policies on a television size screen. This got attention for our men who were available to answer questions and to distribute our booklets.

This fall our local home builders organization and the Chicago Tribune are jointly sponsoring a home festival. It will continue for four weeks and will be widely advertised and publicized. The publicity and advertising will invite the public to visit model homes located in all sections of the city and suburbs. We have arranged to have an exhibit in each of fifteen homes, and will distribute educational material concerning title policies to visitors.

In our business it is inevitable that all of us depend to a very considerable extent on our direct customers to explain our services. But we try to augment their efforts by developing opportunities to explain our company and its service directly. Beyond these groups of actual customers and prospective customers are our potential customers which includes the entire community which we serve. It is important from a selling standpoint that these potential customers understand what a title policy is and about its use and purpose. It is even more important from a public relations standpoint that the people of the area become conscious of the existence of the title company and of its contribution to the development and life of the community.

#### **Newspaper — Radio**

The use of newspaper and radio advertising affords an effective means of reaching this mass public. At the present time we are resuming our radio broadcasts, presenting the Chicago Symphony Orchestra for the sixth season. Our program consists of an hour long concert, and we use only about five minutes of the time for commercials—one minute at the beginning—one minute at the end—and three minutes at half time. Our three minute commercial is a drama-

tized episode or playlet which seems to lend itself well to the title business because the message is interesting, entertaining, and informative. In connection with the radio program, we have a theatre audience of approximately one thousand persons a week. More than 15,000 students in the music departments of the Chicago and suburban high schools have seen as well as heard the Orchestra by invitation of the company. This year we are going to bring the Orchestra into thirteen high schools and tickets for these broadcasts will be distributed by the schools. Appropriate publicity in news publications in the neighborhoods where the Orchestra will appear will precede each broadcast. By a rather intensive neighborhood campaign we hope to make the residents of Chicagoland acquainted with the fact that Chicago Title and Trust Company is making it possible for them to see as well as hear Chicago's own Symphony Orchestra in free musical concerts.

#### **Specific Groups**

Another method that we have been using to establish contact with our potential customers in the community at large is by undertaking speaking assignments before various groups. This is accomplished by invitations from organizations such as service clubs, women's clubs, etc. We fill an average of two engagements a week throughout the year. In this way we are reaching important and influential segments of our citizenry—the business and professional men and women in the various neighborhoods and localities of the Chicago area. One of our talks currently being presented explains a few of the fundamental elements of our business—what we do to produce a title policy and what a title policy does for the owner of real estate. As the speaker develops an important point he plays a recording of one of our radio dramatizations by way of illustrating his point. Another talk in entitled “Your Home, How Much of It Do You Own.” This talk considers the title to real estate as being in the nature of a bundle of rights—rights which the owner has in his property, and rights which others may have in it by reason of liens and encumbrances, or because of covenants and restrictions. In presenting this talk the speaker uses a blown-up photograph of an attractive house. The audience cannot see that parts of the photograph are removable like the pieces of a puzzle until the speaker begins to take away portions to illustrate a point. In the office this presentation is sometimes referred to as “our strip-tease act.” This device affords a change of pace that seems to increase interest and improve audience receptivity.

#### **Good Citizenship Pays Off**

In all phases of public relations we endeavor to personalize our company

for as many people in the community as possible. In this effort, our employees are of first importance because the cumulative effect of the impressions they make is in fact the company to thousands of people. A step removed are many people in the community who have had occasion to know the company only by what they read about it. Realizing the importance of a reputation for public spirited activity, our company, through its officers, identifies itself with civic undertakings and projects of recognized value to our community. The publicity that is given to such projects helps to establish in the public mind a recognition of the civic consciousness manifested by the company through its willingness to join with other good corporate citizens in matters affecting the general welfare.

I understand that one of the purposes of these conventions is to afford us an opportunity to share our experiences and our problems. I hope that with appropriate modifications you may find some bit of usefulness and adaptability in my suggestions for creating a better informed public in your neighborhood.

#### MACLIN F. SMITH, JR.

I want to say in the beginning that certainly I do not pose as an expert on the subject of title insurance advertising. In fact, my experience and that of my company in this field is limited to a comparatively few years. However, in the last several years, we have done enough title insurance advertising to appreciate and realize the value of a well-balanced program. My few remarks will be based principally on some of the experiences that we have encountered during this time with newspaper advertising.

#### A Goal

Before trying to set up a program of advertising, it is necessary first to determine what you want your advertising to accomplish. In simple terms, advertising is telling your customers what you have to sell, the value and quality of your service, and why they should buy from you.

#### Educational Work

In some sections of the country, title insurance is better known than in others. If your customers are not familiar with title insurance, then you must first educate them as to what title insurance is and how it works. We found that this can best be done by a series of educational advertisements which must be laid out and worded so as to create general interest. We think that an illustration, cartoon, or a picture with a catch-phrase or an unusual heading is essential to get people to stop and read an ad when they see it. To illustrate what I mean, I would like to point to a series that we used in 1949.

The first of these was entitled, "You're 'Buying a Pig in a Poke' When You Buy Land Without Adequate Title Protection." The familiar saying, together with the illustration, was intended to strike an interest or curiosity which would tend to make the reader go farther to find out what the ad was all about. After getting the reader's attention, the ad then went on to enumerate the risks involved in all real estate transactions and the value of using our title insurance service because of our long experience and our financial responsibility. There were twenty ads in this series, and they were run over a period of twenty successive weeks. We know these ads were effective because we received comment from them.

#### Follow Through

This brings up the question of



MACLIN F. SMITH, JR.

"How do you know when your ads are successful?" We have never found a completely satisfactory means of testing newspaper advertising, but I believe the best results are obtained from a small insertion at the bottom of your ad offering something free. From time to time, we have used the following paragraph in italics, "Call or write for our new booklet, 'How Title Guarantee Insurance Protects Your Ownership of Real Estate.' There's no charge." From some ads in which this was used, we received no results at all; however, on others the response was good, thus indicating the effectiveness or lack of effectiveness of the ad.

I have some other examples of this series which you might like to see: "Let the Buyer Beware"; "Land Gamblers"; "Everybody Thought"; "Don't Go Off Half-Cocked"; etc.

#### Advertising Theme

The educational phase is important, but it is well to remember that the

main purpose of advertising is to sell our service, and to do so we must create a desire to buy in the mind of the customer. An effective way of doing this is through what is sometimes called the "fear psychology" method. This method has been used successfully and to a large degree by the fire insurance companies. You have all seen many such ads in magazines showing a burning house with the mother, father and children huddled in the shadows and with the caption, "Their Life Savings Gone, Don't Let This Happen to You. Call Your Insurance Agent Tomorrow." Maybe our ads can't be as dramatic as this, because we all recognize that our loss ratio is much lower than the fire companies, and we have fewer total losses; however, a lot of desire can be created by following this idea, and this method will sell a lot of title insurance if used properly. I have a few examples of this type of advertising that have clicked for us. Some of them are better than others, but they are all designed to first attract attention of the reader and then to raise doubt in his mind about a land title unless it is insured. The captions of some of these are as follows: "This Cloud Can Jeopardize the Savings of Years"; "Evicted Because Their Title Was Defective"; "Stop—Don't Take Unnecessary Risks"; "How Do You Know that You Own Your Home?"

#### Well Planned

As mentioned in the beginning, advertising must be programmed to be most effective. The use of case histories lends itself very successfully to a series of advertisements. In other words, you may want to stress one point for several weeks before moving on to another point, and this can best be done by preparing your advertisements ahead of time. Case histories can be both educational and still carry the fear psychology at the same time.

#### Case Histories

It has been our experience that case histories taken from our records and from Supreme Court reports have been one of the best methods of advertising title insurance, and in the last few years, we have used more case histories than any other type of advertising.

We have found that there are several very good by-products of newspaper advertising that can be used to advantage. One of these is to use the actual newspaper clipping to make a plate so that the ad can be reproduced on your duplicating machine. We have found this to be a good means of producing direct mail material. In other words, we mail a copy of each ad to a list which includes real estate salesmen, attorneys, and mortgage loan brokers. In many cases, the man may not have seen the ad in the paper, so you are really

getting another shot at him through direct mail. There was a very good article in the May, 1950, TITLE NEWS by Harvey Humphrey entitled, "The Development of an Advertising Idea," which discusses the possibilities of approaching through direct-mail advertising those people who purchase real estate without any apparent evidence of title. We have, from time to time, mailed reprints of our ads to these people, together with a letter urging them to take advantage of our services. In recent months, we have had to discontinue this practice, but we intend to resume again as soon as time permits.

#### "Blow Ups"

We also have found it worthwhile to make "blow-ups" of our ads and use them as posters. This can be done on your photostat machine or the service can be obtained from your blueprint company for a nominal

charge. These posters can be used in your show window or displayed in a frame in your Order or Customer Service Department. We have used them both ways and have found them very useful.

#### Continuity

Jim Sheridan has suggested that I give a few facts as to the frequency, size and cost of our newspaper advertising. We are now running one ad each week in two papers. One of these is the Sunday BIRMINGHAM NEWS, and the other the Tuesday POST-HERALD. So far as the day of the week is concerned, we prefer Sunday over any other day. Our ads vary in size somewhat, but average around twenty inches. They are usually run in two columns ten inches long and cost approximately \$100.00 each, including the space, art work and engraving. Our total expenditure for advertising each year

amounts to 2% to 2½% of our total operating expense.

#### Real Selling Job

Jim has also suggested that I point out the weaknesses in our advertising and tell how we could improve it. I would say that our biggest fault is that we have not advertised enough. This can partly be attributed to the fact that we have been very busy during the past year, as I am sure all of you have. In spite of this fact, I think that we should not lose sight of those times when we have all wished for more business and realize that the same situation may be true again soon. When we think of the many comparatively useless items that have been sold simply by means of powerful advertising programs, I think we should all give much thought toward doing a real selling job on the fine services that we have to sell by using more and better advertising.

## What Does It Cost to Produce a Title Policy?

I'm going to base my remarks on the theory we would all like to make more money. After canvassing many members of our Association, the general theme seems to be that we're being taken care of fairly adequately, but we have to look forward to days when that will not be the case. So after looking over the field, a long time ago, I concluded, as most of you have, there are three possible methods of improving what we are making. One is to chisel in on your competitor and get more of the business. That's a rather tough method because the competitor usually has something to say about that and he's usually trying to chisel in on you. That isn't too effective in a good many cases.

#### Price Revisions

The next method is, of course, to get more money out of our customers. Chairman Dwyer has already referred to that. That's a good method, too. Of course it can be done in a number of different ways. One, the least subtle way, is to raise your price schedule. Of course, there's two people interest from there. One is the customer and he has something to say about that. He may decide that he can get along without title policies by certain methods. He goes for attorney's opinions, or abstracts or something else, or there's always the possibility that he might go into business for himself. That's something you have to bear in mind.

#### W. HERBERT ALLEN

*Executive Vice-President, Title and Trust Company, Los Angeles, California*

#### By-Products

Now the other method is that of course you can perform some additional services. That's a pretty good method. It comes under the head of broadening your field. In our company, for example, we render tax services and built that up into quite a little business. We also furnish information services of one character and another. I won't go into detail on those things because each community has its own problems and you probably know them a lot better than I do. But we have attempted to broaden our field as much as possible by offering additional services.

Under the same head of broadening your field comes the subject of getting more people to use your service. That is to say, you find a lot of people recording deeds and entering transactions where they don't feel it's necessary to get title insurance at all. I think that some members yesterday reported that in his county some 14% of the deeds went of record without title insurance, without abstracts or any title evidence. I don't know if there's any in our county, but some years ago somebody came up with the idea we keep an eye on these instruments that went of record and check these against our postings. Then we would write a very nice

letter that had been gotten up by the public relations department. As a matter of fact, we didn't write it in all cases.

Usually when deeds are recorded by people, not experts in conveyancing, there's something to be found by experts in the title business which would indicate the instrument in question was defective. Our suggestion was to that effect. We write a letter to the party in question indicating our records disclose a deed had been filed by which they acquired ownership of this property and that there were several matters affecting the instrument which were defective; and if they were to come down we would be glad to help them out of the difficulty. We dispatched a few of these letters and then one day the head of our department received a call from an irate lady and she wanted to know what was wrong with the title to her property and why we were gumming it up. He said he wasn't gumming it up. He just wanted to tell her that if she'd come down we'd be glad to help her out. He was helping her out, not gumming things. She said "What's the matter with it?" He said, "That's what we get paid for." It wound up with her getting pretty mad because we wouldn't tell her what was the matter. So we decided that wasn't too effective a way of increasing gross income and we abandoned it. Apparently we were not making friends and influencing people.



### Study the Costs

So, there's a third method. As a matter of fact, it's the toughest method of all and probably for that reason, it's the one least used in our business, and perhaps there's other reasons for that, too, but it is very tough. That is, of course, reducing your costs. And when I say reducing your cost, we have to bear in mind that cost in our business comes mainly from human effort. That is, of course, salaries and salaries are paid in dollars. Now as you go on, the dollars keep getting less and less. So from the standpoint of cost in terms of dollars, you're constantly fighting a losing battle. You have to be really good to keep standing where you are. My guess is that not many of us can do it. I know we can't and I would doubt whether many of us could. Perhaps we can keep them from getting as high as they otherwise would. Therefore you have the criterion of cost expressed in terms of human effort. That is to say, how many men does it take to turn out a given amount of business, etc. And that presents an entirely different picture because your work gets more difficult. I know large lenders are trying to simplify the work and demand as little as possible, but the constant demands and the increasing complexities of our business do constantly have the effect of increasing our cost. That and the inflation of the dollar make the problem really quite difficult.

However, I do think most companies know the cost question, the possibility of reducing the cost, does represent quite a little gold mine. Along that line I want to read you a little extract from an article in the Journal of the Savings and Loan Association of California by Frederick W. Rubble, President of the Federal Home Loan Bank of San Francisco. It's an article on competition, a stimulation to business. He says:

"For our business I have some concrete ideas for delivering more for less, in getting the business for our industry and doing it profitably. First, I would interest one of my employees in cost accounting and send him to school if necessary so that I could find out what it cost to do various things in my organization. I would analyze every call and the net result if done well will be an amazing saving of cost of operation. A thorough examination of all factors will show the proposition is sound if on knowing what the costs are but use of modern machinery and management techniques, for example, such as channelling work . . ."

and so on. I don't think I have to belabor that point. The question is, what tools are you going to use in reducing cost. That is, I'm sure any of us would like to reduce cost but exactly how do you go about it?

Well, the first thing that we needed

to do is to get some statistics — a rather repelling word and perhaps a repelling profession. We have a saying out our way that there are liars and liars and statisticians. So when you get a statistician or even do some statistics yourself, you have to be careful because it's very easy to add oranges and apples and come out with a grapefruit. The two of them don't add up together. If you're not very careful and if your statistician doesn't know his way around in spite of himself and yourself, you'll get off on the wrong track and come to conclusions that are pretty erroneous. It's like the story of the economist attending the convention of the economists in the east. Somebody said that if all the economists in the convention were laid end to end they would reach no conclusion.

I'm like the economists and statisticians who reach conclusions all too quickly. The only trouble is they're generally the wrong conclusions. Maybe that's the way with the economists, if they ever do reach any conclusions. Be very careful in your choice of a statistician, even if it's yourself.

Now what happened in our company? I entered the business by the back door. In fact, I'm not even sure I am in it yet. I've worked in every department in our business, except the title department. I had intended to be an ornament in the legal profession but World War I interfered with that profession and so the legal profession is poorer by one poor lawyer, in all probability. So I thought it necessary to get to work and my father thought it was a good idea if I attended business college. I did for six months. In that time, of course, I became an expert statistician, when I came to the company some thirty years ago. From that time I kept figures. Well, I learned quite a little over the years. I hope I've got the bugs out of the system. I learned that statistics are useful, too, if you use them right. They can be awfully dangerous if you use them wrong. In themselves, statistics don't mean anything. You can have the most wonderful statistical department and you can prepare the most gorgeous charts and what-not and if they are filed under some of these wonderful filing systems and nobody ever sees them, they're no good at all. They've got to get to the head man in the industry, or in your particular company. To be of any good primarily he ought to have some interest in statistics himself.

### Unit Cost

The first thing that needs be done, if you're going to make any use out of statistics and tap this little gold mine of reduced cost, is to work on what they call in the trade "unit cost." Now I realize it isn't possible in many cases. Many of the companies handle abstracts, they handle

this, that or the other service or product and they handle policies. It would be obvious their problems are terrific. Because, what is the unit? Obviously if you have all kinds of services you don't know. Frankly I wouldn't know the answer to their problems.

In companies which write only title insurance policies, you do have a unit on which you can work. You think always in terms of unit cost. That unit, of course, varies over the years. We should have a fairly large number of units. Therefore some might say, "We're a small company and we wouldn't have units enough to have this system be of much value." Maybe so. However, we have one branch that only has two people in it compared to the home office with some twelve hundred and branches of all sizes in between. We have a big report that comes to me at the end of the month. I used to take care of these things myself but now I have the comptroller's division do it. As a matter of fact, I don't get as much good out of it as when I did it by myself when I knew and remembered exactly what was going on.

### Comparing Unit Costs

On this unit sheet are the unit costs of all the different branches and the different operations. When you're comparing unit costs, look out for the quagmire of comparing unit costs with somebody else because it isn't going to do you any good and you'll fall right into a lot of trouble. Look out for a system like ours that has branches and comparing unit costs even with our branches of even between branches. The conditions between branches are entirely different and conditions between the branches and the home office work entirely different. It's a great mistake to think that because somebody else produces at the rate of  $x$  dollars per order you'll be able to do it. He may be producing for twenty dollars an order, you may be actually more efficient producing at thirty dollars an order.

### Constant Adjustment

Another thing you can fall into a lot of trouble on is in comparing your efficiency at different stages of the cycle. That was one of the mistakes I made, one of many mistakes I made in my career. The production head of our company is a good production man, but obviously when the business is growing a business can operate in terms of dollars and in terms of human effort a lot more easily, and a lot more cheaply than when business has fallen. I didn't realize this in my early career. Business in the 20's was building up most of the time. Then we got into the 30's and business was building down. I saw from my figures that the companies costs were rising. So I'd get after the head of the production de-

partment and work him over the coals. Well, he was struggling through an impossible situation, because your company, no matter how big or how little, must be adjusted. You have to pick a figure somewhere out of the air as to about what the normal cost for your company is and organize yourself somewhere around that. In our case, it's somewhere around 200,000 orders a year. In one branch it might be 90,000 orders a year, in another 20,000 or maybe with a small branch it's only a couple of hundred. Whatever it is, you organize around that. You rent a building and fix costs and overhead and so forth; and adjust it around the basis that the average volume of business will be.

Suppose it isn't bad, and, as a matter of fact, it almost never is. It's sometimes too much (which we've got now) to give the customer good service. Most of us are straining hard and somewhat behind. A few that I talk to admit they are right up to date and they don't all come from California either. Most of us will admit, I think, that we are a little behind and the customer isn't getting quite the service he ought to have. On the other hand I admit that if your costs are low, then your profits are probably on the high side.

Then you get into the situation where you haven't got enough business and just the reverse takes place. Mr. Brand, whom all of you have heard on another panel, told me when I moaned about having too much business that the only thing that's worse than having too much business is having too little business. Of course, that's quite true. But there's going to be stages in the careers of all of us when we have too little business. So you go along with either too little business or too much business. You have to realize that your production manager in the department has his troubles (or maybe you're the production manager yourself) and you can't be too hard on him when costs begin to rise during a period of falling volume. The cost is going down fairly rapidly during periods of rising volume. You've got to take those factors into consideration, too.

There's another pitfall to avoid. No one man accomplishes all these things. I've had lots of help from other people. We've got a chart that we work out every month and have kept up over a long term of time. At the end of every year we consolidate all these into a yearly chart, so we know just where we stand, how we ought to operate, and how our costs should be during a period of rising business, what they ought to be during terms of falling business and we make comparisons of those periods. I carry figures in my head on what our costs were in 1939 or 1941 and what our gross per quarter was back in 1929, what it was in '35 and in '42.

### Even Including Vice-Presidents

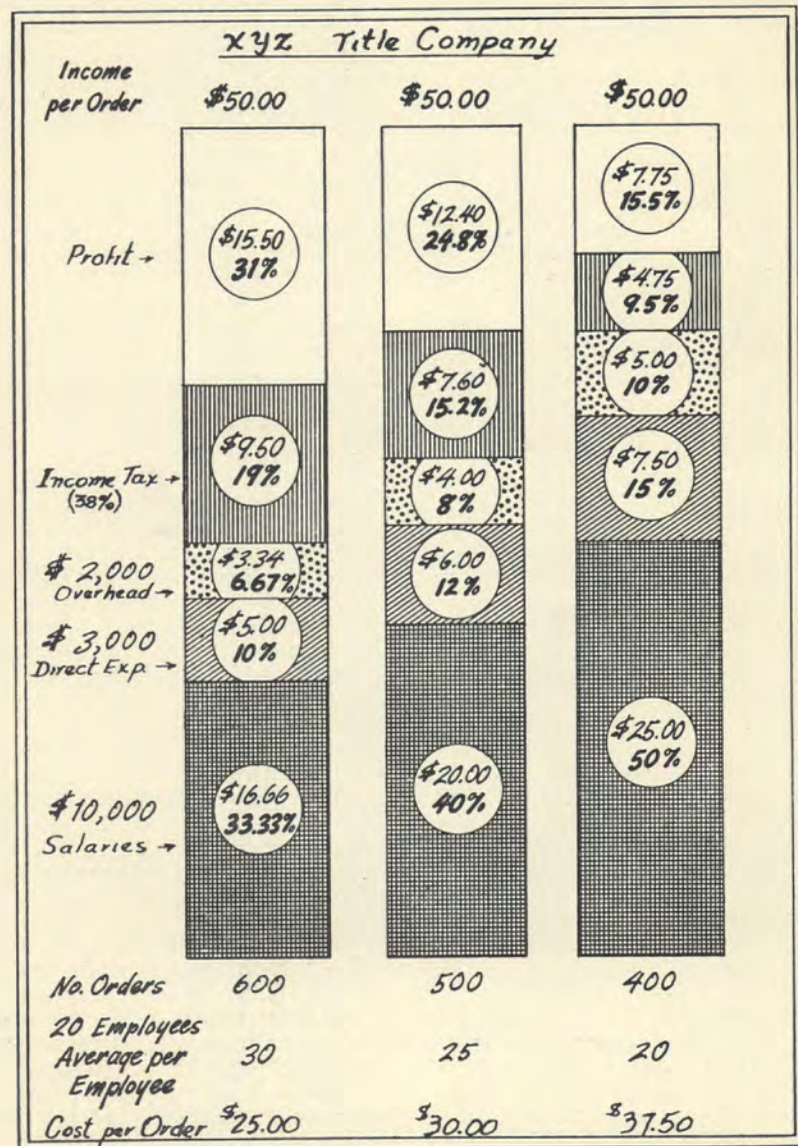
I try to have all those things at my fingertips and therefore I know the answers today if anybody asks me the question, "Are we more efficient today than we were back in 1942?" Well, at the moment we are. In 1942, for example, our cost per order was around \$19.00 or \$20.00 per order. Our cost today is running in the early twenties. Well, you say, "obviously your cost has gone up." We have to check that then with the statistics on human effort. Today we handle it better. We count every man, woman and child. It may be the janitor or accounting department or this, that or the other. We count every man, woman and child and then we say, "At the moment we're producing a little better. Last month we produced 26 orders per man a month—that's for every man, woman and child and the janitor too." We include the presidents and vice-presidents in that, too. That doesn't help the statistical average any either. That is a very useful

statistic, this thing in the terms of human effort. As I say we're going pretty high at the moment with 26.

What did we do back in '42? We were doing about 19 or 20. Therefore, we are really more efficient today than we were in 1942. But then you have to take into consideration that 1942 was a year of rather low volume and this is a year of very high volume. Possibly, if we had a very high year of volume in 1942 we would have been just as efficient then as we are today. The chances are the company is a little bit more efficient. Back a few years ago we did have a period where we were going very strong. The same thing prevails today. We're working some over-time, under heavy pressure. We're not giving the customers the kind of service we'd like to give them. We hope it wasn't too bad but I guess it wasn't too good either.

At that time, the load the company could bear before it went to pieces was about 22 per man. During the

### PER ORDER STATISTICS AND COSTS



war, by means of over-time and very poor service, we got figures that to me are fantastic. We actually had months that were as high as 34 per man. That was our highest. That's crazy as heck. I don't want to have 34 orders per man. We'd make a lot of money, but I think in the long run we'd lose all our business, because we'd give such poor service.

#### A Goal

Now the goal I've set myself and our company is 25 per man. Each of you in your companies can make up your mind what to you is a good goal to work for, maybe at 15 per man you'd be just as efficient under the conditions in which you find yourself. Perhaps it's a tough take-off or maybe the eastern section has very tough restrictions, metes and bounds and a lot of difficulties like that. You might be just as efficient at 15 per man, as if you had our figure of 25. Comparing your figures with any of our figures I give you is not going to be worth anything.

They're worth a lot to me because I compare these different figures with different periods and if things get out of hand, I can do something about it. At least I can try.

I've set 25 per man, as I say, as our goal. We're beating that today. I ought to be satisfied. I'm not, because we're beating it by cutting down on service to the customers. The machine is heaving. We're not operating easily and within ourselves. Maybe 24 per man is about as heavy as we ought to go. Now the machine heaved and strained before at around 22—relatively now at the 25 and 26 figure. So we're comfortably within ourselves at 20 or 21. So my personal

opinion is, in terms of human effort, we are now on a more efficient basis than we were eight years ago.

So I have a basis of comparison. Now we're going to take up briefly this little chart I'll pass around. It's the XYZ title company and just an illustration of points I've made. In the middle, I've taken an arbitrary figure out of thin air about what is the gross income per order. Now I just selected \$50.00. This is not our gross income, although it's not far from that. As a matter of fact, it's somewhat less, but it seemed a convenient figure. You can put in any figure you want. Then down below is the whole thing reduced to various percentages. We've got so much in salaries, so much in direct expenses, so much in over-head and of course you get the income tax.

A lot of people don't realize that an income tax is not an excess profit tax. The ordinary income tax on a corporation is a sales tax. What you're doing is collecting dollars for the government just as though it was a sales tax. We have the income tax as one of our costs of doing business. It has gone up a whole lot since the old days. So that's one cost of doing business we obviously can't do anything about. In that term, of course, we're obviously less efficient today than we were.

Assume this company is handling 500 orders per month. Over on the left hand side it goes to 600 orders per month and 400 is its ordinary traveling speed. On the right hand side is 400. It's below par. You can't do too much about it. It's cut down as much as possible. You can't cut down the cost too much when the business falls away. On the other

hand when the business goes up you don't have to hire a lot of new help either. You keep everyone, even the vice-presidents, at all times. You can see the tremendous variations that occur from the low point to the high point. On 400 a month the company will only make \$7.25 and on the high they will make \$15.50 per order. It's practically a double profit. Then everybody says the company is operating wonderfully.

It isn't doing anything of the kind. It's very nice getting over \$15 per order, but actually the managers aren't doing any better job than they did and maybe they aren't doing as good a job.

Last year we had a kind of a tough year. It wasn't too tough, but our business fell away. We still had all the vice-presidents and excess baggage and we fired thirty people. That was the most strenuous effort in our economy program. Of course, a lot of people drifted away naturally, but out of an organization of 1400 or 1500 we only actually had to fire about thirty for the purpose of cutting down the force. The result was that last year we had a profit, after taxes, of \$8.00 per order. At the present time normally we worked at a profit of about \$10.00. \$8.00 was a little low. Some months it was only a little over \$5.00. So when we saw that happening, we did what Ed Dwyer was talking about. We could see that we didn't want to operate at \$8.00 and so we increased prices. We also are working hard on the job of reducing costs.

I hope through this presentation of some general theories of costs and production some of you can make use of a few of these ideas.

# Committee on Title Insurance Standard Forms

## REPORT OF CHAIRMAN

During the year, two questions relating to the ATA policy form were presented to the Committee for consideration.

### Undisbursed Funds

The first of these questions involved the desirability of proposing an amendment to the policy form relative to its coverage in the case of a mortgage in favor of a lender which is recorded on a given date and is insured, as of the hour and minute of recording, by an ATA policy, and the mortgage funds are not completely disbursed at the time of recording. Under some circumstances, in some states, a lien intervening between the recording date and the date of disbursement of the funds, could gain priority over the mortgage to the

## BEN J. HENLEY

*President, California Pacific Title Insurance Company, San Francisco, Calif.*

extent of the funds which were disbursed after the recording of the mortgage.

It was the conclusion of the members of the Committee that any loss resulting from the intervening lien having acquired priority over the lien for the undisbursed funds, would not be insured against by the policy because it would be an encumbrance created subsequent to the date of the policy. The Committee believes that a title insurance policy should not protect the insured against defects created subsequent to its date. Therefore, no recommendation is made for the modification of the policy in this respect.

## Statutory Liens

The second question involves the clause in the policy which insures against loss occurring "by reason of any statutory liens for labor or materials which now has gained or hereafter may gain priority over the lien upon said land of said mortgage or deed of trust." It is suggested that this language should be the subject of discussion and it is implied that such discussion might result in a suggestion for amendment of this language.

This question was not called to the attention of the Chairman of the Committee sufficiently in advance of the Convention to submit it to the members of the Committee before this report was prepared. However, you are reminded that the language

in question was incorporated in the ATA policy when it was originally formulated. As a matter of fact, it was taken from the LIC policy which was being issued by many title insurance companies in various parts of the country at the time that the ATA form was adopted.

It is certain that any proposal to eliminate this coverage from the form would meet with unanimous opposition from those lenders who require the ATA form. One of the important reasons for the development of both the LIC and ATA forms was to provide mechanics lien coverage and I am sure that any move looking to the exclusion of that coverage from the ATA form would be highly unpopular with a great many of our very important clients.

#### Standardization Under Schedule B

The Chairman of the Title Insurance Section has assigned to the Committee a new project which when carried to a conclusion should simplify for title insurance companies the mechanics of issuing policies for secondary lenders and should also facilitate the work of secondary lenders in examining such policies.

Mr. Charles M. Swezey, Assistant General Counsel of New York Life Insurance Company has suggested

that committees representing secondary lenders and this Association, should develop a recognized list of items which are objectionable to secondary lenders and which will render a loan unacceptable to them if such items are shown in title insur-

ance policies, and, should also work out a set of standard exception forms for the showing in policies of exceptions covering matters which ordinarily will be acceptable to secondary lenders.

This project has progressed to the point of submitting the plan to the members of this Committee and the formulation of some exceptions for preliminary consideration.

In order that the results of this plan will be generally beneficial and effective, it should be formulated by a committee which is representative of members from various parts of the country. This Committee believes that its membership is too limited to effectively consummate the program and suggests that a special committee of from ten to fifteen members be appointed to carry out the work, or to work with the Committee on Title Insurance Standard Forms in formulating the standard exceptions suggested by Mr. Swezey.

Mr. Swezey has graciously accepted the invitation of the Program Committee of this Convention to outline to us his views on the subject. Charlie has attended many of our conventions and all of you are acquainted with him. He needs no introduction. I take pleasure in presenting to you, Charlie Swezey of the New York Life.



BENJAMIN J. HENLEY

## Standardization Under Schedule B

One of the principal headaches of title insurance appears to be the numerous requests, especially from secondary lenders, for special language to be used in noting exceptions in Schedule "B" of the title policy.

If those issuing policies could agree upon simple but adequate uniform exceptions, it would not only make life easier for secondary lenders, but would probably reduce the annual aspirin consumption by those of you who are associated with the title insurance industry.

It is not within the province of the assured in the first instance to attempt to establish the language to be adopted in such uniform exceptions, but rather to assist in the consideration of such uniform exceptions after they have been first drafted and approved by the Association.

But because of varying conditions existing in important title insurance states, if this proposal is worthy of further study, it would seem best that the Committee on Standard Forms submit to the several state associations an outline containing suggestions for the language of such exceptions for review and recommendation to the Committee. The latter could then collate this information and prepare tentative standard exceptions for dis-

CHARLES M. SWEZEY  
*Assistant General Counsel, New York  
Life Insurance Co., New York, N.Y.*

semination to the industry before the next annual convention or if a majority of the state associations act promptly, the Committee could submit a preliminary report to the Mid-Winter Meeting of the Association so that more definitive progress could be made within the next twelve months.

It is contemplated that within each class several uniform exceptions be established to meet varying conditions and they may be classified by decimal system, as follows:

*Taxes* could be assigned numbers commencing with 1.01 and *assessments* numbers commencing with 2.01 and so on.

It would be helpful to the assured if instead of numbering the exceptions numerically the standard assigned decimal number be used in the beginning of each exception. This procedure might also simplify policy-writing.

Extemporaneously I want to say this. I don't want you to feel offended that somebody outside the industry has taken the liberty of bringing this

to your attention; and second, that I don't want to claim any originality in the idea, because undoubtedly many of you have been thinking along that same line. As an illustration of that, I traveled on the train one time from New York to Chicago and curiously enough about two days later from Chicago back to New York and each time I fell in with a consulting metallurgist from Pittsburgh. He had grown up in steel. He was originally of English descent. His grandfather had been in steel and his father in steel. He told me that as a result of his research he found that German metallurgists, English metallurgists and Americans all discovered the use of chrome (chromium as it's more correctly called), as a component for hardening and strengthening steel, within several weeks of each other. In other words, here were research men who had been working in different parts of the world and they all reached that point; so please don't misunderstand me and don't think that I claim any originality for it.

In a way, what I had in mind was something selfish. It was primarily to help us as one of the secondary lenders in this country, but above all, we do not like to send back title

policies and ask for changes after the policy is written, because it costs you money, it costs us money to send it back. It costs you a good deal more to make the modification that we request.

In formulating this plan, we did not have in mind its present application to business loans as we call them. Our company happens to classify loans on properties housing one to four persons, as residential and all other, whether they be commercial or larger housing units, as business property.

Now, normally, in business properties it's possible to receive a title report and study those and give them sufficient attention so we can agree if there's anything in the way of an exception to be noted; but in the number of loans that we buy by assignment it would help us tremendously if we could get a standard exception of the various items.

It so happens that the information concerning the requirements and requests of secondary lenders is not within the files of the secondary lenders. Each one of us in that field knows what we would like to get as an exception in Schedule B. But that knowledge exists in your own files. Our thought was that possibly some committee could set up an outline—that you could set up preliminary exceptions that could be studied by your state associations. I think your Chairman or somebody told me that you didn't have state associations in all the states. In other words, you did not have sufficient membership to have a state association in every state, but I think that states that do have a lot of title insurance companies could, within their own state associations and their own state groups (if they don't have a formal association), formulate language that would be adequate for your state. It may be you'll have to break it down

by communities, such as cities for example. Pennsylvania, for example, is one state. In some title aspects, it's always seemed to me, Pennsylvania is divided into two states, namely, Philadelphia and Pittsburgh. In other words, their approach (and I think Mr. West will bear me out. I think our Pittsburgh friends will bear me out) is that Pittsburgh people in the title insurance industry handle mortgage transactions in a somewhat different way than in Philadelphia. I think that in some parts of Baltimore more they have certain problems, for example, that are different from other parts of Maryland.

Now that's about the substance of what I had in mind. I hope you'll forgive me for bringing it to your attention because I didn't want to be critical. I didn't want to assume that somebody outside the industry itself had the right to speak on this subject but Jim Sheridan and others urged I do it.

# Exception Forms for Title Policies

## Showing Items Which Ordinarily Will be Approved By Secondary Lenders

### (1) TAXES AND ASSESSMENTS

(a) Taxes which are a lien but not payable, such as between the first Monday in March and November of the same year:

"General and special county and city taxes for the fiscal year 1950-'51, a lien but not yet payable. Assessors Lot..... Block....."

(If not a city, the "city" will be omitted.)

(After Nov. 1 when taxes become payable, the words "but not yet payable" will be omitted.)

(b) Same as (a) but the land is in an improvement district:

"General and special county and city taxes for the fiscal year 1947-48, a lien but not yet payable. Levies for ..... Improvement District, No. ...., created for ..... may be included therein. Assessors Lot ..... Block ....."

(c) Taxes are payable, first installment paid; second installment not paid, but not delinquent, such as between November 1 and April 20 of the year following:

"General and special county and city taxes for the fiscal year 1950-51, first installment paid; second installment \$..... now due. Assessors Lot ..... Block ....."

(d) If the personal property tax of an individual or corporation is in-

cluded, the appropriate exception form is used except that it shows the inclusion of such personal property tax, as:

"General and special county and city taxes for the fiscal year 1950-51, amount \$....., which includes personal property tax of ..... amounting to \$..... Assessors Lot ..... Block ....."

(e) If the personal property tax of an individual or corporation is contained in a separate assessment add to tax exception as an unnumbered paragraph:

"Personal property tax of ..... amount \$....."

(f) If the land is in a city which collects its own taxes the appropriate form modified to refer to city taxes only will be used.

(g) If the land is in a special assessment district such as an irrigation district which collects its own taxes:

"Taxes or assessments levied against said land by the ..... irrigation district."

(h) Street Bonds and Assessments.

"ASSESSMENT for improvement of ..... Street under Act of 1911 which became a lien on ..... Bond No. ...., Series ....., issued on ..... for \$....., payable in ten annual installments of

which six installments of \$..... each, with interest, remain unpaid. Payments to be made at the office of ....."

### (2) COVENANTS, CONDITIONS AND RESTRICTIONS

(a) When deed contains no good faith clause and there is no express or implied reversion:

"COVENANTS, CONDITIONS AND RESTRICTIONS contained in the deed from ....., dated ....., recorded in Book ..... O.R. page ....., which do not provide for reversion of title in event of violation thereof."

(b) When deed contains no express reversion, but reversion may be implied from the language, such as "upon condition":

"COVENANTS, CONDITIONS AND RESTRICTIONS contained in the deed from ....., dated ....., recorded in Book ..... O.R. page ....., which conditions do not expressly provide for reversion of title upon violation thereof, but such reversion may be implied."

(c) When deed contains express words of forfeiture:

"COVENANTS, CONDITIONS AND RESTRICTIONS contained in the deed from ....., dated ....., recorded in Book ..... O.R.

page \_\_\_\_\_, which conditions expressly provide for the forfeiture and reversion of title in the event of violation thereof."

(d) When imposed by deed containing a "good faith" clause:

"COVENANTS, CONDITIONS AND RESTRICTIONS contained in the deed from \_\_\_\_\_, dated \_\_\_\_\_, recorded \_\_\_\_\_ in Book \_\_\_\_\_ O.R. page \_\_\_\_\_, which conditions provide that a violation thereof shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value."

(e) If the right of reversion has been subordinated by separate instrument, there would be added to the appropriate exception:

"Agreement dated \_\_\_\_\_, recorded \_\_\_\_\_ in Book \_\_\_\_\_ O.R. page \_\_\_\_\_, subordinates the right of reversion to mortgages and deeds of trust made in good faith and for value."

(f) If a subordination agreement subordinates the right of reversion to the specific lien, there would be added to the appropriate exception:

"The right of reversion contained in the foregoing conditions has been subordinated to the lien of the mortgage or deed of trust referred to in paragraph \_\_\_\_\_ of Schedule \_\_\_\_\_, by an instrument executed by \_\_\_\_\_, dated \_\_\_\_\_, recorded \_\_\_\_\_ in Book \_\_\_\_\_ O.R. page \_\_\_\_\_."

(g) When a tract owner conveys one lot in a tract and imposes conditions thereon which constitute a general plan as to the remaining lots affected by the general plan:

"COVENANTS, CONDITIONS AND RESTRICTIONS affecting said land contained in deeds of record from \_\_\_\_\_, conveying other lots in said tract, among them being deed to \_\_\_\_\_, dated \_\_\_\_\_, recorded \_\_\_\_\_ in Book \_\_\_\_\_ O.R. page \_\_\_\_\_."

If the general plan is contained in a declaration of restrictions rather than a deed, the words "contained in deeds of record conveying other lots in said tract, among them being deed to \_\_\_\_\_," will be replaced by the words "contained in declaration of restrictions."

(h) When lots which are subject to a general plan are conveyed by the tract owner without imposing conditions:

"Such rights as the owners of other lots in said tract may have to enforce the general plan of covenants, conditions and restrictions, contained in deeds of record from \_\_\_\_\_, conveying other lots in said tract, among them being deed

dated \_\_\_\_\_, recorded in Book \_\_\_\_\_ O.R. page \_\_\_\_\_."

(i) When a declaration is of record but there is no deed out by declarant or the deed conveying the subject property fails to properly incorporate declaration:

"The effect of an instrument (or a declaration of restrictions) executed by \_\_\_\_\_, dated \_\_\_\_\_, recorded in Book \_\_\_\_\_ O.R. page \_\_\_\_\_, containing a reservation of an easement for \_\_\_\_\_ over \_\_\_\_\_ of said land and containing covenants, conditions and restrictions affecting said land."

If no easement is contained in the declaration, omit the words "containing a reservation of an easement for \_\_\_\_\_ over \_\_\_\_\_ of said land and."

(j) If the date of recording of the instrument creating the restrictions is on or before February 15, 1950, the exception may or may not state whether or not such restrictions relate to race, color or creed. If the instrument creating them was recorded subsequent to February 15, 1950, there will be added to the appropriate exception the following:

"The covenants, conditions and restrictions referred to above include (or do not include) restrictions upon the sale or occupancy of said land on the basis of race, color or creed."

### (3) EASEMENTS

The following are examples of the form of exception showing easements and reservations of rights of way:

(a) If it is a reserved easement for pole lines and attendant uses:

"An easement over the \_\_\_\_\_ feet of said land for pole lines and incidental purposes as reserved by \_\_\_\_\_ in deed from \_\_\_\_\_, dated \_\_\_\_\_, recorded \_\_\_\_\_ in Book \_\_\_\_\_ O.R. page \_\_\_\_\_."

(b) If the easement was created by deed:

"An easement over the \_\_\_\_\_ feet of said land for pole lines and incidental purposes as granted to \_\_\_\_\_ by deed dated \_\_\_\_\_, recorded \_\_\_\_\_ in Book \_\_\_\_\_ O.R. page \_\_\_\_\_."

(c) If the easement is for a community driveway:

"An easement for a community driveway over the \_\_\_\_\_ feet of said land to be used in conjunction with the \_\_\_\_\_ feet of the land adjoining on the \_\_\_\_\_, as created by an agreement executed by \_\_\_\_\_ and \_\_\_\_\_ (or granted to \_\_\_\_\_ by deed) dated \_\_\_\_\_, recorded \_\_\_\_\_ in Book \_\_\_\_\_ O.R. page \_\_\_\_\_."

If the instrument also purports to grant a right of way over adjoining premises to owner of property under search, the following paragraph

would be added to the above form:

"Said instrument also purports to create a right of way for driveway purposes appurtenant to the premises and adjoining same on the \_\_\_\_\_. No examination of title to such adjoining property has been made and the policy when issued will not insure as to the last mentioned right of way."

(d) Where the easement is shown as a reservation upon a map:

"Reservation for sewer, water, gas and electrical purposes over the northern or rear 5 feet of Lot \_\_\_\_\_ of the land as shown on the map specified in the description of the land."

### (4) ENCROACHMENTS

(a) General exception.

"An encroachment of the \_\_\_\_\_ situated on land adjoining on the \_\_\_\_\_ on to the land described in Schedule A by \_\_\_\_\_ at its maximum point of encroachment as shown by survey."

"An encroachment of the \_\_\_\_\_ situated on said land unto the land adjoining on the \_\_\_\_\_ by \_\_\_\_\_ at its maximum point of encroachment as shown by survey."

(b) Where encroachment is on a street, alley or easement:

"An encroachment of the \_\_\_\_\_ situated on said land unto \_\_\_\_\_ street (or alley, or unto the easement referred to in paragraph \_\_\_\_\_ of Schedule B) as shown by a survey."

(c) If a general exception of facts which might be shown by a survey is to be included:

"Any facts which a correct survey would show as to the location of the \_\_\_\_\_."

(d) Easement disclosed by an inspection:

"Any rights which the owner of a pole line, which exists over the rear \_\_\_\_\_ feet of said land as shown by an inspection, may have in said rear \_\_\_\_\_ feet."

### (5) LEASES AND RIGHTS OF TENANTS IN POSSESSION

(a) Recorded lease:

"A lease of \_\_\_\_\_ dated \_\_\_\_\_, executed by \_\_\_\_\_ as lessor and by \_\_\_\_\_ as lessee, for the term of \_\_\_\_\_ years from \_\_\_\_\_ upon the terms, conditions and covenants therein provided, recorded \_\_\_\_\_ in Book \_\_\_\_\_ O.R. page \_\_\_\_\_."

(b) Unrecorded lease:

"An unrecorded lease of \_\_\_\_\_ dated \_\_\_\_\_, executed by \_\_\_\_\_ as lessor and \_\_\_\_\_ as lessee, for a term of \_\_\_\_\_, disclosed by \_\_\_\_\_ (refer to instrument or action in which it is disclosed)."

(c) Rights of tenants:

"Rights of tenants as tenants only."

# Central States Regional Conference

## TITLE INSURANCE EXECUTIVES

### REPORT OF CHAIRMAN

Comprises States of:

Michigan  
Ohio  
Indiana  
Illinois  
Wisconsin  
Minnesota

We had a little get-together of our central states at the Edgewater Beach Hotel on May 19th and 20th last, about eighteen present. The states represented were: Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin. We started off the meeting on a tone of informality. There would be no record notes taken, no minutes taken. We tried to tell what our business might be for the following six months. We all guessed at it. All guessed that it would be pretty good. Six months aren't up yet and it has been good.

We had some discussions on the racial restriction clause. None seemed to have any particular trouble with that so far; it doesn't seem to bother any of us too much.

Some of the states seem to have trouble with reversionary clauses. In Michigan we didn't have. Incidentally, there's little definitely decided at any of these meetings, at least in our conference and our session. It's just a round-table discussion, but you do

### CLARENCE M. BURTON

*First Vice-President, Burton Abstract & Title Co., Detroit, Michigan*

gain a lot from studying what other people's troubles are.

#### Sub-Surface Easements

Some had trouble with utilities running under ground that aren't of record, not shown by a surface survey.

We also talked about impounding abstracts. There seems to be several different schools of thought on that. One is that they should retire every abstract out of circulation when a policy is written. Our own idea has been to take abstracts out of circulation only when there's some obvious defect in the title and we take it upon ourselves to call it an insurable risk and issue title insurance anyway. In that case we'd like to get our abstract out of existence and put it in our file. We do it with the consent of the customer.

Another problem some of them have is the encroachments of our property out into the streets or alleys. We all thought it just didn't seem to be a part of title insurance that we'd insure against any loss or damage because they might be made to move their building or wall over. It just didn't affect their title at all as we saw the picture.

In Milwaukee it seems that there's trouble with excavations under sidewalks in the business section down town. I guess it's rather general in many cities; local stores project their basements out under the sidewalk and even under the street. Of course, no decision was reached in our discussions on a definite policy on this.

#### Personnel

We also discussed the employment problem. Since salaries are still on the rise, we're going to have to raise them. With world conditions as they are, I suppose you're going to have to keep on going up and up to retain your help. It doesn't seem there will be any lay-offs of any people without cause right now or because of general business conditions.

#### General

I believe that everybody who attends these conferences feels it's very beneficial. We probably don't come up with all the answers to problems, but we do find out what the other fellow's problems are and we can go back and work out a lot of our own when we find out what they're doing in other places.

As Mr. Gill pointed out, other title insurance executives out of the particular district are always welcome and encouraged to come. I'd encourage anyone to attend these regional meetings if they can, because they are very beneficial.

# Atlantic Seaboard Regional Conference

## TITLE INSURANCE EXECUTIVES

### REPORT OF CHAIRMAN

Comprises states of:

Delaware  
District of Columbia  
Maryland  
Massachusetts  
New Jersey  
New York  
Pennsylvania  
Rhode Island  
Virginia

The third convention of the Atlantic Seaboard Regional Conference of the American Title Association was held at the Statler Hotel in New York City on June 16 and 17, 1950, under the capable chairmanship of Paul J. Wilkinson, Vice-President of the Title Guarantee Company, Baltimore, Md.

The proceedings of this conference are not recorded so I haven't definite ideas of the number attending. Those

### H. STANLEY STINE

*Executive Vice-President, Washington Title Insurance Company, Washington, D.C.*

present sign their names on a normal legal-size yellow pad, the pages of which, finally, find their way into the inside coat pocket of our genial secretary James Edward Aloysius Sheridan and there they repose. However, I have another accounting system. My company sent some advertising souvenirs with me. I distributed 32 of these at the luncheon recess of the first meeting, so figuring the few wives accompanying their husbands, who needed me for the lighters, I figure we had 30 title insurance executives attending the conference.

#### Divergences of Opinion

A number of matters were con-

sidered and exhaustively discussed. The conference opened with an interesting discussion of the question of issuance of a new policy to a purchaser of a note secured by a deed of trust where a policy had been issued to the original payee. The discussion was led by Mr. Charles H. Buck, President, Maryland Title Guarantee Company, Baltimore, Md., and it was soon evident that there was a wide divergence of views between the representatives of the so-called "Mortgage" states and those of the so-called "Deed of Trust" states. In the final analysis, it having developed that the "Mortgage State" boys had initiated the practice and were issuing new policies to the assignee of the Mortgage without charge, the "Deed of Trust" boys, much in the minority, and against their best judgment, agreed to go along for the sake

of harmony in the title insurance industry. In connection with this subject, we also discussed the advisability of issuing the policies to the Trustees under a deed of trust as well as the beneficiary thereunder. Again this matter was left to the discretion of those operating in deed of trust jurisdictions.

#### **Standardization of Exceptions**

One of the most interesting discussions developed over the possible use of standard exceptions in policies, particularly in those issued to life insurance companies. Your reporter led the discussion, but as there should be much to do about this subject at this Convention, I will pass this over by merely saying the assembled group was exuberant in its enthusiasm over the potential import of this subject.

#### **Open End Mortgages**

Open end mortgages, perhaps well-known to a lot of you, is something new to us in the deed of trust jurisdictions. Gordon M. Burlingame, Vice President of the Bryn Mawr Trust Company (Philadelphia) gave us a most comprehensive description of the use of these mortgages and of what they consisted and led the general discussion which followed his dissertation.

The discussion of the issuance of owner's certificates or policies where mortgage policies are issued simultaneously was led by Lawrence R. Zerfing, Vice-President, Land Title Bank & Trust Company, Philadelphia, Pennsylvania. I would say that the procedure of all present was just about the same.

#### **Racial Restrictions**

Racial restrictions came in for its full share of discussion led by R. W. Jordan, Jr., Vice-President, Lawyers Title Insurance Corporation. As I recall, the consensus was that we could go no further than insure against the

entry of a decree of a court of competent jurisdiction enforcing the violation of such a covenant.

The practice of recording a second mortgage containing a clause consolidating its lien with the lien of a first mortgage, with which we are all familiar in FHA-608 financing, came in for a good share of discussion. While it was conceded we all participated in the practice, we sometimes wonder whether it is wise.



H. STANLEY STINE

#### **Tax Titles**

We ventured into the policy of insuring titles based on tax sales. While each jurisdiction has its own laws in respect of tax sales, it was interesting to learn the history of each and the attitude of the courts in each jurisdiction about these sales. I had the feeling when I left the meeting that our member companies were becoming more lenient in their views of titles based on tax sales.

#### **Alien Property Custodian Titles**

We also went through the whole subject of titles stemming from the Alien Property Custodian. I could see little difference in which these cases were handled by the various companies represented, but I did detect a note of importance placed on the fact that we satisfy ourselves that the national, whose property was taken, was really not a citizen of the United States.

Other matters, in digression of the present subject matter, were openly and thoroughly discussed in the informality in which the Conference is conducted. If you want to know how an Eastern Title Insurance Company conducts its business, just attend a meeting of this Atlantic Seaboard Conference.

This conference followed its predecessors in being very educational, as I am sure is the case of the other regions of the Association. There is no question in my mind that they will continue to grow in popularity even though we have enjoyed a fairly large representative attendance.

#### **For Next Meeting**

If you think I have stressed too strongly the distinction between the mortgage states and the deed of trust states, I have done so purposely, for that is the difference in the fundamental make-up of our region. There are things you can do with a mortgage which you cannot do with a deed of trust and naturally the reverse of that is true. I would suggest that at our next conference, we learn a little more about the problem of the fellow on the opposite side of the fence, so we can consider what he might be up against in the problem you are presently considering. By doing so, your action may not cause his face to be red in some future transaction.



# *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.

# LAND TITLE COURSE

## REVISED

We urge you favorably entertain the idea of purchasing extra copies of the July (1950) issue of "Title News," containing "The Land Title Course, Revised," edited by Mr. William Gill, Sr. They are priced at \$2.00 per copy.

Members have found numerous uses for extra copies, among these being:

1. Copy for employees presently employed in all capacities, from executive officers to apprentice employees.
2. Copy for all new employees, particularly those who show promise.
3. Copy, with compliments of the firm, to counsel and employees of mortgage departments of banks, mortgage bankers, building and loan associations, trust companies and other financial institutions.
4. Faculty of law schools, business administration schools in universities, graduating classes of high schools.
5. Life insurance company counsel domiciled and/or lending in areas serviced by member title insurance/title guaranty and abstract firms of the Association.
6. Attorneys specializing in real property law.
7. State and regional officers of federal departments and agencies interested in land and land titles.
8. Land and legal departments of oil and pipe line companies, lease brokers, chain stores, real estate dealers, etc.
9. Officers of departments of the state—Attorney General, Highway Department, etc.

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