

TITLE NEWS

Official Publication

THE AMERICAN TITLE ASSOCIATION

DO NOT REMOVE



VOLUME XXX

SEPTEMBER, 1951

NUMBER 8

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3608 Guardian Building — Detroit 26, Michigan

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Orchids for the Living

The world is unsettled. Our country seems to be in one crisis after another. Moral turpitude ranges from the small to major scandals. The business world is beset with troubles.

In the midst of these, it is heartwarming to pause a second and pay tribute to honorable gentlemen, men of own profession who have spent unostentatiously their entire business careers in the title business.

The career of each has been marked by responsibilities. These obligations have been discharged by both with honor to their companies, the guild of title people, and to themselves.

With all, they are both deeply human in their relations with their fellow man. To that fact, many close and lasting friendships they have established attest. We hold them in high esteem. Now, collectively, we of the title profession proudly proclaim that.

We doff our hats to Fred P. Condit, of New York, and Holman D. Pettibone, of Chicago.

Excerpts from Minutes of the Annual Stockholders Meetings of Title Guarantee and Trust Company held January 29, 1951

The Scene: The Board of Directors Room of Title Guarantee and Trust Company, New York City.

The Time: The Annual Stockholders Meeting of said Company.

The Occasion: A desire on the part of certain of his brother officers to pay tribute to Fred P. Condit, now in his fifty-fourth year of service in the Title Guarantee and Trust Company.

The tribute is a reproduction in plaque form of certain remarks made by the President of the Company, written into the records of the 1951 meetings of stockholders, including reproduction in the plaque of the signatures of brother officers named.

Mr. Deatley speaks:

CHAIRMAN DEATLY: I wish today that I had a booming voice like Fred Condit. He usually occupies a portion of this room. He doesn't quite need all of it, but even his whispers can be heard at the farthest-most reaches of the room.



FRED P. CONDIT

And while mentioning Mr. Condit, I don't think that I should let another annual meeting pass without telling the stockholders who may not know him as well as we do a little bit about him.

He started with the Title Guarantee and Trust Company during the last decade of the 19th Century. I think he spans all but perhaps ten or twelve years of the company's existence. He saw the company start as a title insurance company, saw the company go into the banking business in 1903 and saw the company discontinue its banking business in 1950. His period of service with the company, which you can compute about as well as I can, probably covers two generations of our customers, and I think that I can say without any question that there was never a man in the title insurance industry in the City of New York who was revered as much as Mr. Condit is today by lawyers, realtors and bankers, who form the core of our customers in this company, and I don't

believe there is a man in the industry today who is more highly regarded by the competitors of this company in the title insurance industry than Mr. Condit.

I wanted him to know, and I wanted you all to know, how we regard him and how his associates and the

customers of this company regard him. When you look at the balance sheet you won't find him listed as one of the assets, but he is there nevertheless. He and his associates are primarily responsible for the first line on our income statement—gross income.

Presented to our dear friend, Fred P. Condit, with love and affection, by

WILLIAM H. DEATLY
HERMAN BERNIKER
THOMAS J. CAPPOCK
FRANK E. UHER
JOHN N. LEWIS
HARRY C. COTTER.

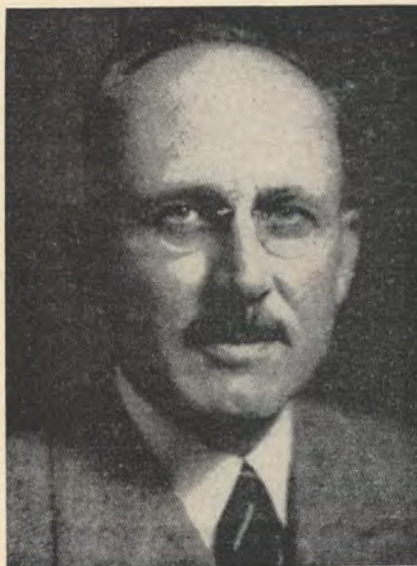
July 5th, 1951, Mr. Holman D. Pettibone, President of the Chicago Title and Trust Company, was the guest of honor to signal his fortieth year with the company. We are privileged to reproduce in Title News an article describing, all too briefly, that happy event; and also depicting, again too briefly, the story of his accomplishments. They have been many and varied, and for the lasting good of his company, his City and State and Country, and for his associates in the title profession.. Ed.

Holman D. Pettibone, President of Chicago Title and Trust Company for 20 years, is an "intensely devoted executive" who has markedly improved his company's position during his service, a dinner honoring his 40th year with Chicago Title and Trust Company was told last night.

The speaker was Percy B. Eckhart, a member of the Chicago Title and Trust Company Board of Directors. He told the guests at Shore Acres Club (July 6) that Mr. Pettibone's decisions "have in the last decade or so revamped the company in a manner so gradual, without turmoil or discontent, as to seem only a natural change. He has been with Chicago Title and Trust Company one-third of its corporate life.

"In the improvements in staff personnel and operative procedure he has built a smooth working organization of younger men . . . He has created a co-operative spirit that few corporations can lay claim to have.

"The most dramatic and visible change he has wrought is the acquisition and alteration of the company's new building (at 111 West Washington Street), which he had the wisdom and ability to bring to reality.



HOLMAN D. PETTIBONE

"The pension plan for the good of the staff he had put in effect long before such policy became general among comparable corporations.

"When Mr. Pettibone assumed the Presidency in 1931," Mr. Eckhart continued, "Chicago Title and Trust Company was struggling with the terrific problems of the great depression. In the intervening years, the marketable securities of the company increased nearly 1,100 per cent. The total assets gained by roughly one-fifth, and the net earnings held about even despite greatly increased costs and taxes. The dividend rate almost doubled."

Mr. Eckhart added that the chronicle of Mr. Pettibone's 40 years of service to Chicago Title and Trust

Company "have spread upon its records the immutable evidence of stable growth and constant improvement and a really distinguished future."

In addition, Mr. Eckhart said, Mr. Pettibone in "keeping with his purpose to earn and deserve for our company the esteem of the public, has personally made a series of valuable contributions to the public welfare." Mr. Eckhart listed these as:

President-Director of the Chicago Association of Commerce, 1943-44; Director, Chicago Daily News since 1931; Captain of the American Protective League, 1917-18; Trustee, the Monon Railroad, 1943-46; Trustee, Northwestern University since 1938; Trustee, Beloit College since 1928; Member, Advisory Committee of the Chicago Community Trust, 1933; Member, Winnetka Board of Education, 1937-40; Chairman, USO War Fund Campaign in the Chicago area, 1942; Chairman, Chicago Committee for Housing Action in 1947; President, Commercial Club, 1950-51; Director, United States Chamber of Commerce, 1951.

"This is a record of service to the community far beyond the ordinary call of business," Mr. Eckhart said. "It tells an awareness of the vital part played by our company in the life of Chicago."

Mr. Pettibone began with Chicago Title and Trust Company on July 5, 1911, in the Title Division. Thirteen months later he shifted to the Trust Division, and on January 15, 1920, was appointed Assistant Secretary. A year later, he became Assistant Trust Officer, and on January 13, 1926, was elected Trust Officer. In two more years he became a Vice-President. He was elected to the Board on January 12, 1931. A few days short of six months later, he was chosen President.

Dangers of Joint Tenancy

The most widely known fact about joint tenancy is that if one joint tenant dies, the survivor receives the property outright, free of probate. This is not only the most widely known fact but to most people the only known fact about joint tenancy. To the general public there isn't any question about joint tenancy. Because of the fact that it avoids the

RHES H. CORNELIUS

*Vice-President and Senior Title Officer,
Phoenix Title and Trust Company,
Phoenix, Arizona*

delay of court proceedings and the expense of attorneys' fees it's "good." There isn't anything "bad" about it.

While joint tenancy has been the law in Arizona for many years, it

has received impetus in the past fifteen years due to two factors. One was the decision of the Supreme Court in the Baldwin case (In re Baldwin's Estate, 50 Ariz. 265, 71 Pac (2d) 791) which recognized the existence of joint tenancy between husband and wife; the other factor was the emphasis placed upon the "good" side of joint tenancy during

the war when a very large majority of the defense bonds were purchased or registered jointly or payable on death. Because of the growing widespread use of joint tenancy in the acquisition of titles to real estate it is incumbent on the lawyer to look at the "bad" side of joint tenancy so that he will be in a position better to advise his clients.

Death Taxes

Death taxes. A great many people believe not only that joint tenancy saves them the delay of court proceedings and costs of attorneys' fees but that it also saves death taxes. Since both the federal statutes and the tax laws of the State of Arizona provide that joint tenancy property must be included in the gross valuation of the estate for estate tax purposes, not a penny of death taxes can be saved by creating a joint tenancy. In many cases the amount is increased because of the existence of joint tenancy.

Consider the case of the wealthy man who moved to Arizona from the State of Illinois and invested \$200,000 in real estate in this state. Without adequate advice all of the property was taken in his and his wife's name as joint tenants with right of survivorship. When he died his estate was subject to a federal estate tax of \$32,700.00. Several years later the wife died still the owner of this estate which had been reduced to \$167,300.00 by reason of the federal estate tax. On this estate there was paid a tax of \$22,890.00 leaving less than \$145,000.00 out of the original \$200,000.00 estate to pass to the children. True this ill-advised person saved the delay and expense of the probate of his estate but it cost him and his children a tax of over \$55,000.00. If this property owner had made a will creating a trust for the benefit of his wife and, upon her death, for his children he could have saved one complete set of death taxes amounting to nearly \$25,000.00.

Gift Taxes

Gift taxes. As we know, the federal government imposes a tax on gift if over certain exempted amounts. One may give up to \$3,000.00 to each of any number of persons in any one calendar year without incurring any gift tax liability. A lifetime exemption of \$30,000.00 to each donor covering a gift or a series of gifts is also provided for. But a tax return must be made if a gift of more than \$3,000.00 to any one person is made in one year.

Is the placing of property in joint tenancy a gift? The federal taxing authorities say it is; that it is considered, for tax purposes, a gift by the husband to the wife, or by one joint tenant to the other, of a one-half interest in the property. This is true whether the purchase price was sepa-

rate property of the husband or community property. Reg. 108, Sec. 86.2).

This tax, of itself, could easily destroy the "good" part of joint tenancy. If the amount exceeds \$3,000.00 a gift tax return must be filed. Even if the gift is within the exempted amount, consideration should be given to the advisability of using up a portion of the valuable \$30,000.00 lifetime exemption that might be used to better advantage at a future time.

Income Taxes

Income taxes. The taking of the property in joint tenancy very often presents problems in income taxation especially in the matter of computing a capital gain tax. Even though the estate tax or the gift tax may not be important, yet income taxes may be, especially during periods of high prices. The reason, of course, is that in computing capital gain the cost to the survivor goes back to the decedent's cost even though the value at the time of death may be substantially higher.

Take this example: A man purchased a house for \$10,000.00 in 1938 using separate funds acquired by him before his marriage. The title was taken in the name of him and his wife as joint tenants with right of survivorship. The husband died in 1946 and the widow, not needing such a large home, sold it for \$20,000.00. A gross capital gain of \$10,000.00 was realized, resulting in an income tax of approximately \$1,250.00. If instead of creating a joint tenancy, the husband had willed the property to his wife the cost basis for computing income tax would have been the value at the death of the decedent, no gain would have resulted, and no capital gain tax would have been imposed. The resulting tax problems are apparent in other cases where property is bought at low levels or where a valuable business is built up during a course of years. It follows then, that persons owning or about to place property in joint tenancy should look to the probable effect not only on death taxes, on gift taxes, but also on income taxes as well.

Lifetime of Tenants

Status of the property during the lifetime of the joint tenants. The community property system existing in our state has been built over a long period of years and was designed to protect parties during marriage in the ownership and management of their community property. The many safeguards which have surrounded our community property system to protect the husband and the wife are not present when the property is taken as joint tenants. A few of the many problems that might arise respecting this matter are: 1. The one-half interest of each joint tenant can be conveyed or mortgaged without

the consent or joinder of the other spouse. 2. The interest of the joint tenant is subject to attachment for his separate debts. 3. Whether joint tenancy property can be divided or set over to one of the spouses when the court, in a divorce matter, attempts to adjust property rights, is a question in the minds of many lawyers in this state. The answer to this problem might deprive the court of jurisdiction to award a deserving wife the property of the parties built up during their coverture.

Problems

Problems in the creation of joint tenancy. Joint tenancy is one of the most technical of all estates in real property to create. In our state, the unities of time, title, interest and possession must exist as under the common law. This involves technicalities that make the drafting of such an instrument as difficult as the drawing of a will. One need only glance at the record of deeds in the Recorder's Office in this county to discover the many poor attempts made by people, untrained in the law, to draft a deed creating an estate in joint tenancy. To avoid the dangers that exist in this respect only a person trained in the law should attempt to create such an estate by deed and only then after giving it the thought and deliberation required in drafting a suitable will.

When considering the transmitting of property upon death, the matter of primary and paramount importance is to see that it goes to the proper parties in the proper manner. Joint tenancy sometimes accomplishes this—sometimes it does not.

The creation of an estate in joint tenancy is in effect the same as making a will by each party saying, "We leave all of our property to each other." It does not take into consideration the naming of contingent beneficiaries, the capabilities of the survivor to manage the property or even the tax implications, that in many cases are serious obstacles.

Before a person can adequately advise whether or not property should be taken in joint tenancy, it is necessary to consider the entire estate plan, the financial and other status of the parties, the possibility of estate, gift, income and other taxes and the many other problems that a lawyer would consider in preparing a will for such persons.

The above points do not pretend to be an exhaustive or complete statement of the many dangers and difficulties that may be encountered in the creation of estates in joint tenancy. The purpose is to point out that there are problems, sometimes quite serious problems, which should be considered. Joint tenancy isn't all "good" or all "bad."

Revenue Stamps

By McCUNE GILL

President, Title Insurance Corporation
of St. Louis

This is a condensation of the 1941 edition of Regulation 71 issued by the Bureau of Internal Revenue, and later Acts of Congress, in so far as they relate to real estate transactions, and is also a condensation of other source material such as the U. S. Code, Title 26, certain Treasury Decisions, Letters from Government Officials, and adjudicated cases. Because of the necessary brevity of this outline, specific problems should be checked with the Regulations or the Collector's Office, and an opinion of your counsel should be obtained.

Acknowledgements. Acknowledgment of deed need not be stamped. T. D. 2060.

Affixing Conveyance Stamps. Stamps for conveyance must be affixed to the deed of conveyance. Reg. 71-113.85.

Affixing Insurance Stamps. Insurance stamps are affixed to the first instrument of the (foreign) insurance contract. Reg. 71-113.105.

Affixing Note Stamps. Stamps may be affixed either to the (corporate) note, or to the deed of trust with a notation on the notes. Reg. 71-113.57.

Stamps for assignments of notes must be affixed to the contract of assignment, or if none, to the notes. Reg. 71-113.71, U. S. C. 26-3481a.

Affixing Stock Stamps. Stamps for original issue of stock must be attached to the stock book and not to the certificates. Reg. 71-113.26, U. S. C. 26-1802.

Stamps for transfers of stock must be attached to the memorandum of sale where stock is endorsed in blank, otherwise must be attached to the certificate of stock, but if no certificate then to the stock book. Reg. 71-113.41, U. S. C. 26-1802b.

Assignee for Creditors. See Receivers.

Assignments of Notes. Assignments or sales of notes secured by corporate deeds of trust must be stamped. The tax is 5 cents on each \$100 of face value or fraction thereof. Reg. 71-113.60, 62, U. S. C. 26-3481-a.

Assignments to secure a collateral loan need not be stamped. U. S. C. 26-3481a, Reg. 71-113.64, 113.35.

Assignments in Federal reorganization proceedings need not be stamped. Act of Congress 1942-506.

Both parties and their brokers are liable to pay the tax. U. S. C. 26-3481a.

Separate computation must be made as to several transferors or transferees. Reg. 71-113.62.

Assignment due to survivorship of tenancy or joint tenancy need not be stamped. Act of Congress 1942-506, T. D. 5202.

Bankruptcy Deeds. Deeds from a

trustee in bankruptcy selling the property must be stamped and paid for out of the assets of the bankruptcy estate. (Letter.)

But deeds in corporate reorganization need not be stamped. U. S. C. 26-1808f.

Bankruptcy Notes. Notes or bonds issued by a trustee in bankruptcy, receiver or assignee for creditors, of a corporation, must be stamped as though executed by the corporation. Act of Congress 1942-506a.

But notes issued in reorganizations need not be stamped. U. S. C. 26-1808f.

Building and Loan Conveyances. Deeds to and from building and loan associations (not to secure a debt,

We are permitted by Mr. McCune Gill to carry in "Title News" this fine article on the subject designated. It was printed by Mr. Gill's company in pamphlet form, 4 x 8 3/4 and distributed to clients and potential customers.

We express our thanks to Mr. Gill for still an additional contribution to the many others he has made in bygone years to the advancement of the title profession by worth-while publications. Ed.

and not a release), are to be stamped as are conveyances to and from other parties. Reg. 71-113.83e.

Building and Loan Notes. Notes issued by building and loan associations making loans to members only need not be stamped. U. S. C. 26-1808c, Reg. 71-113.121.

Notes to building and loan associations by individuals need not be stamped. 13 Fed. 2nd 997.

Building and Loan Stock. Issue and transfer of stock of building and loan association need not be stamped if substantially all of its business is confined to making loans to members. U. S. C. 26-1808c, Reg. 71-113.121.

Cancellation of Stamps. The proper way to cancel stamps is to write thereon in ink, or to perforate, the date, and the initials of the person affixing the stamps, and to cut three lengthwise incisions in each stamp. But incisions are not necessary if a stamp of 50 cents or more is cancelled by perforation. U. S. C. 26-1816, 3303, Reg. 71-113.132, 133.

Cemetery Deeds. Deeds conveying burial privileges in cemeteries need not be stamped. Reg. 71-113.84h.

City. Deeds by or to a City need not be stamped. (Letter.)

Confirmation Deeds. A deed to confirm a title, already vested in the grantee, need not be stamped. Reg. 71-113.84c.

Consideration. See Deeds, Equity, Gifts, Exchanges, Nominal, Overstamping, Strawman.

Contract to Sell. A contract to sell or purchase real estate need not be stamped, where it does not vest any title in the purchaser. Reg. 71-113.84f.

Conveyances. See Deeds.

Corporation Deed of Trust. See Notes.

Corporation from Owners. A deed from owners of property to a corporation in exchange for stock must be stamped. Reg. 71-113.83f, T. D. 5202, M. S. 4 CB 6-1923, 311.

Corporation to Corporation. A deed from one corporation to another corporation must be stamped even though both corporations have the same stockholders. The same applies to a deed from a retiring corporation to its successor corporation. (Letter.)

Also deed from subsidiary corporation to parent corporation which assumes debts. Reg. 71-(1932)-115.

Corporation to Stockholders. A deed from a corporation to its stockholders in dissolution, if the corporation has no debts, need not be stamped except to the extent of consideration paid by some stockholders to others. But the deed must be stamped if it is subject to the debts of the corporation. Reg. 71-113.83g.

Correction Deed. A correction deed without consideration need not be stamped. If a consideration is paid, the deed must be stamped in the amount of the payment. Reg. 71-113.84c, T. D. 2051.

County. See State.

Decree of Court. A decree of a state court transferring title need not be stamped. Reg. 71 (1932-Art. 116.

Deeds of Conveyance. Deeds conveying real estate for a consideration of over \$100 must be stamped. The rate of tax is 55 cents for each \$500 or fraction thereof of the consideration or value. The word consideration includes both money and property. U. S. C. 26-3482, Reg. 71-113.80, 113.81, 113.82, 113.83a.

True value must be stamped if greater than consideration. 127 Fed. 2nd 478, U. S. C. 26-3482.

Deeds of Trust (Mortgages). Deeds of trust or mortgages to secure a debt need not be stamped as such. U. S. C. 26-3482, Reg. 71-113.80, 113.84a.

But corporation notes secured by deeds of trust must be stamped as indicated below. See Notes.

Delivery of Deed. The tax accrues when the deed is delivered without

regard to its stated date. Reg. 71-113.80, T. D. 2051-2115.

In escrow cases the date when the tax accrues is the final delivery to the grantee and not the date of deposit in escrow. Reg. 71-113.80, T. D. 2115.

Dower. A deed conveying dower that has been set out to the widow must be stamped. But a release of inchoate dower of wife, or of dower of widow, before being set out to her, need not be stamped. Reg. 71-113.83i, T. D. 5202.

Earnest Money Receipt. See Contract to Sell.

Easements. Deed creating easement must be stamped. O. D. 53, CB ST 6-1921, 86, G. C. M. 13035, ST 866.

Equity Value. If encumbrances exist before the transfer and are not removed in the transaction, the tax is only on the equity value over the encumbrances. Such encumbrances include deeds of trust and all taxes that are a lien. Purchase money deeds of trust, or deeds of trust executed after the conveyance, are not deducted. U. S. C. 26-3482, Reg. 71-113.82, T. D. 2115, 2123, 2599. Reg. 71 (1932)-117, S 1033 ST 1-20-99.

Escrows. In escrow transactions, the date when the tax accrues is the final delivery to the grantee and not the date of deposit in escrow. Reg. 71-113.80, T. D. 2115.

Exchange Deeds. Deeds exchanging properties must both be stamped at the values established for each property. U. S. C. 26-3482, Reg. 71-113.80, 113.81, 113.82, 113.83a, T. D. 2115, T. D. 5202.

Execution Deeds. Deeds by sheriff under execution on judgment must be stamped in the amount of the bid, plus costs if paid by the purchaser (even though the creditor is the purchaser). Reg. 71-113.83d, ST 538, CB 12-32-530.

Executor's Deed. Executor's deed to beneficiaries without consideration need not be stamped. Otherwise must be stamped. And executor's deed under power to sell must be stamped. Reg. 71-113.84d.

Expiration of Act. The Stamp Acts formerly had various expiration dates but were made permanent by Rev. Act 1941-521.

Extension of Notes. See Renewals.

Foreclosure Deeds. Deeds by trustees, sheriffs or special commissioners, in foreclosure of deeds of trust, must be stamped at the amount of the bid plus costs if to be paid by purchaser. This applies even though the holder of the deed of trust is the purchaser. Reg. 71-113.83d, T. D. 2310, 230 Fed. 905, 231 Fed. 999, ST 538-12-2, CB 530.

Foreclosure—Deed in Lieu. A deed from a property owner to the holder of a deed of trust on the property, in

lieu of foreclosure, must be stamped in the amount of the principal, and unpaid accrued interest, if the grantor is liable on the debt and his liability is cancelled by the conveyance. Reg. 71-113.83c, T. D. 5202. However, by a recent decision, no stamps are necessary if the grantor is not liable or the mortgage debt is not cancelled. F. T. D. A. 20670.

Foreclosure—Mortgagee to Mortgagor. When a mortgagor has conveyed to the mortgagee and the mortgagee then reconveys to the mortgagor so that he can obtain a new loan from another lender to pay off the mortgagee, the deed from the mortgagee to the mortgagor must be stamped in the amount of the money the mortgagee will receive. S. T. 716, CB 13-1, 427.

Gifts. Deeds of gift, without actual consideration, need not be stamped.



McCUNE GILL

This includes deeds from a husband to an intermediary and from him to the wife if without consideration. The above applies even though the consideration is stated to be one dollar and other valuable considerations. Reg. 71-113.84b, T. D. 2051, 2715, Reg. 71 (1932)-101.

Housing Authority. See State.

Husband to Wife. See Gifts.

Insurance Policies (Foreign). Fire and tornado insurance policies issued by an insurance company outside the United States and not countersigned by an officer or agent of the company in the United States must be stamped at 4 cents on each dollar or fraction of the premium. U. S. C. 26-1804. Reg. 71-113.100, Act of Congress 1942-502, T. D. 5202.

Investigations. Persons liable for stamping shall keep all instruments stamped for four years for inspection by Government investigators. U.

S. C. 26-1835, 3614, Reg. 113.150, 113.107.

Commissioner and his employees can examine books of taxpayer, take testimony, and pass on claims. U. S. C. 26-1835, 1837, 3603, 3614, 3631, 3632, 3790. Reg. 71-113.150, 113.151.

Investment Certificates. An instrument whereby the "obligee" or investor pays in installments of less than 20 percent per year need not be stamped. U. S. C. 26-1801, Reg. 71-113.56e, 93 Fed. 2nd 778, 79 Fed. 2nd 969.

Kind of Stamps. On conveyances, notes, transfers of notes and insurance, "documentary" stamps must be used. Reg. 71-113.57, 113.70, 113.85.

On stock original issues documentary stamps must be used. Reg. 71-113.26.

On stock transfers, documentary stamps must be used if the sale is not made through a stock exchange. If made through an exchange the stamps must be "stock transfer" stamps, or documentary stamps overprinted with the words "stock transfer." Reg. 71-113.1g, 113.40.

The smallest practicable number of stamps shall be used to make up the required amount. Reg. 71-113.132.

Postage stamps can never be used. Reg. 71-113.131.

Leases. Leases and assignments of leases need not be stamped. Reg. 71-113.84i, T. D. 2599.

But oil and gas leases that are in effect a conveyance of the oil and gas must be stamped. G. C. M. 23295, S. T. 888, CB 1939-2, 380.

Life Maintenance. Deeds in consideration of life maintenance must be stamped on the value of the land. Reg. 71-113.83b, T. D. 5202.

Mines. Deeds conveying minerals must be stamped. Reg. 71-113.83h, T. D. 5202.

Mortgages. See Deeds of Trust and Notes.

Nominal Consideration. The consideration stated in a deed is immaterial in determining the necessary amount of stamps. If a nominal consideration is stated in the deed the stamps must be in the amount of the real consideration. Reg. 71-113.82, T. D. 2115.

Notes by Corporation. "All bonds, debentures or certificates of indebtedness" secured by deeds of trust or mortgages by corporations on real estate, "with interest coupons or in registered form known generally as corporate securities," must be stamped. The rate of tax is 11 cents for each \$100 or fraction thereof of face value. Reg. 71-113.50, 53, 55. U. S. C. 26-1801, 117 Fed. 2nd 46, (Letter, interest coupons).

Each note or bond must be stamped separately, and not in the aggregate amount. Reg. 71-113.53.

If interim notes are stamped, it will not be necessary to stamp the



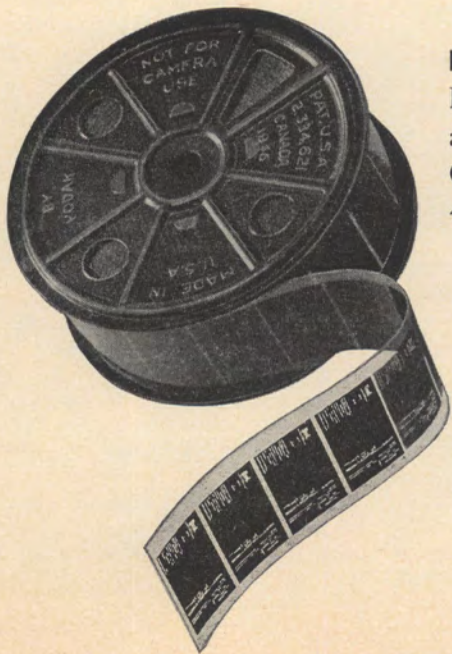
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definitive notes. Reg. 71-113.55d, 56d.

Notes or bonds by individuals (not corporations), and renewals thereof, need not be stamped. Reg. 71-113.56a. Even though guaranteed by corporation, 24 Fed. Supp. 198, 39 Fed. Supp. 339.

Notes—Interest Notes. Interest notes and coupons by corporations must be stamped except where the principal note refers to the interest and hence the interest note or coupon is merely evidence of such provision. (Letter.)

Notes—One Note. If a corporation executes only one note for principal and interest, without separate interest notes and without interest coupons, the note need not be stamped. (Letter.)

A decision in a similar situation, holding that such a note is not a corporate "bond," is found in 25 Fed. 2nd 560.

Oil and Gas. Oil and gas lease, being in effect a conveyance of the oil and gas, must be stamped. G. C. M. 23295, ST 888, CB 1939-2, 380, ST 890, CB 1939-2, 381.

Options. An option for the purchase of real estate, not vesting title in the purchaser, need not be stamped. Reg. 71-113.84f, T. D. 2115, 2549, 2599.

Overstamping. Sometimes the parties do not wish the amount of stamps to show the exact consideration and affix more stamps than are necessary. There is nothing in the statutes or regulations prohibiting this, and it is stated that there is no objection to such a practice, nor any penalty for overstamping, so far as the Government is concerned. (Letter.)

Participation Notes. Participations in a mortgage, issued by a corporation, must be stamped. U. S. C. 26-1801, 38 Fed. 2nd 184, 281 U. S. 759, 67 Fed. 2nd 889.

Partition Deeds. Deeds partitioning property in kind need not be stamped except to the extent that some of the parties pay a consideration to equalize interests. Deeds conveying property under order of sale in a partition suit must be stamped. Reg. 71-113.84g, T. D. 2051, 2115, O. D. 52, ST 1-25-166, (Letter.)

Payment for Stamps. The grantor in a deed, or the maker of a note, or the transferor of a stock certificate, must pay for and affix the necessary stamps in the absence of a contrary agreement between the parties. U. S. C. 26-1809, Reg. 71-113.2. However, the parties can agree between themselves as to who shall pay the tax. Reg. 71-113.2. And all parties are liable to pay if the others do not. U. S. C. 26-1809. Reg. 71-113.2.

But where the United States or its Agency or Instrumentality conveys, the purchaser must pay for the stamps. Act of Congress 1942, U. S. C. 26-1809a.

Penalties—Civil. Stamp liability and penalties can be collected by levying on (or distraining) personal property and selling it. U. S. C. 26-3690, Reg. 71-113.157.

Penalties—Criminal. Delivering or accepting a deed with insufficient stamps is a federal crime of both grantor and grantee, and any party to the transaction is liable to pay the tax if the others do not. U. S. C. 26-1820, 1821, 1822, Reg. 71-113.2.

Personal Property. Conveyances of tangible personal property or chattels (as distinguished from realty) need not be stamped. Reg. 71-113.80, U. S. C. 26-3482.

Power of Attorney. Powers of attorney need not be stamped as they do not convey title. Reg. 71-113.80 to 83.

Receiver or Assignee. Deeds from the owner of property to a receiver or assignee for creditors and deeds from the receiver or assignee back to the owner need not be stamped. Reg. 71-113.84k.

But deed from the receiver or assignee under order of sale must be stamped and paid out of the estate. 90 Fed. 806.

Deed from Banking Commissioner in charge of closed banks need not be stamped (Letter.)

Recording. A Recorder must accept a deed for record even though it is not stamped. 252 U. S. 286, 33 C. J. 321, 105 Mass. 49, W. T. ST Mim 4497, CB 12-36-354. (Letter.)

Sometimes, in order to avoid disclosing the price, stamps are purchased and cancelled when the transaction is closed but not affixed until the deed has been recorded. There is no Federal statute which declares such proceeding unlawful. (Letter.)

Another method is to affix the stamps to the deed and then remove that part of the deed when recording and later paste the part back on the deed. This should not be done. (Letter.)

Redemption of Stamps. If stamps are accidentally rendered useless, or improperly used, or are not needed, they can be redeemed within four years after purchase and new stamps or cash received upon approval by Commissioner. U. S. C. 26-3304, Reg. 71-113.158, 159, 160.

Release Deeds. A deed releasing a deed of trust or other lien, or conveying the property on payment of the debt, need not be stamped. Reg. 71-113.84a, T. D. 2115.

Removal of Stamps. A stamp cannot lawfully be removed from one instrument and affixed to another. Reg. 113.132, U. S. C. 26-1823c.

Renewals of Notes. Renewals of corporate notes must be stamped the same as a new issue. Reg. 71-113.50, 54, U. S. C. 26-1801, 81 Fed. 2nd 169.

Renewal of deed of trust on property of corporation must be stamped

even though executed by a former individual owner and even though not assumed by the corporation. 117 Fed. 2nd 46.

Renewal by individual of corporation note must be stamped if corporation is still liable, otherwise not. (Letter.)

Renewal of corporate participations must be stamped. 41 Fed. Supp. 932.

Re-Sale of Stamps. Persons purchasing stock transfer stamps cannot sell or lend them. But purchasers can sell or lend other documentary stamps. Reg. 71-113.144.

Sale of Stamps. See Resale.

Schoolboard. See State.

State. Deed to a State need not be stamped. This applies also to deeds to a County, State Housing Authority, State Highway Commission, a Schoolboard, or other State institutions. (Letter.) 33 C. J. 317, ST 897, CB 1940-1, 256.

Deed from State, County or Schoolboard need not be stamped. (Letter.) O. D. 182, CB ST 12-1921, 64.

Stock—Original Issue. Original issue of capital stock of corporation must be stamped at 11 cents on each \$100, or fraction thereof, of par value. If it is no par value stock and the actual value is \$100, or more, per share, the tax is 11 cents per \$100 of value or fraction thereof. If the actual value is less than \$100 per share, the tax is 3 cents per \$20 of value or fraction thereof. If no par value stock has no actual value, the tax is 11 cents per share. Each stock certificate is computed separately. U. S. C. 26-1802a, Reg. 71-113.23.

Interim certificates must be stamped. Reg. 71-113.24e.

Consolidation, merger, or reorganization stock must be stamped. Reg. 71-113.21, 113.24g, h, except reorganization without additional capital or transfer of earned surplus. Reg. 71-113.25f.

Stock Transfers. Transfers of capital stock of corporations are to be stamped at 6 cents on each \$100 or fraction thereof of the aggregate par value where sold for \$20 or more per share, and 5 cents otherwise. If it is no par value stock it is to be stamped at 6 cents per share where sold for \$20 or more per share, otherwise at 5 cents. Each stock certificate is computed separately. U. S. C. 26-1802, Reg. 71-113.32.

Where there are two or more sellers or buyers a separate computation must be made for each seller and buyer. Reg. 71-113.32.

Stock transferred in corporate reorganizations in bankruptcy need not be stamped. Act of Congress 1942-506e.

Stock Transfers—What Are. Stock transfers include sales, gifts, sales by trustees and administrators, transfers in partition, and loans of stock

but not collateral deposits. Reg. 71-113.33.

But transfers to show survivorship of joint interest, or to show death of owner, or a transfer to administrator, or from a trustee to his successor, or to show change of name, need not be stamped. Reg. 71-113.25, 113.34, 113.35.

Stock Trust Shares. Shares issued by an "investment trust or similar organization" are to be stamped the same as corporate stock. U. S. C. 26-1802, Reg. 71-113.20.

This includes operating trusts liable for income tax. U. S. C. 26-3797-3, Reg. 71-113.1b, 113.24a, j.

Strawman. Deeds representing a sale must be stamped even though a strawman is used. 117 Fed. 2nd 46.

A deed from a strawman or agent to his principal without consideration need not be stamped. Reg. 71-113.84e.

Deeds from a husband to a strawman and from the strawman to the wife, need not be stamped if the transaction is a gift without consideration. Reg. 71-113.84f, T. D. 2051, 2115.

Where a sale is made by executing a deed to a straw party and another deed from him to the real purchaser for one consideration, the first deed is to be stamped but the second is not to be stamped. Reg. 71 (1932) Art. 118.

Strawman for Corporation. A deed of trust executed by a strawman who holds for a corporation must be stamped in the same way as though executed by the corporation. 117 Fed. 2nd 46.

Survivorship. A transfer of title resulting from the survivorship of a tenant by the entirety or joint tenant need not be stamped. Act of Congress 1942-506C9, T. D. 5202.

Taxes Deductible. See Equity value.

Tax Deeds. Deeds by a collector in a sale for taxes need not be stamped. Reg. 71 (1932) Art. 93.

But a deed by a sheriff in a sale under execution for taxes must be stamped in amount of bid. Reg. 71 (1941) 113.83d.

Tenancy by Entirety. See Survivorship.

Timber Deeds. Deeds conveying standing timber must be stamped. Reg. 71-113.83h, 31 Fed. 2nd 733.

Trustee. A deed to a trustee for creditors, or as a gift or in liquidation, where there is no consideration, need not be stamped. T. D. 2115, 32 Fed. Supp. 78.

And deed to trustee for grantor need not be stamped. (Letter.)

Deed to trustee for consideration

creating new interests must be stamped. 80 Fed. 2nd 145.

And a deed from a trustee to a purchaser must be stamped. Reg. 71-113.84j, 127 Fed. 2nd 478.

Deed from trustee to successor need not be stamped. Act of Congress 1942 506C6.8, T. D. 5202.

As to trustee's deed in foreclosure, see Foreclosure.

United States. A deed to the United States must be stamped by the seller. A deed from the United States or its Agency or Instrumentality must be stamped, but is paid for by the purchaser. Reg. 71-113.83j. Act of Congress 1942-506f, T. D. 5202.

Validity of Instrument. A deed, note or other instrument is valid and can be recorded and used in evidence even though not stamped. 252 U. S. 286, 277 SW 573, 36 Mo. 125, 33 C. J. 320, 26 C. J. S. 229, 297 Fed. 614, 120 Miss. 458, 203 SW 603, 218 NW 788. (Letter.)

Same if stamps are not cancelled. 31 Iowa 95.

Wills. Wills need not be stamped because devises and legacies are gifts without consideration. Reg. 71-113.84b T. D. 2051, 2115, 5202, Act of Congress 1942-506C1.

The Liability of a Title Insurance Company to Prosecute Suit for Performance of Contract

In the year 1876, the predecessor of the Land Title Bank and Trust Company of Philadelphia, Pennsylvania, was incorporated as the first title insurance company in America, in the same city in which the Declaration of Independence had been signed exactly one hundred years before. In the seventy-five years since that time the business of insuring titles has developed tremendously, so that today there is practically no locality throughout the entire United States in which title insurance may not be secured.

Early Days

By delving back into the old records of Maryland Title Insurance and Trust Company, which company, through several name changes, has now become The Title Guarantee Company, located in Baltimore, Maryland, it was found that Policy No. 1 of that company was issued on February 13, 1885, to Jacob Hecht in the principal sum of \$325.—, insuring a reversion in fee and annual rent of

PAUL J. WILKINSON

Vice-President

*The Title Guarantee Company
Baltimore, Md.*

L 4 13 s 9 d or \$12.50, issuing and payable out of a property on Franklin Street in Baltimore City. For the issuance of the policy the company received a fee of \$25.—for examination of title and issuance of a title policy. The business of title insurance has progressed a long way since the issuance of the first title policy, but there has been little change in basic insurance coverage since that time.

All title policies, both then and now, insure against loss or damage suffered by direct attack upon the title to the property insured. In most jurisdictions title policies also insure the marketability of the title. Whether or not a title is marketable is often debatable, and the test of marketability varies in different states. In

issuing policies insuring marketability, it is, therefore, important to know the test of marketability for the particular state in which the property is located.

Marketability

It is stated in the Title Guaranty Handbook issued by The American-First Trust Company that "a marketable or merchantable title is synonymous with a perfect title or a clear title of record; and is one free from apparent defects, grave doubts and litigious uncertainty, and consists of both legal and equitable title fairly deducible of record". It is further stated that "a marketable title is to be distinguished from one which may be considered safe, but which is not marketable. Marketability requires that a title not only be good in fact, but that its validity be shown of record; and the title must be viewed by the examiner from the standpoint of the record rather than from the standpoint of what might reasonably be presumed in favor thereof".

Where a title policy has been issued, which insures the marketability has been sold, and the purchaser declines to accept title because of ality of title, upon a property which leged irregularities in the title, the question naturally arises as to the liability or obligation of the insurer to the insured. Many people believe, and possibly with some justification, that upon receipt of a policy of title insurance, they have cleared themselves of all possibility of loss or worry because of questions of title. Substantially this belief is correct, but we all know of the numerous exceptions included under Schedule "B" and the "Conditions and Stipulations" of a policy which cover matters against which a company cannot safely insure. The logic and reason for the necessity of these exceptions is easily understood at the time a policy is issued, but after a loss has been sustained the difficulty of explanation increases immeasurably. Because of our ability, as insurers of title, to protect ourselves from many hazards of this type, we are saddled with an obligation to accept promptly, if not cheerfully, the duty of defending an insured from loss or damage faced by him because of covered defects. Nothing could create a bad impression of the value of title insurance sooner than the technical construction of legal principles in an effort to avoid liability on the part of the insurer.

Obligation of Insurer

The obligation of an insurer of title to defend the title, estate and interest of the insured against claims arising from title defects, liens or encumbrances, not excepted in the title policy, and to defray the necessary and reasonable expenses thereof, would appear to be self evident. A refusal upon its part to do so would be construed as a waiver of its right to defend, and it would become liable for all necessary and reasonable expenses incurred by the insured in making defense, including attorney's fees, and it would be as much bound by any judgment rendered as if it had been in the proceeding. Where the insurer elects to defend the suit it must exercise reasonable care; and if it fails to do so, it is liable for any loss caused by such failure.

It also seems to be equally clear that an insurer of a marketable title to property would be obligated to prosecute a suit for specific enforcement of a contract of sale of said property where the purchaser had declined to accept title because of alleged defects therein, unless conditions existed under which the insurer was relieved from liability. Accepting, without question, the general theory of responsibility of the insurer to enforce performance of a contract of sale by an insured, it is with the exceptions to this general rule that this paper is intended to be devoted. The insuring company naturally

must except, in the terms of its policy, many things or conditions which it would not be feasible or desirable to insure against, or to assume liability for. These points may be excepted in the policy to the insured in either of two ways, first, by the printed terms under conditions and stipulations of the policy, or second, by printed or typed provisions contained under Schedule "B" of the policy. If the point or points upon which a purchaser declined to accept title was or were excepted from the coverage of the policy, there would certainly seem to be no valid reason for the insurer of title to be required to take steps to enforce a contract of sale, even though the excepted points were supposed to have been subsequently cleared, either by proper record proceedings or by long lapse of time.

The liability of an insuring company to prosecute a suit for enforcement of a contract of sale of property insured should also be dependent upon whether the contract of sale is a properly drawn and otherwise enforceable agreement, regardless of the technical title question involved. The determination of whether or not a contract is properly drawn and enforceable, otherwise than because of the title point in question, could involve problems of both law and fact. A contract of sale could prove to be unenforceable for any number of reasons, none of which had anything whatever to do with a title defect which might be involved, but which would render a favorable decision impossible. Certainly no contract could be enforceable which had not been executed in accordance with the requirements under the Statute of Frauds, and it would be sheer folly for an insurer of title to attempt to prosecute a suit for an insured against a purchaser who had declined to go through with the purchase because of an unexpected title defect where the contract to buy had not been signed by the purchaser, or for any other reason was unenforceable.

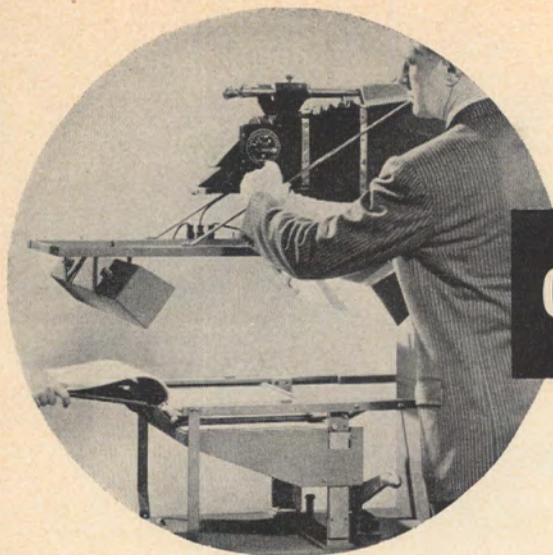
Valid Contract

Most, if not all, title insuring companies require the execution of a valid contract in writing, or a properly drawn agreement, for sale of the property insured before assuming an obligation to attempt enforcement. But the question arises as to the meaning of the words "valid" or "properly drawn". The terms certainly include enforceable execution, a valuable consideration, a lawful purpose and sufficient definiteness of terms and description to be understandable. If the contract of sale were defective in any of the particulars above mentioned, it might be considered unenforceable, without consideration of the title defect which might be involved. However, if the description used, or referred to, in the contract of sale were the same as in the deed to the insured, and that was one of, or the only, defect com-

plained of then, of course, the insurer would not be relieved of the obligation or liability of prosecuting suit for specific performance, unless it was satisfied to assume liability for loss incident to the faulty description.

In most urban communities properties are described by metes, bounds, courses and distances, or by lot number upon a recorded plat, and most mistakes in descriptions of this kind are due to typographical errors. Reliance upon calls and references back to prior deeds is of great assistance in the limitation of defects. In many rural districts descriptions are used referring to certain tracts of land, either by tract name or name of the owner. Often a tract is designated as one of so many acres bounded by certain known monuments, such as roads, rivers or adjoining properties. Descriptions in this category are simpler for the layman to locate, especially if he is a native of the community, but for an examiner, seated at a desk many miles away, to understand what is the subject of his search is a different matter entirely. Although designations such as the above may be entirely satisfactory for use in contracts of sale or even in deeds, it is probably not wise to issue policies of title insurance upon conveyance using such meager descriptions. Contracts with brokers authorizing the sale of property need only identify the property with reasonable certainty, and parole evidence may be adduced to amplify the description in most jurisdictions. But where the question arises as to the sufficiency of the description in a contract of sale, or in a deed or other conveyance, it is generally held that it is not essential that a description be so completely perfect as to render resort to extrinsic aid entirely needless. The description may not be contradicted or added to, but may be connected with or applied to certain property by external evidence. But it must be such that by external assistance it may be made certain without conjecture as to the probable meaning. A good rule to follow in title insurance is to make sure that there is an adequate and understandable description before issuing a title policy.

It is possible that an insurer could issue a policy of title insurance upon a parcel of land, by proper description, without a survey being made, so that it was not discovered until a sale was made by the insured that the improvements intended to have been erected upon said property actually extended beyond the outside property line or lines. A refusal by the purchaser to accept title would result in embarrassment to both the insured and the insurer. Although the insurer would not be liable, under its policy, for any loss suffered by the insured because of the existence of a condition of this kind, it is most likely that it would find a great deal



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of difficulty in explaining the soundness of its position, regardless of how fair in principle the insured might prove to be. In the case of "Broadway Realty Co. vs. Lawyers Title Insurance & Trust Co." 157 NYS 1088 it was held that a policy of title insurance specifically describing the land and covering a building being erected on the premises insured the title of only as much of the building as stood on the land.

Digressing from the liability of the Title Insurance Company to prosecute suit for specific performance under circumstances as outlined above, let us consider the question from the

standpoint of the desirability of the company to do so. Under the terms of all policies of Title Companies which insure marketability the insurer would be liable for loss which might result from a judgment or decree of a court declining to specifically enforce a contract of sale by a purchaser. The loss of such a case might prove, therefore, to be a very serious blow to the insurer. Certainly no company would want to take a chance on the outcome of such a proceeding, without adequate representation. Looked at, therefore, purely as a practical matter, the insuring company should not only desire to,

but should insist upon the right to, take any necessary or desirable steps to enforce the performance of such a contract of sale. Even in cases of doubt, as to the sufficiency of the contract of sale, as an enforceable instrument, it may be wise to have legal representation in the event that the insured insists upon proceeding with an action to enforce performance. It should, however, be understood with the insured that no such action could be construed as compromising the position of the insurer in relation to outstanding legal liability.



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Colorado Springs, Colorado

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45th Annual Convention Program

MONDAY, SEPTEMBER 24th

(All General Sessions are held in the Little Theatre,
Broadmoor Hotel)

10:00 a.m.—Call to Order

MORTIMER SMITH, National President, The American Title Association; *Vice-President*, Oakland Title Insurance and Guaranty Company, Oakland, California.

10:00 a.m.—Invocation

10:05 a.m.—Address of Welcome

EARL G. CRUSE, Kiowa, Colorado, *President*, Colorado Title Association.

10:10 a.m.—Response to Address of Welcome

EARL C. GLASSON, Immediate Past President, American Title Association; *President*, Black Hawk County Abstract Co., Waterloo, Iowa.

10:15 a.m.—Appointment of Committee on Resolutions:

T. J. Bomar..... Miami, Fla.
Harry V. Cameron..... Tucson, Ariz.
Grover W. Devine..... St. Louis, Mo.
Stanton W. Allison, Chairman..... Portland, Ore.

Appointment of Special Committees.

Introduction of Distinguished Guests.

Introduction of Delegates attending their first National Convention.

10:20 a.m.—Report of National Treasurer

WILLIAM GILL, SR., *Treasurer*, The American Title Association; *Executive Vice-President*, American-First Trust Co., Oklahoma City, Oklahoma.

10:25 a.m.—Report of Finance Committee

CHARLES H. BUCK, Chairman, *President*, Maryland Title Guarantee Company, Baltimore, Md.

10:30 a.m.—Report of The National President

MORTIMER SMITH.

10:50 a.m.—“Escrows and Closings By Title Companies”

A Panel Discussion.

Members of Panel:

WILLIAM M. MCADAMS, *Vice-President*, Kansas City Title Insurance Co., Kansas City, Mo.

L. J. TAYLOR, *Vice-President*, Phoenix Title and Trust Co., Phoenix, Arizona.

JOHN W. WARREN, *Manager Title Guaranty Department*, Albright Title & Trust Company, Newkirk, Oklahoma.

GEORGE E. HARBERT, *President*, DeKalb County Abstract Company, Sycamore, Illinois.

MORTIMER SMITH, *Moderator*; *Vice-President*, Oakland Title Insurance & Guaranty Co., Oakland, California.

12:00 Noon—Announcements - Adjournment

FOR THE LADIES

12:30 p.m.—Ladies Luncheon, Ball Room, Broadmoor
Immediately after lunch, and in the Ball Room: “Dramatization of the English Play ‘Home at Seven’, by Mollie Lee Beresford.”

Door prizes to the ladies will be awarded during a short intermission. Prizes are with the compliments of Colorado Title Association and American Title Association.

Ladies: Be sure to drop your ticket stub in the box at door of Ball Room.

MONDAY, SEPTEMBER 24th

Afternoon Session—Theatre, Broadmoor Hotel

2:00 p.m.—Call to Order

MORTIMER SMITH, *National President*, Presiding.

Report of Judiciary Committee.

RALPH H. FOSTER, Chairman; *Vice-President*, Washington Title Insurance Co., Seattle, Washington.

2:10 p.m.—Report of Committee on Constitution and By-Laws

JOHN J. O'DOWD, Chairman; *President*, Tucson Title Insurance Co., Tucson, Arizona.

2:20 p.m.—“Tales of a Title Man”

HARVEY HUMPHREY, *Director of Community Relations*, Title Insurance & Trust Co., Los Angeles, Calif.

2:35 p.m.—Address:

WILLIAM P. ATKINSON, *President*, National Association of Home Builders, Oklahoma City, Oklahoma.

3:00 p.m.—“The Title Plant, Systems, Methods, Procedures and Equipment—Building and Rebuilding.”—A Panel

Report of Chairman of Committee on Title Plant.

C. PERRY LIVERTON, *Assistant Title Officer*, Commonwealth Title Company of Philadelphia, Pa.

“Applications of Various Cameras to Title Plant Building and Maintenance.”

ARTHUR E. WADE, *Vice-President*, Land Title Guarantee and Trust Company, Cleveland, Ohio.

RUSSELL S. ELLSWORTH, *Treasurer*, The Title Insurance Company, Boise, Idaho.

A. A. POIRIER, *President*, Wheatland Abstract Company, Harlowton, Montana.

C. A. WEBBER, *Treasurer-Manager*, Title Guaranty Company, Yakima, Washington.

“Service and Production”.

L. HERBRUCK, *Assistant Secretary*, Title Insurance and Trust Company, Los Angeles, Calif.

"Operating and Maintenance Costs."

EDWARD D. MCCOTY, *Executive Vice-President*, American Title Guaranty Company, Houston, Texas.

Moderator of Panel:

MR. C. PERRY LIVERTON

4:30 p.m.—Adjournment

MONDAY EVENING, SEPTEMBER 24th

For All Delegates and Guests

CHUCK WAGON DINNER

5:30 p.m.—Public Transportation (buses) will be furnished for all delegates and guests who do not have private transportation. These buses will leave the various hotels in which our delegates are housed at 5:30 p.m.

Dinner will be served at 6:30 p.m.

To delegates who have their own care, we suggest it would be gracious to invite other delegates "to share the ride." These can follow any of the buses. Route information will also be furnished those who have private cars at the convention.

After Dinner: Western Entertainment, furnished by the Junior Chamber of Commerce, Colorado Springs.

Wear walking shoes, warm clothing and carry a top coat. It may get cold in 'them there mountains'.

TUESDAY, SEPTEMBER 25th

8:00 a.m.—Conference of Presidents and Secretaries of Affiliated State Title Associations.

Main Dining Room, Broadmoor Hotel.

JOSEPH T. MEREDITH, National President, American Title Association, Presiding.

GENERAL SESSIONS

(In Theatre, Broadmoor Hotel)

10:00 a.m.—Call to Order

MORTIMER SMITH, *President*, Presiding.

Report of Membership Committee.

WILLIAM R. BARNES, *Chairman; President*, General Title Service Corporation, Clayton, Missouri.

10:05 a.m.—Report of Committee on Federal Estate and Gift Tax Liens

HOWARD TUMILTY, *Chairman; Vice-President*, American-First Trust Company, Oklahoma City, Oklahoma.

10:10 a.m.—Advertising and Public Relations

(These Program items consist of more than addresses or reports. The gentlemen named next below have agreed to constitute themselves as a panel to which delegates may direct their problems and questions. They have made deep studies of the subject matter of their respective addresses. All these will be under the direction of Mr. Andrew Dyatt, Chairman of our Committee on Advertising,

who will also serve as Moderator of the panel. You are invited and urged to present your problems on matters involving advertising and public relations to this panel. The speakers, and their subjects, are:

Report of Committee on Advertising and Publicity

ANDREW DYATT, *Chairman; President*, London Abstract Company, Denver, Colorado.

Report of Committee on Public Relations.

MORTON McDONALD, *Chairman; President*, The Abstract Corporation, DeLand, Florida.

"A Speakers' Bureau, State Wide."

STEWART J. ROBERTSON, *Manager*, Abstract Dept., American-First Trust Company.

11:40 a.m.—"National Headquarters Reports"

JAMES E. SHERIDAN, *Executive Vice-President*, American Title Association, Detroit, Michigan.

12:00 Noon—Announcements - Adjournment of General Sessions

TUESDAY, SEPTEMBER 25th

(Afternoon Session)

TITLE INSURANCE, NATIONAL TITLE UNDERWRITERS and LEGAL SECTIONS

(Sessions in Theatre)

Presiding:

EDWARD T. DWYER, *Chairman*, Title Insurance Section; *Executive Vice-President*, Title and Trust Company, Portland, Oregon.

MURRAY L. JONES, *Chairman*, National Title Underwriters Section; *Vice-President*, Kansas City Title Insurance Co., Kansas City, Mo.

GOLDING FAIRFIELD, *Chairman*, Legal Section; *General Counsel*, The Title Guaranty Company, Denver, Colorado.

1:45 p.m.—Call to Order

EDWARD T. DWYER, *Chairman*.

Reports of Chairmen of Sections:

Legal Section.....Golding Fairfield
National Title Underwriters

Murray L. Jones
Title Insurance Section.....Edward T. Dwyer

2:10 p.m.—Appointment of Nominating Committees of Sections

2:15 p.m.—Reports of Chairmen of Regional Districts, Title Insurance Executives:

Central States District: CLARENCE BURTON, *Chairman; First Vice-President*, Burton Abstract & Title Co., Detroit, Michigan.

Atlantic Coast District: H. STANLEY STINE, *Chairman; Executive Vice-President*, Washington Title Insurance Co., Washington, D.C.

Southwestern District: WILLIAM GILL, SR., *Chairman; Executive Vice-President*, American-First Trust Co., Oklahoma City, Oklahoma.

COMPOSITION OF DISTRICTS BY STATES

<i>Southwest</i>	<i>Central</i>	<i>Atlantic</i>
Arkansas	Michigan	Delaware
Colorado	Ohio	Dist. of Col.
Kansas	Indiana	Maryland
Louisiana	Illinois	Massachusetts
Missouri	Wisconsin	New Jersey
New Mexico	Minnesota	New York
Oklahoma		Pennsylvania
Texas		Rhode Island
		Virginia

- 2:25 p.m.—“Losses and Claims—Expense Incident Thereto.”
HENRY J. DAVENPORT, *President*, Home Title Guaranty Company, New York, N.Y.
MURRAY L. JONES, *Vice-President*, Kansas City Title Insurance Co., Kansas City, Mo.
- 3:10 p.m.—“Titles as Affected by New Aspects and Decisions Involving Foreign Divorces.”
J. MACK TARPLEY, *General Agent*, Kansas City Title Insurance Co., Little Rock, Ark.
- 3:30 p.m.—“Title Insurance Upon Contractual and Leasehold Interests.”
MELVIN B. OGDEN, *Vice-President and Chief Title Officer*, Title Insurance and Trust Company, Los Angeles, California.
- 4:15 p.m. Report of Nominating Committee and Election of Officers
Announcements—Adjournment of Section Meeting.

TUESDAY, SEPTEMBER 25th
(Afternoon Session)

ABSTRACTERS SECTION

(Ball Room, Broadmoor Hotel)

- 1:15 p.m.—Visitation Period—Get Acquainted Period
- 1:40 p.m.—Call to Order
GEORGE E. HARBERT, *Chairman; President*, DeKalk County Abstract Company, Sycamore, Illinois.
- 2:00 p.m.—Appointment of Nominating Committee
- 2:00 p.m.—Address
MORTIMER SMITH, *President*, The American Title Association.
- 2:10 p.m.—“A License Law for Abstracters”—a Panel
Members of Panels
MARVIN WALLACE, *President*, Cragun Abstract Co., Kingman, Kans.
A. A. POIRIER, *President*, Wheatland Abstract Co., Harlowton, Mont.
JACOB H. KNOL, *Mgr.*, Abstract Dept., Guarantee Bond & Mortgage Co., Grand Rapids, Mich.
RICHARD B. WILLIAMS, *Moderator; President*, Mesa County Abstract Co., Grand Junction, Colorado.

- 2:50 p.m.—“Shortened Period Abstracts—Compensation Therefor and Abstracters’ Risk Thereunder.”
HAROLD McLERAN, Mount Pleasant, Iowa.
- 3:30 p.m.—“Abstracts in Oil Country.”
MILTON HAWKINSON, *Partner*, McPherson County Abstract Co., McPherson, Kansas.
- 3:55 p.m.—Report of Nominating Committee
- 4:00 p.m.—Adjournment of Section Meeting

FOR ALL DELEGATES AND GUESTS

- 8:15 p.m.—Ice Palace Show and Koshare Dancers
In the Ice Palace, across lake from Broadmoor. Koshare Dancers at 8:15 p.m., to be followed by Ice Show.

WEDNESDAY, SEPTEMBER 26th

TITLE INSURANCE, NATIONAL UNDERWRITERS AND LEGAL SECTIONS
(Session in Theatre)

- 9:45 a.m.—Call to Order
Presiding: GOLDING FAIRFIELD, *Chairman*.
“Meet Your Executive Committee — on Legal Subjects.”—a Panel.
Members of Panel:
PAUL J. WILKINSON, *Vice-President*, The Title Guarantee Company, Baltimore, Md.
SAMUEL O. BATES, *Vice-President and General Counsel*, Commerce Title Guaranty Co., Memphis, Tennessee.
EMMETT T. SWEENEY, *President*, Guaranty Abstract and Title Company, Buffalo, N.Y.
JOHN W. ZIERCHER, *Title Officer*, Lawyers Title Company of Missouri, St. Louis, Mo.
E. B. SOUTHWICK, *Vice-President*, Title Insurance Company of Minnesota, Minneapolis, Minnesota.
- 10:15 a.m.—“Ultra Vires.”
JOSEPH S. KNAPP, JR., *Vice-President*, Maryland Title Guarantee Company, Baltimore, Md.
Discussion.
- 10:35 a.m.—“Void As Against Voidable.”
WHARTON T. FUNK, *President*, Lawyers Title Insurance Corporation, Seattle, Washington.
Discussion.
- 11:00 a.m.—“Put Your Questions on Administration and Management Subjects to the Brass.”
a Panel
Members of Panel:
WILLIAM M. WEST, *President*, Commonwealth Title Company of Philadelphia, Philadelphia, Pa.
GROVER W. DEVINE, *President*, Land Title Insurance Company of St. Louis, St. Louis, Missouri.
J. C. BRAND, *Vice-President*, National Title Division of Title Insurance & Trust Co., Los Angeles, California.
L. W. MCLVAINE, *Vice-President*, Louisville Title Insurance Co., Louisville, Kentucky.
Moderator: MURRAY L. JONES, *Vice-Presi-*

dent, Kansas City Title Insurance Co., Kansas City, Mo.

12:00 Noon—Announcements - Adjournment of Morning Session

2:00 p.m.—Call to Order

EDWARD T. DWYER, *Chairman*, Presiding.

“When Can a Condition Subsequent Be Treated as a Covenant for Insurance Purposes as Distinct from the Legal Aspect?”
STEWART MORRIS, *Vice-President*, Stewart Title Guaranty Co., Houston, Texas.
Discussion.

2:20 p.m.—Report of Committee on Standard Forms, Title Insurance and Standardization of Exceptions Under Schedule B.

BENJ. J. HENLEY, *Chairman, President*, California Pacific Title Insurance So., San Francisco, California.

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

2:45 p.m.—“Procedures and Safeguards in Handling Alien Property Custodian Titles.”

PAUL J. WILKINSON, *Vice-President*, The Title Guarantee Co., Baltimore, Md.
Discussion.

3:05 p.m.—“The Approach to and Determination of Insurable Marketability.” a Panel

Members of Panel:

RHES H. CORNELIUS, *Vice-President*, Phoenix Title and Trust Co., Phoenix, Arizona.

GORDON M. BURLINGAME, *Vice-President and Title Officer*, The Bryn Mawr Trust Co., Bryn Mawr, Pa.

MCCUNE GILL, *President*, Title Insurance Corporation of St. Louis, St. Louis, Mo.

J. W. GOODLOE, *President*, Title Insurance Company, Mobile, Alabama.

RUSSELL F. GREETER, *Asst. Vice-President*, Lawyers Title Insurance Corporation, Cleveland, Ohio.

EDWARD D. LANDELS, *Moderator; General Counsel*, California Pacific Title Insurance Company, San Francisco, California.

Discussion.

4:00 p.m.—Installation of Section Officers for 1951-1952 Term

Announcements—Adjournment.

WEDNESDAY EVENING, SEPTEMBER 26th

FOR ALL LADIES AND GUESTS

6:00 p.m.—All delegates and guests are cordially invited to attend a Reception and Cocktail party which will be held in Ball Room of Broadmoor.

Hosts: Title Insurance Companies operating in Colorado.

FRANK W. RENWICK, *Committee Chairman*.

WEDNESDAY, SEPTEMBER 26th

ABSTRACTERS SECTION

(Morning and Afternoon Sessions in Ball Room)

9:45 a.m.—Visitation Period

10:00 a.m.—Call to Order

GEORGE E. HARBERT, *Chairman*.

Report on Questionnaire of Section.

MORTON McDONALD, *Vice-Chairman*, Abstracters Section, A.T.A.; *President*, The Abstract Corporation, DeLand, Florida.

Discussion. Note: Discussion from the floor is without restriction as to topics except rates.

10:50 a.m.—“Rates and Charges.”—a Panel

Members of Panel:

R. ADRIAN MARKS, *Owner*, Clinton Abstract Co., Frankfort, Indiana.

MONTGOMERY SHEPARD, *President*, Berrien County Abstract and Title Company, Inc., St. Joseph, Michigan.

CARLTON D. KNUPP, *Proprietor*, D. C. Knupp & Sons, Vinton, Iowa.

JUSTIN I. MILLER, *President*, Montgomery County Abstract Co., Independence, Kansas.

H. C. HICKMAN, *Moderator; Manager*, Boulder, County Abstract of Title Company, Boulder, Colorado.

12:00 Noon—Announcements - Adjournment

1:15 p.m.—Visitation Period

1:40 p.m.—Call to Order

GEORGE E. HARBERT, *Chairman*

“Problems of Taxation—Partnership vs. Corporation.”

WM. GARRETT, *Attorney*, Chicago Title & Trust Co., Chicago, Illinois.

Discussion.

2:15 p.m.—Report of Committee on Abstracters Liability Insurance and Bond Coverage

A. F. SOUCHERAY, JR., *Treasurer*, St. Paul Abstract & Title Guarantee Company, St. Paul, Minnesota.

2:30 p.m.—“National Headquarters Reports.”

JAMES E. SHERIDAN, *Executive Vice-President*, American Title Association, Detroit, Michigan.

2:45 p.m.—“Wage Control Records.”

JAMES P. WATLINGTON, *Attorney and Manager*, Texarkana Title & Trust So., Texarkana, Texas.

3:00 p.m.—“Meet Your Executive Committee.”—a Panel Discussion

Members of Panel:

RALPH L. BATES, *President*, Security Abstract & Title Co., Colorado Springs, Colorado.

HAROLD F. McLERAN, Mount Pleasant, Iowa.

T. E. NELSTEAD, *Vice-President*, Custer Abstract Co., Miles City, Montana.

LEONARD F. FISH, *President*, Dane County Title Co., Madison, Wisconsin.

MARVIN W. WALLACE, *President*, Cragun Abstract Co., Kingman, Kansas.

V. HUBERT SMITH, *Moderator*; *Secretary*, the Abstracters Section, A.T.A.; *Mgr.*, Pioneer Abstract Co., McAlester, Oklahoma.

4:00 p.m.—Installation of Section Officers for 1951-1952 Term

Announcements—Adjournment.

WEDNESDAY EVENING, SEPTEMBER 26th

RECEPTION AND COCKTAIL PARTY

6:00 p.m.—All delegates and guests are cordially invited to a Reception and Cocktail Party, to be held in the Ball Room, Broadmoor Hotel.

Hosts: Title Insurance Companies operating in Colorado.

FRANK W. RENWICK, Colorado Springs, Committee Chairman.

THURSDAY, SEPTEMBER 27th

GENERAL SESSIONS

(*In Little Theatre, Broadmoor Hotel*)

10:00 a.m.—Call to Order

MORTIMER SMITH, *President*, Presiding.

Report of Legislative Committee.

JOHN W. ZIERCHER, *Chairman*; *Title Officer*, Lawyers Title Insurance Corporation, St. Louis, Missouri.

10:10 a.m.—Report of Federal Legislative Committee

PAUL J. WILKINSON, *Chairman*; *Vice-President*, The Title Guarantee Company, Baltimore, Md.

10:20 a.m.—Report of Planning Committee

WILLIAM GILL, SR., *Chairman*; *Executive Vice-President*, American-First Trust Company, Oklahoma City, Oklahoma.

10:30 a.m.—Presentation of Awards in National Advertising Contest

ANDREW DYATT, *Chairman*, Committee on Advertising and Publicity.

10:25 a.m.—“A Man’s Judgment Is Only as Good as His Information,” or “Where Do We Go From Here.” A Panel.

Members of Panel:

EARL C. GLASSON, *President*, Black Hawk County Abstract Co., Waterloo, Iowa.

PAUL W. GOODRICH, *Vice-President*, Chicago Title & Trust Co., Chicago, Illinois.

STEWART MORRIS, *Vice-President*, Stewart Title Guaranty Co., Houston, Texas.

GEORGE C. RAWLINGS, *Executive Vice-President*, Lawyers Title Insurance Corporation, Richmond, Virginia.

A. W. SUELZER, *President*, Kuhne & Company, Inc., Fort Wayne, Ind.

MORTIMER SMITH, *Moderator*; *Vice-President*, Oakland Title Insurance & Guaranty Co., Oakland, California.

11:25 a.m.—Report of Committee on Resolutions

11:35 a.m.—Report of Committee on Nominations and Installation of Officers

11:40 a.m.—Unfinished Business

11:50 a.m.—New Business

12:00 Noon—Adjournment

Notice: Upon adjournment, the Board of Governors, including members elected at this convention, will meet on call of the newly-elected President.

Hotel Reservation and Convention Registration

AMERICAN TITLE ASSOCIATION

45TH ANNUAL CONVENTION

Colorado Springs, Colorado

September 24-27, 1951

Send this form with your check to American Title Association,
3608 Guardian Building, Detroit 26, Michigan

So that we won't have to stand in line, please register NOW!

Names: (Please furnish given names and titles of registrants)
.....
.....

Company:

City and State:.....

.....Registrants engaged in Title Profession, either sex @ \$12.50
.....Guests, not engaged in Title Profession, either sex @ \$10.00
Total

Will you have your car at the Convention?.....

Is this your first A. T. A. Convention?

HOTEL RESERVATION

American Title Association:

Make Hotel Reservation for us as follows:

Hotel: First Choice.....Second Choice

Type of Accommodation.....

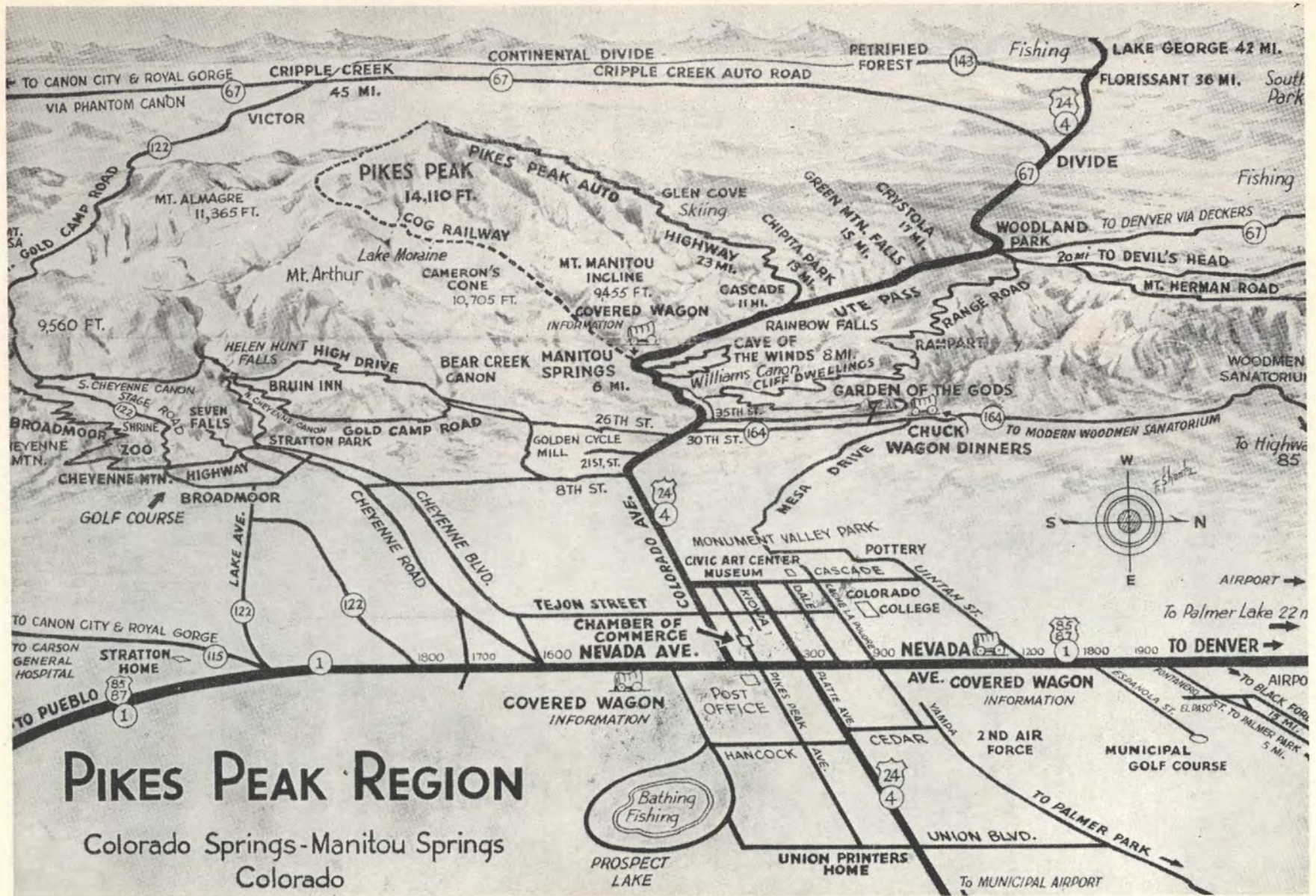
Date of Arrival.....Date of Departure.....

Names of Persons in my Party:

..... (Please give names of persons, name of firm, city and state)
.....
.....

(Signature).....

See Nature in All Its Glory . . .



PIKES PEAK REGION

Colorado Springs-Manitou Springs
Colorado

. . . at the Colorado Springs Convention

