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AMERICAN TITLE ASSOCIATION

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TITLE NEWS

VOLUME XXXIII

JANUARY, 1954

NUMBER 1



TITLE NEWS

Official Publication of
THE AMERICAN TITLE ASSOCIATION
3608 Guardian Building—Detroit 26, Michigan

Volume XXXIII

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ABSTRACTS OF TITLE

Standardization of Instrument Forms

CHARLES B. ROE

Roe Abstract Company, Pinckneyville, Illinois

Oil and water don't mix. That statement could be transposed into "Oil and Abstracting Mix, but with difficulty and after many headaches."

Kansas, Oklahoma, Texas, and some other states are experienced in abstracting in oil-producing country. Even they have their headaches in areas in which new fields are opened. Montana, Colorado, North Dakota, Mississippi, and other jurisdictions, in more recent years, have experienced difficulties, one being procurement of competent help. Southeastern Michigan may shortly join this group through a discovery which well may develop into a pool of major importance.

A voice crying in the wilderness is that of Charles B. Roe, of Pinckneyville. In a well prepared article on the general subject of improvement and on the specific subject of standardization of forms (of instruments shown) he sets forth the problem his firm experienced and some ideas he has evolved on cures. The article was carried in "Title Record" of the Illinois Title Association, of which Mr. John R. Parker, Lincoln, Illinois, is Editor-in-Chief.

We recommend careful study of this article; we suggest it particularly to officers of state title associations; we suggest it as worthwhile material for consideration—and action—at the 1954 conventions of the state organizations.

Standard Content Showings in Abstracts have been prepared by our State Title Associations in Michigan and Missouri.—J.E.S.

It might be well to preface this article by saying that it is not intended to be a learned treatise on the subject selected, but rather is advanced in the manner of providing a topic for further thought and investigation. I also may say that I hope that this article is just the beginning of discussion, and is not dropped and forgotten as quickly as it is read.

During the past few years the subject of standardization of instrument forms to be set out in Abstracts of Title has been mentioned, but to date

no full discussion has been had thereon. I do not mean to assume that this is by any means such a discussion, but it may at least serve to open the door for a future panel.

There are many things to be said in favor of and some in opposition to a standard instrument form in abstracting, but until the pros and cons are brought to public attention, no free argument upon the subject is likely. No doubt this article will provoke much opposition; in fact it is expected, but from such opposition comes the possibility of a workable

arrangement. On the other hand, opposition may be so strong that the subject will die a natural death, but that cannot be known until it is brought to full light.

Favor Standardization

I should like to say from the start that I strongly favor standardization. I do so from past experience with unfavorable results which could have been avoided had standard forms been in effect at the time. I know that other abstracters over the state, particularly those in oil fields have had the same experience, and I also know that they worried and wondered how they could satisfy customers who, of necessity, were short of time in presenting a volume of titles for examination for oil and pipeline companies. That particular run of cases is the reason behind my favoring such standardization, and I should like to draw upon personal experiences which can most clearly illustrate my point.

New Business Jumps

Until the years subsequent to 1935, the ordering of titles in volume was virtually unknown in our own county, but with the advent of mass oil production in Southern Illinois, abstracters began to be more than just sources of everyday title information. This was due to the fact that major producers were at first satisfied with only Certificates of Title, but in cases where drilling and development became imminent, their requirements stepped up from certificates, and began to swing to abstracts complete from sovereignty. This will be familiar to the Examiners' Section, inasmuch as it was for the most part responsible for the growth of abstracting in the area referred to.

During the summer of 1939, major companies began to swamp our office with orders, not for one or two abstracts, but for twenty, thirty or more at one time. Needless to say, we were not equipped to handle this type of order, and we spent many days and nights worrying about how we could best turn out volume with accuracy and speed. There seemed to be only one thing to do. We adver-

tised in our own and neighboring town for experienced stenographers who could begin work immediately. We set a deadline for ourselves in the matter of hiring, and tried to fill our needs by that time as to number of persons required.

School of Instruction

Naturally we, like others, had been using our own forms for years on end, and since all the girls hired were new to this type of work, all that could be done was to hold school of instruction for them, and spend all necessary time teaching them forms to be used. This added to delay in delivering orders, but I might add that our customers were most understanding and helped in every way possible to ease the pressure by giving us all the time available in making delivery.

Time and Money Lost

Our plan worked, but we lost valuable time in avoidable training. We spent not days, but weeks in worry as to whether or not our work was progressing satisfactorily and deliveries were prompt enough. Though workable, the plan was not desirable in that it necessitated hiring of additional personnel for checking and proofreading, and in some instances, training those persons in common errors, and matters to look for which might be incorrect in the typing of the chain of title.

All these delays and inconveniences were excusable from a customer's standpoint, but from the abstracter's, undesirable; — with standardization, avoidable. Had forms been standard throughout the association, we would have been able to call upon other companies for help. It is probably true that some were as busy as we, but it is also true that others would have had no volume on hand, hence would have had personnel available for our use.

With standardization in effect, those persons loaned would already have had their training in the matter of form, and the adaptation from one office to another would have been rapid. In most instances, a single day could have accustomed them to

change of location. No further change would have been necessary. Thus, volume could be handled in a matter of a few hours after the arrival of personnel, or at most a day, rather than weeks spent in hiring and training. The matter of expense involved in changing workers from place to place is to be considered, but from the employer's position, the matter of expense for those coming in from other places is for the most part cheaper than hiring and training girls for a period of a week or two where there is no income from them. Their salaries during training would need be paid, with no income available from the work done by them during such period.

Further Losses

There is a further argument that after hiring and training, one or more persons may marry and/or move to some distant city; thus time and money is wasted. The employer has had only temporary use of their training, but as far as future is concerned, they are useless. With permanent personnel trained to standards, this wastefulness would be resolved to a minimum.

A Possible Solution

The question is asked as to how and by whom a standard would be set. For answer to such a question, I have only one suggestion: I would recommend that two boards be created; one from the Abstracters' and one from the Examiners' Sections. To these boards would be invited the exhibits of forms from the various abstracters over the state with each board to examine, approve or reject as it sees fit.

After selections of forms have been made by each, then the two to combine into one board and final selections be made from those forms separately approved. In order for the board to act with finality, the selections thus made would of necessity need to be approved in advance by the abstracters, with such approval to be given by the granting of powers to the boards to make final selections of forms, which in their judgment would be most practical for statewide adoption. Upon selection of forms by the final board, they then be printed, explained, and copies thereof forwarded to abstracters over the state for immediate training of personnel within their own organizations.

Cover the Entire Field

I also recommend that standardization be not limited to any particular type of instrument, but that the matter be complete, including deeds, mortgages, releases, leases, judgments, liens, probate, law and chancery.

In closing, let me state that I am not advocating adoption at this time, but do write in form of suggestion that the matter be investigated as to plausibility. Again I state that I hope this matter is not immediately dropped and forgotten, for I feel that it is a needed reform, especially to the owner of a small Company. To a large Company it may not be so necessary in that it is equipped by sufficient staff to handle any contingency. For each such large Company, there are one or more smaller ones not so equipped, and it for such smaller ones that standardization becomes almost a necessity.

YOUR ABSTRACT DOLLAR

Just Where Does Your Abstract Dollar Go?

Just What Does The Abstracter Do After Receiving Your Order?

Many charts have been prepared which outline the great number of steps that must be taken to assure delivery of a correct and complete abstract of title. One such is carried in "Title Insurance News," house organ of the Title Insurance Service, Inc. That firm is a subsidiary of Union Title Company, of Indianapolis. The editor of the month is Mr. Robert W. Stockwell.

We regret we do not know the name and address of the author of this article.—J.E.S.



The money received from the sale of Abstracts for one year, upon examination was shown to have been distributed as shown above.

Many people come into an abstract office with an order and make the following statement: "This should not cost very much as there is only one transaction since the last continuation." Unfortunately, the abstracter cannot take such a statement for granted. In the mind of the average person there seems to be the erroneous impression that an abstracter is a mere copyist of the public records. It is the abstracter's duty to examine in his own office or in the Court House as many as fifteen to twenty individual records or indices on each and every job, regardless of the length of time since the last continuation or the amount of public records eventually to be shown. Of course, some of these fifteen or twenty records may be condensed in his own office plant, but

that plant must be maintained daily from these same records in order to fill your order, even before you come in.

The following was sent in to us by an abstracter who had taken the time to break down his abstract costs and to enumerate the various steps necessary to complete each abstract order. If you order an abstract from one of the 126 Union Title Company abstracter representatives in Indiana your abstract dollar and the abstracter's time is likely to be allocated approximately as follows:

TO GIVE YOU ADEQUATE LAND TITLE PROTECTION WE TAKE THESE STEPS—TO MAKE YOUR ABSTRACT:

1. YOUR ORDER is given a number.
2. A SHEET is prepared with the land description as given, on which to write status of taxes, suits, liens and judgments.
3. A SHEET is prepared on which to write the Book and Page of all leases, mortgages, deeds, liens and court proceedings affecting title to your land.
4. AN INDEX search is made and Book and Pages are written down which affect the title.
5. AN ABSTRACT copy of each instrument is then pulled from the files.
6. ALL MORTGAGES abstracted are sent to the Court House with the tax sheet to get satisfaction . . . if any.
7. The TYPING of the abstract is begun.

8. THE MORTGAGE books are examined for satisfaction, if any, and satisfactions are noted.

9. ALL TAX forfeitures are gotten and written up.

10. GENERAL TAXES for current year are examined to see if taxes are paid . . . they are shown in the abstract as found.

11. A SEARCH is made for suits affecting the land.

12. A SEARCH is made for liens affecting the land.

13. A SEARCH is made for judgments affecting the land.

14. A TRIP is made to the office of the Collector of Special Taxes, to learn if Special Taxes, if any, are paid.

15. A CHECK is made to see if

all instruments have been typed that affect the title.

16. SATISFACTIONS are put on those mortgages which have been satisfied.

17. THE ABSTRACT is assembled with regard to dates of filing and smoothness of title.

18. A CERTIFICATE is prepared certifying as to the instruments and taxes, judgments and liens affecting the title.

19. THE SHEETS are numbered.

20. THE ABSTRACT is signed.

22. IT IS PLACED in a folder with statement attached and is ready for delivery.

23. ALL ABSTRACTED forms of instruments are returned to their proper files.

DEFECTS IN TITLE

E. H. HIBBARD

Hibbard Abstract Co., Eureka, Kans.

Some affiliated state title associations issue publications, monthly or otherwise. One such is the Kansas Title Association, publisher of "The Kansas Abstracter." In these are found, from time to time, excellent articles relating to our products and services. One such is carried below.

—J.E.S.

The Title Standards of the Kansas Bar Association includes a requirement as to Abstracter's certificates which read: "All abstracters' certificates should certify, in addition to the statement that the abstract shows all conveyances and other instruments of record affecting the real estate described, filed for record or recorded in the office of the Register of Deeds, that it shows every special clause or condition of any kind or nature other than the covenants of general warranty and quit claim which appear in any of said instruments; and that the signatures to the several instruments are of record as shown; and that all acknowledgments shown are regular in form, except as otherwise noted. This recommendation should not affect certificates dated prior to the adoption of this recommendation (1942 Standards, 111)."

This requirement is not in the same terminology as that used in the Uniform Abstract Certificate.

Kansas Uniform Certificate

The Uniform Abstract Certificate certifies, "that the foregoing is a true and correct abstract of all conveyances and other instruments of writing, including Federal Income Tax Liens, filed for record in the office of the Register of Deeds, of said County (except any instrument filed as a chattel only), affecting the title to the following described real estate. That the acknowledgments to the various instruments abstracted herein are regular and the signatures are of record as shown and so appear in the acknowledgements, except as otherwise noted."

Differences

The difference in terminology between these two certificates is:

First: The Title Standards require

the certificate to state that it shows all instruments filed for record or recorded, whereas the certificate states it covers all documents filed for record. This is but two ways of saying the same thing, since all documents recorded must first be filed for record. Thus it appears that there is no true difference of opinion insofar as this terminology is concerned.

Second: The Title Standards require the certificate to state "that it shows every special clause or condition of any kind or nature other than the covenants of general warranty and quit claim which appear in any of said instruments." The uniform abstract certificate is silent on this subject.

Recently we had occasion in our office to reevaluate and appraise our certificates and at that time an extensive study was made of this requirement.

We found that if we included it in our certificate we would need to set forth in full all mortgages, leases, assignments, discharges, and other documents, regardless of length or whether currently active or discharged from record.

No Padding

We decided that such procedure would not only be too expensive to our clients but would also be placing in the abstract lengthy documents which the attorneys do not want in full.

There exists a nebulous field in abstracting wherein each abstractor must at his own peril decide for himself whether the document should be abstracted or shown in full. He is governed to a great extent by the customary demands of his attorneys. Still he is charged with the duty of either showing the documents in full or preparing a true and correct abstract of conveyance or other instrument in writing. Our certificates include the statement that the "foregoing is a true and correct abstract of all instruments shown."

An abstract of an instrument which omits a peculiar clause, covenant, reservation or limitation is not a true nor a correct abstract. When we study the purpose to be obtained in

both the Title Standard and Abstractor's Certificate we find the end result to be the same, even though at first glance there might appear to be a difference.

In Full

We, as abstracters, in complying with our certificate achieve the result desired in the Title Standard. Thus we find it necessary in recent years to add to mortgages a "Collateral Security Clause" covering the assignment of oil and gas rentals and royalty payments, when such a clause appears. General warranty deeds which have been altered to read as deeds of joint tenancy are a good example. Many abstracters abstract these as regular joint tenancy deeds. Others abstract them and include the habendum and warranty clauses in full, and the third group, who are probably correct, show the documents in full.

The field of abstracting various documents could well be standardized in Kansas. Many abstracters show an abstract of a tax deed. The Supreme Court has said in *Beeler vs. Sims* 93 Kansas 213, "An abstract, if it does not set out the substance of the antecedent proceedings upon which the deed is based, should at least state enough of the contents of the instrument to show that it is valid upon its face." The court in the case quoted *Warville* on abstracts, 3rd addition, Section 540, as follows: "Whenever a tax deed is relied on as a foundation of title which is independent and adverse to all other titles, particularly that of the person who was last seized of the fee, a full exposition of the method by which the right was acquired is an essential preliminary to demonstrate the validity of all succeeding conveyances. The tax deed, unaided by statute is not sufficient to demonstrate title, though it may be prima facie evidence of such, but the prior steps must be shown and all the requisites necessary to a complete and perfect title under the statute must be fully and sufficiently stated." For this reason and because in all instances where a court orders or gives a deed, the title of the subse-

quent holder will be determined by the completeness and the accuracy of the proceedings, we have consistently followed the rule of setting forth all court deeds in full and, we shall continue to do so, especially since House Bill 59 has been enacted into law. This law, if it proves to be constitutional, will make such deeds quite important in the chain of title, where heretofore they have been quite weak. And since in many instances title will vest through them it will be more important than ever that they be shown in full.

Strictly Construed

Examination of the grounds upon which tax sales and deeds have been set aside show that the requirements are statutory and strictly construed so that the few parts of the deeds that might be omitted are uncertain and if omitted would result in no material savings to our clients.

We as attorneys and abstractors who are engaged in the title business should have before us at all times the goal of expediting real estate transactions. However, in our zealousness we should not forget that when property is taken from a person he must be given due process of law. When we fail to follow due process of law we cannot later come back and validate our illegal act by an ex post facto law which would accomplish what we did not do legally in the first place. It appears doubtful if House Bill 59 will weather the test of constitutionality, if the question is ever raised, and for that reason as well as those set forth above, we will continue to set forth in full the legal proceedings preceding a tax sale as well as the deed which results therefrom.

Consideration must also be given to the words and phrases used in House Bill 59 which provides "the title conveyed by any such deed is hereby declared merchantable to the extent of the interest therein conveyed."

Must Have Full Title

One of the primary rules of real property is that one cannot convey that which he does not own and convey only that which he does own.

It follows therefore that the law quoted above will, if found to be constitutional, be limited to affect only that title which is acquired by the county in its tax sale. If they obtain the entire fee simple the law says such title is merchantable. Previous statutes have provided that a tax deed to be valid must be recorded within six months from the date of issuance and in several instances those deeds which were not recorded within the statutory period of time were set aside. The question is naturally raised now as to whether House Bill 59 revives those deeds and vests merchantable title in those whose interests have heretofore been considered as extinguished.

At the present time our firm is under pressure from various attorneys to alter our certificate in such a manner so that it will state that there are no Probate proceedings, District Court proceedings or County Court proceedings on file or of record which affect the title to the real estate abstracted.

Certificate Coverage

It is impossible for any abstractor to make such a certificate unless he is a competent attorney to examine titles and gives each title a complete examination before certification, and even in those instances there would still be occasions when he, as an abstractor, would be uncertain as to whether his abstract covers the certificate. For example, estates not properly settled in probate where some of the heirs have had subsequent Probate or District Court proceedings, or returning to the question raised in House Bill 59 as to the validity of all tax deeds filed prior to July 1, 1948. I can easily foresee several chains of title arising under this law. Whenever there is more than one chain of title, the abstractor must choose a chain or limit his certificates by listing those against whom he has checked court, or he may show it all and charge fees which will soon put him out of business. We attempt to save both ourselves and the examining attorney's time by stating that we have checked court against, "All fee title owners

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NEW FILM...

"THE MODERN TITLE PLANT"

Shows you improved procedures for abstracting deeds, mortgages and other title documents

This new sound-slide film shows how a long established and well known title company operated before their plant was modernized . . . how the changeover was made . . . and how much faster and more economically they now operate. You'll see specific plant and production procedures. You'll hear and see how these benefits were attained.

Faster Service—Lower Costs—Greater Profits

"The Modern Title Plant" is especially timely in these days of higher operating costs. It points the way to a larger share of the available business through faster service, and at lower plant maintenance and production cost.

Title officials, bankers, realtors, attorneys . . . anyone who is interested in improved title company operation should see this film. To arrange a free showing for your group, just call the Remington Rand Business Equipment Center nearest you, or write to Remington Rand Inc., Room 1687, 315 Fourth Ave., N. Y. 10.

Remington Rand

PROFIT-BUILDING **IDEAS** FOR BUSINESS



as their names appear herein during the period of time covered by this certificate."

It would be well for the Kansas Title Association to establish a committee for standardization of abstracts and certificates. Such a committee should work in close co-operation with the committee of the

Kansas Bar Association on Title Standards and through such procedure it would be possible for both the attorneys and abstracters to reach complete agreement as to the manner in which various documents are to be shown and the exact terminology that will be used in our certificates.

WHY I LIKE THE TITLE INSURANCE BUSINESS

Its Contributions To The Community

ROBERT R. NEWQUIST, *Searcher*
Security Title Insurance Company, Riverside, California

The Security Title Insurance Company, operating numerous offices throughout California, conducted a contest among employees for essays on the above entitled subject. According to Mr. Douglas G. Paterson, Vice-President, speaking for the panel of judges, the contest was an unqualified success, with many entries. Said he, "The entrants were so enthusiastic about the title insurance business and about their particular jobs at Security, that it was very difficult to make a choice."

We of the Mid-West may not subscribe to Mr. Newquist's implied conviction that California is Utopia. But we do enthuse about certain statements he made. He states there is no monotony in the workaday life of title men. He emphasizes that every employee, from bottom to top, is vital, thus making teamwork a necessity; thus emphasizing the necessity that every link in the chain be strong.

Offered only as a suggestion to this able author, we submit he might have added that we in the title world can always find romance and pathos, glamour and human interest stories, in the documents we examine—in the will which contains novel provisions—in reading our own story between the lines when we find an old second mortgage in the chain and tie it into the names and ages in an estate; and thus establish that the avails of that loan were used to pay the hospital and doctor bills of a new baby brought into the world.

We congratulate the Security on the success of its contest. We heartily congratulate young Mr. Newquist upon his victory. May he and all the many other contestants continue to enjoy their labors in our guild!—J.E.S.

The title business offers almost unlimited opportunity for learning . . . about people, their laws, their lands, and their problems.

Because people live, marry, divorce, buy land, sell land, borrow money, lend money, prosper, encounter poverty, and finally depart this life, we title folk are constantly confronted with innumerable title problems,

which to me is the "spice of life" in the title business.

In delving into title mechanics and law, new angles present themselves daily for consideration, thus precluding the infiltration of monotony into our workaday lives.

There are no unimportant jobs within the confines of a title company, for each job is dependent upon

the other, and all are linked together as a chain, thus making teamwork the rule rather than the exception.

California is indeed colorful — its history turbulent and exciting — its progress and growth phenomenal.

The title business, though a comparatively young enterprise, has kept pace with the rapid growth of the state, and as the population of California continues to increase, we have every assurance of a brilliant future for both California and the title business.

All in all, the title business, with its multiple phases, its diversified opportunities, promising future, and numerous employees' benefits, cannot be excelled as an enterprise with which to cast one's lot—and for pleasant and desirable working conditions.

The title business is not only desirable from a vocational standpoint, but is also held in high esteem by the public in general.

In offering efficient and varied services to real estate brokers, lenders, attorneys, governmental agencies, and the general public, title companies

have steadily advanced to a position of trust in the community hitherto only enjoyed by banking institutions.

Title and escrow officers have become real personalities—men who are congenial and friendly toward all who come to them for assistance relative to their various and sundry title problems, thus helping to promote a spirit of good will in the community.

The title business has also contributed much toward the stability of the community in the form of security against fraudulent practices and other hazards.

When people feel secure, they are generally happy and content, and will more readily accept opportunities for investment.

Many of those who are engaged in the title business are active in civic, social, church and other beneficial activities.

In general, the title business, interwoven as it is into the life of the community, has become one of the foremost promoters of good will, defenders of faith, and contributors toward prosperity.

It is indeed a notable asset to all.

WHY I SHOULD HAVE TITLE INSURANCE

(Quoted from "Reports", monthly house organ of Arizona Land Title and Trust Co., Phoenix, Ariz.)

I am buying the title to real estate at a cost of thousands of dollars. If the title is not good, my investment is very questionable. Why should I take that risk when I can get title insurance at a very small cost? I am paying to have my title insured for the protection of the company making my mortgage loan, **but a mortgage title policy gives me no protection.** For a few dollars more, I can get title insurance protection for myself—protection for as long as I live against financial loss because of title defects, prior to the date of my policy. And, the same policy will protect my heirs as long as they own the prop-

erty. What's more, my owner's title policy will protect me if I sell the property and the purchaser should later discover that the title I bought and passed on to him was defective. I cannot assume that the title is bound to be good just because it has been examined and insured for the mortgage loan. The attorney or the title company may have overlooked or could not find an existing mortgage, judgment or other lien against the property. To protect the lending institution, the title company may take over such liens, subordinate them to my mortgage and I will still have to pay them after the mortgage is paid.

CAN I AFFORD NOT TO HAVE TITLE INSURANCE?



MARKS THE SPOT!

200 Title Companies Can't Be Wrong!

X marks the spot where a title company has adopted the Filmsort system of unitized microfilm.

To the largest title companies in America, as well as to some of the smallest, Filmsort has provided the fastest, most economical and efficient means of handling the daily take-off, and of condensing existing bases.

Filmsort is not limited by volume of records, nor by type. Title companies dealing in Boroughs, Spanish Land Grants, Townships, Lots and Blocks or

Donation Land Claims—all have found Filmsort equally adaptable to their requirements.

When the need arises for positive prints of microfilmed documents, Filmsort again supplies the answer. In a matter of seconds, enlargements direct from microfilm can be made with the Filmsort Reviewer used in combination with any modern photocopy machine.

Regardless of the size of your title company, regardless of its location, the Filmsort system of unitized microfilm can be tailored to fit your needs.

No matter who you are—or where you are—

FILMSORT is *RIGHT* FOR YOU!

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PEARL RIVER
NEW YORK

BOOK REVIEW

The printer's proofs of a new text book of interest has been submitted. "Deskbook on Titles and Land Law is being published by The W. H. Anderson Co., Cincinnati, O. This writer has known the author, Mr. Thomas J. McDermott, Mansfield, Ohio, for more than twenty years as a prominent title man. He was a protege of the late Charles C. White, well remembered as an authority. The author served on A.T.A. committees, was president of Ohio Title Association eight terms, is a member of the Real Property Section of American Bar Association, has been Chairman of Ohio Bar Committee on Title Standards since its organization, and is President of his county bar association.

Mr. McDermott is also the author of the popular book, "Ohio Real Property Law and Practice." During my attendance at the recent convention of Ohio Title Association I heard the president, in his annual report, call that book "the bible" in the local practice. Therefore, I expected a good have not been disappointed.

The work is in one volume and covers the entire field of land law. It is fairly described by its subtitle, "an encyclopedic summary of the law of land with special reference to matters of title." The twenty-nine chapters treat of some subjects not usually found in texts on real property law. The chapters and the sub-headings are designated and arranged in a manner familiar to all lawyers. An adaptation of the decimal system of numbering has been used. As a result of the simple order of the contents, I have a hunch that much use will be made of the spaces provided for notes on the law of the user's particular state; the system seems to fulfill a plan I once had, as many others probably have had, for an index for my own notes.

The wide scope of the material in one volume is surprising. One of the devices used to accomplish that is to conserve space by citing American

Jurisprudence, American Law of Property, American Law Reports, Corpus Juris Secundum, Powell's Law of Real Property, Restatement of Law of Property, Simes' Law of Future Interests, Thompsons's Law of Real Property and Tiffany's Law of Real Property in support of text.

The most striking thing about the text is its conciseness. The fundamentals of land law are stated with clarity and precision. The applications of the law to the very numerous modern situations are set forth with a notable economy of language. Practical and difficult questions of current concern have not been omitted but are answered from the national viewpoint. Being somewhat rusty on certain legal questions, my reading seemed like a refresher course on some of the topics. As to some other topics, I confess to a suggestion of the feeling that a conjurer must have when one of his colleagues tells in a few words how it is done. Mention of this conciseness brings me to my principal criticism. The treatment of some points is lamentably brief. Too often the text contains a statement of the rule, or of the weight of authority with note of the minority holdings, and then proceeds to other matters. Nevertheless, the volume appears to furnish the most prompt way of finding more extended treatises, when they are desired; it points to which of, and to what part of, the cited works an additional investigation can be directed. The index is not brief, its size indicting the broad coverage of the book.

In his foreword the author says, "For thirty years I hoped that someone would write a quick-reference book on the rules of real property law, providing concise answers to questions arising in practice, together with a time-saving guide to further research. Eventually it appeared that no one would do this for me." In my opinion the "Deskbook" accomplishes what he set out to do.

JAMES E. SHERIDAN.

OPERATING EXPENSES IN PERCENTAGES

J. E. SHERIDAN

Executive Vice-President, American Title Association, Detroit, Mich.

The super boom is over. We are closely approaching the day when one cannot close his eyes to the facts of life. Profits are still to be made. I look for no collapse, but no title and abstract company in 1954 will need policemen to keep customers lined up at the front door. Profits, in large measure, will come from better operations rather than from any surge, a big backlog of new orders. In turn that means more close attention must be paid to the cost of doing business.

For purposes of study, on the pages following are set forth figures on operating expenses. We tried to build a cross-section view of the country on the operating expenses of member companies. Some are large firms operating in metropolitan areas. Some are in rural communities. Some furnish title policies only. Some furnish abstracts only. Some furnish both.

In soliciting this data we pledged not to divulge the names and specific locations of these reporting companies. Consequently we have keyed these only in a general way concerning location, approximate size of county of domicile and product.

Note particularly, please, these are figures on the operating expenses of the reporting companies. Figures on profits are not included in these reports. The operating expense is set at 100% and then reduced to percentages thereof according to the accounting setup of the reporting members.

If you wish to discuss direct with any reporting members any items in their reports, please contact us. We will communicate with the reporting member or members, asking their permission to give their names to you.

Comments

I find myself unable to resist the

temptation to throw in my two bits' worth of comment on these reports:

Advertising

- (1) I believe at every convention I have ever attended (some several hundred I suspect in the more than two decades I have been in National Headquarters) I have heard others speak and I have preached on my own account on the point of advertising. I have heard many great title men speak forcefully on this point. Personally, I have observed the great number of fine title companies which render excellent service to their clients, which put out almost perfect abstracts and/or title policies, and then relax. Some seem to relax on the theory they have discharged their duty in full and well; and that the customer will return when once again he needs title services. Could be. Pear Soap thought that too. They quit advertising because they had a monopoly on the soap business of the country. Where are they?

In the reports on the pages which follow, please study the expenditure for advertising. Note the number that spend less than 1% of their budget.

Does this shoe fit you—or am I wrong in my comment?

Rent

- (2) Regarding Rent: Note the wide variance in the figures of the different reporting members. I realize there are instances in which the building is owned by the title company. I realize in the case of smaller firms wholly owned by one individual or his family, it probably doesn't make much difference dollarwise. In the case of firms

located in larger communities, might it not be well from the standpoint of taxes that the building be owned by a corporate entity, the stockholder of which might be the title company or the owner of the title company?

Telephone and Telegraph

- (3) Re: Telephone and Telegram. Note, please, the number of firms that spend more on this item than they spend on advertising. This just doesn't make good sense to me. Did anybody ever hear of a three-minute hour glass?

Salaries

- (4) Re: Salaries: As regards both abstracts and title insurance, if I ever need proof of one argument for our service, I certainly find it in a study of this item. Donzel Stoney of San Francisco, a great title man and an equally great business man, always claimed we of the title profession had many, many losses, dollarwise and per-

centwise—only they never showed on our books. He argued we prepaid these claims and losses by the great care and huge expenditures to insure that we turned out a product of first quality; that beginning with the takeoff and continuing right down through the last step when we delivered the final product to the customer, we were prepaying claims; that we spent hundreds of thousands of dollars in thus prepaying claims to make certain the customer would not find it necessary to file a claim against the title company or the abstract company. Very definitely these statements are all substantiated by the item "salaries" in these reports.

- (5) Back in the 20's, before I came into National Headquarters, Porter Bruck and I made a joint study on some of these items. I distinctly recall two points:
A. There seemed to be in those years an old rule of thumb in



ERRORS!!!

OMISSIONS!!!

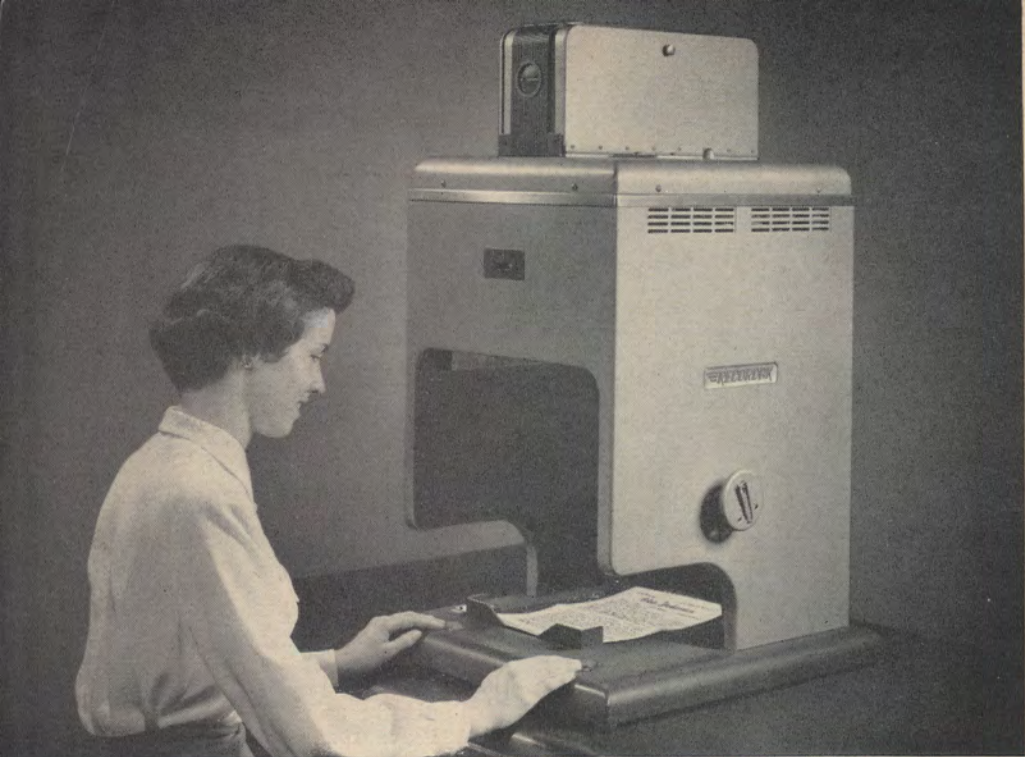
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our business—more in the abstract field than title insurance—that production should be one job for each working day for each employee including officers; if you had 100 employees, you were supposed to grind out 100 orders each working day—abstracts and/or title policies. With the passing of time the number of orders for original or source abstracts became less and less and orders for continuations of abstracts more frequent. Title policies also came more and more into the picture, and then continuations or renewals of title policies. There came into more popular use such things as the camera for the takeoff and geographic filing and other means and methods to increase production. So I presume the old rule of thumb no longer obtains and probably should now be at least one and one-half jobs per working day per employee, perhaps higher in some areas.

Anyway, you might study this particular angle and see how it applies to your firm.

- B. The other point on which Porter and I then were pretty much in agreement was that the payroll, including officers and employees of a right well managed abstract and title company, seemed to run in the general neighborhood of approx-

imately 65% of total operating expense.

In passing I might add that the far west then, as best could be ascertained, was below this level and it still is. They pay going wages there; their payrolls, by classification of jobs, are only slightly under wage levels of the Middle West if in fact they are under Middle West levels at all when you consider their programs of profit sharing, of pensions, of hospitalization, and other fringe benefits. Is it possible of belief, my friends, that the Pacific Coast knows more and does a better job than we of the Middle West can perform?

Our Thanks

- (6) We certainly should not close without expressing to the reporting companies on behalf of our entire membership the deep appreciation and affectionate regard in which we hold them because they have been willing to open their books, so to speak, to your inspection. We hope the material shown on the pages following will be of benefit to you in studying your own situation and in building your 1954 budget. We would also be glad to learn through a note sent to National Headquarters whether you deem this information to be of value to you.

OPERATING COSTS—FOUR YEAR STUDY

LOCATION—FIRMS 1 TO 6, INCLUSIVE—ATLANTIC COAST

No. 1—Population Over 500,000—Title Insurance

ITEM	1949	1950	1951	1952
Advertising .....	.62	1.01	1.27	1.14
Commissions				
Donations .....	.01	.01	.01	.10
Dues and Subscriptions .....	.17	.26	.21	.14
Legal Services	1.19	2.58	1.20	1.12
Light and Janitors' Supplies	1.00	.78	.87	.37
Maintenance and Repair	1.16	.71	.71	2.70
Postage, Tel. and Tel.	1.43	1.60	1.59	1.62
Printing and Stationery .....	.97	1.61	1.72	.90
Rent Paid .....		.25	.29	.44
Reserved for Ins. Losses	1.37	3.78	.68	.94
Reserved for Misc. Taxes	4.01	4.07	3.88	3.95
Reserved for Federal Income Taxes	15.98	12.71	18.14	13.36
Salaries of Officers	19.45	19.77	20.53	21.87
Salaries of Employees	47.63	45.44	42.48	43.93
Sundry Expense .....	.78	.93	.93	1.87
Travel, Entertainment, etc. ....	.37	.39	.39	.58
Public Records—Take-off .....			.93	.93
Insurance	1.14	1.04	1.05	1.36
Accountants' Fees .....	.61	.52	.60	.59
Office Supplies .....	.61	.91	.99	.66
Pensions .....	.75	.98	.93	.72
Directors' Fees .....	.75	.65	.60	.59
Re-Insurance .....				.12

No. 2—Population Over 500,000—Title Insurance and Abstracts

ITEM	1949	1950	1951	1952
Advertising	1.38	1.05	1.75	2.0
Commissions	13.45	11.61	10.40	8.2
Donations .....	.12	.05	.04	.2
Dues and Subscriptions .....	.62	.40	.63	.8
Legal Services .....	.11	.11	.14	.46
Light and Janitors' Supplies .....	.68	.57	.73	.81
Maintenance and Repair .....	.03	.02	.02	.02
Postage, Tel. and Tel.	1.40	1.53	1.50	1.58
Printing and Stationery	1.91	1.82	2.63	2.19
Rent Paid	3.00	3.19	3.02	5.80
Reserved for Ins. Losses	8.02	8.50	8.54	7.54
Reserved for Misc. Taxes	1.36	1.55	1.41	1.50
Reserved for Federal Income Taxes	12.58	18.76	19.02	12.66
Salaries of Officers	10.50	9.65	10.14	11.35
Salaries of Employees	30.53	27.62	27.06	31.60
Sundry Expense	2.84	1.91	2.54	2.13
Travel, Entertainment, etc.	1.93	1.82	1.48	1.70
Public Records—Take-off	7.15	7.24	7.22	7.30
Insurance .....	.27	.24	.30	.50
Depreciation	2.12	2.36	1.43	1.48

No. 3—Population Under 500,000—Title Insurance (National)

ITEM	1949	1950	1951	1952
Advertising	1.81	.82	.92	1.17
Commissions	8.66	6.32	5.83	6.41
Donations .....	.33	.19	2.08	1.50
Dues and Subscriptions .....	.43	.21	.37	.31
Legal Services .....	.58	.38	.78	.49
Light and Janitors' Supplies				
Maintenance and Repair .....	.17	.06	.08	.10
Postage, Tel. and Tel.	2.20	1.96	1.70	2.06
Printing and Stationery	2.08	2.59	1.86	2.94
Rent Paid	4.96	3.67	2.42	5.22
Reserved for Ins. Losses .....	.14	.16	.33	.64
Reserved for Misc. Taxes	1.09	1.27	2.74	1.18
Reserved for Federal Income Taxes	14.77	22.97	26.65	15.38
Salaries of Officers	12.44	11.87	11.46	16.63
Salaries of Employees	37.74	33.21	24.31	26.71
Sundry Expense	1.96	.99	4.28	2.50
Travel, Entertainment, etc.	1.62	1.93	1.06	1.02
Public Records—Take-off	3.59	2.62	2.99	3.89
Insurance	1.35	1.54	2.08	1.54
Examinations and Audits .....	.05	.33	.05	.05
Equipment .....	.57	3.06	3.17	.93
Survey Fees .....	.17	.19	2.93	2.76
Provision for Pension .....	.63	1.56	1.71	1.80
Tax Service .....	.14	.23	.20	.40
Management Fee	2.52	1.87		4.37

No. 4—Population Over 500,000—Title Insurance

ITEM	1949	1950	1951	1952
Advertising .....	.86	.70	.82	.80
Commissions	15.70	15.57	14.71	14.95
Donations .....	.32	.36	.37	.35
Dues and subscriptions .....	.21	.12	.08	.45
Legal Services and Auditing	1.35	1.30	1.68	1.79
Light and Janitors' Supplies	1.02	.88	.95	.80
Maintenance and Repair .....	.76	.42	.26	.39
Postage, Tel. and Tel.	1.77	1.77	1.82	1.85
Printing and Stationery	1.60	1.92	2.22	2.14
Rent Paid	1.07	1.20	1.20	1.35
Reserved for Ins. Losses				
Reserved for Misc. Taxes	2.67	2.59	2.54	2.56
Reserved for Federal Income Taxes	10.02	14.71	14.00	13.25
Salaries of Officers	8.76	7.74	8.73	9.49
Salaries of Employees	44.79	42.48	41.69	41.94
Sundry Expense	1.63	1.20	1.82	1.27
Travel, Entertainment, etc.	1.06	1.65	1.65	1.69
Public Records—Take-off	1.88	1.58	1.78	1.73
Insurance .....	.35	.15	.14	.48
Title Losses, Net of Recoveries	1.75	.69	1.15	1.08
Depreciation and Equip. Charged Off .....	.36	.31	.29	.28
Directors' Fees .....	.23	.19	.28	.27
Pensions .....	.45	.43	.38	.38
Modernization and Alterations	1.39	2.04	1.44	.71

No. 5—Population Over 500,000—Title Insurance

ITEM	1949	1950	1951	1952
Advertising	1.630	1.383	1.327	1.411
Commissions	10.982	10.877	10.132	11.233
Donations .....	.175	.046	.109	.168
Dues and Subscriptions .....	.185	.226	.177	.281
Legal Services .....	.635	.611	.272	.421
Light and Janitors' Supplies } Maintenance and Repair }	1.012	.894	.525	.517
Postage, Tel. and Tel.	1.634	1.468	1.687	1.706
Printing and Stationery	1.866	1.921	2.008	2.058
Rent Paid	2.451	2.389	2.531	2.477
Reserved for Ins. Losses.....	.800	.815	.599	.778
Reserved for Misc. Taxes.....	.547	.594	.500	.478
Reserved for Federal Income Taxes.....	3.671	6.943	4.009	4.109
Salaries of Officers } Salaries of Employees }	55.991	52.485	57.006	57.284
Sundry Expense .....	.202	.051	.054	.057
Travel, Entertainment, etc.	2.560	2.344	3.012	3.000
Public Records—Take-off				
Insurance				
Staff Welfare and Relations.....	2.351	2.636	2.741	2.569
Operations of Company-Owned Bldg....	1.359	1.842	1.642	.978
Statutory (Reinsurance) Reserve.....	3.889	4.552	4.114	3.979
Title Insurance Direct Expenses.....	3.940	4.193	4.178	3.389
Reserved for Accounts Receivable.....	1.561	1.376	1.718	1.079
Mortgage Division Direct Expenses.....	.918	.083	.080	.039
Administrative Expenses .....	.646	.455	.767	.947
Purchases of Equipment .....	.969	1.796	.803	.999
Non-Admitted Assets Written Off.....	.026	.020	.009	.043

(RE: NO. V)

Explanation of Some of the Items Shown on the Attached Questionnaire On Operating Expenses

SALARIES—Includes salaries, officers; salaries, employees; bonus, overtime, suppers, disability benefit payments, commissions to closers for selling simultaneous fee title policies, outside services for reading, searching and closing.

STAFF WELFARE AND RELATIONS—Includes payroll taxes, group life insurance, hospitalization, etc., and staff welfare and relations: general.

RENT PAID—Includes rent of company-owned building.

OPERATION OF COMPANY-OWNED OFFICE BUILDING—Includes light, janitor supplies, maintenance repairs and taxes.

LEGAL—Includes legal and auditing.

TITLE DIVISION DIRECT EXPENSES—Includes reinsurance premium, searches: tax, state, municipal department, etc., surveys.

ADMINISTRATIVE EXPENSES—Includes Board and Association, collection expenses, corporate and fiscal expense, interest expense and licenses and fees.

INSURANCE—It is company procedure to include all insurance except that which involves employee welfare and benefits in the various operating accounts.

No. 6—Population Over 500,000—Title Insurance

ITEM	1949	1950	1951	1952
Advertising .....	.5	.7	.8	.89
Commissions				
Donations .....	.01	.01	.01	.01
Dues and Subscriptions .....	.6	.5	.4	.3
Legal Services .....	.01	.2	1.19	.3
Light and Janitors' Supplies				
Maintenance and Repair				
Postage, Tel. and Tel.	1.6	1.5	1.5	1.5
Printing and Stationery	1.6	.9	1.3	.9
Rent Paid	4.2	3.3	4.0	4.0
Reserved for Ins. Losses				
Reserved for Misc. Taxes	1.7	1.6	1.6	1.2
Reserved for Federal Income Taxes	7.0	9.0	9.0	9.4
Salaries of Officers	36.0	34.0	33.0	34.0
Salaries of Employees	43.0	45.0	44.0	46.0
Sundry Expense	2.29	1.89	2.0	.3
Travel, Entertainment, etc. ....	.5	.6	.4	.4
Public Records—Take-off				
Insurance	1.0	.8	.8	.9

LOCATION—FIRMS 7 TO 19, INCLUSIVE—MIDWEST

No. 7—Population Over 500,000—Title Insurance

ITEM	1949	1950	1951	1952
Advertising	1.82	1.40	2.34	3.33
Commissions				
Donations .....	.14	.11	.23	.15
Dues and Subscriptions .....	.37	.29	.33	.32
Legal Services .....	.09	.55	.67	.05
Light and Janitors' Supplies .....	.37	.30	.28	.32
Maintenance and Repair				
Postage, Tel. and Tel.	2.08	1.75	1.81	1.98
Printing and Stationery	1.73	2.08	1.60	1.79
Rent Paid	4.90	3.38	3.31	3.50
Reserved for Ins. Losses .....	.97	2.30	1.10	1.42
Reserved for Misc. Taxes	1.35	1.57	1.67	1.55
Reserved for Federal Income Taxes		8.15	5.72	5.64
Salaries of Officers	9.49	8.54	7.91	9.12
Salaries of Employees	69.37	62.35	64.76	63.09
Sundry Expense	1.11	1.39	1.67	1.30
Travel, Entertainment, etc. ....	.04	.10	.18	.17
Public Records—Take-off	5.34	5.09	5.71	5.49
Insurance .....	.19	.14	.20	.19
Depreciation .....	.64	.51	.51	.59

No. 8—Population Under 500,000—Abstracts, Title Insurance Agency

ITEM	1949	1950	1951	1952
Advertising .....	.13	.15	.....	.18
Commissions .....	.....	.....	.....	.....
Donations .....	.16	1.46	1.61	1.66
Dues and Subscriptions .....	.52	.62	.91	.46
Legal Services .....	.58	.75	.87	.68
Light and Janitors' Supplies	1.40	1.97	1.35	1.35
Maintenance and Repair	2.24	1.67	1.70	1.80
Postage, Tel. and Tel.	1.09	1.10	.98	.90
Printing and Stationery	5.40	5.18	4.84	2.26
Rent Paid	7.76	7.48	5.67	5.61
Reserved for Ins. Losses	1.48	.67	.74	.....
Reserved for Misc. Taxes	3.20	3.42	2.71	3.31
Reserved for Federal Income Taxes	12.08	11.76	21.91	18.38
Salaries of Officers }	59.50	59.24	52.83	58.08
Salaries of Employees }				
Sundry Expense .....	.....	.....	.....	.....
Travel, Entertainment, etc.	Included	In	Dues and	Subsc.
Public Records—Take-off	1.71	1.65	1.51	2.61
Insurance .....	.93	1.25	1.39	.72
Depreciation	1.82	1.63	.98	2.00

No. 9—Population Under 500,000—Title Insurance, Abstracts

ITEM	1949	1950	1951	1952
Advertising .....	.84	.69	.70	.71
Commissions .....	.....	.....	.....	.....
Donations .....	.13	.13	.13	.14
Dues and Subscriptions .....	.21	.19	.22	.21
Legal Services	1.24	1.07	1.05	1.13
Light and Power .....	.52	.48	.45	.46
Maintenance and Repairs .....	.63	.30	.33	.39
Postage, Tel. and Tel.	1.54	1.42	1.29	1.24
Printing and Stationery	1.08	1.39	1.19	1.22
Rent Paid*	3.29	2.75	3.61	3.98
Insurance Losses and Abstract Losses	1.05	.79	1.06	.57
Reserved for Misc. Taxes	2.31	2.26	2.10	2.06
Reserved for Income Taxes	10.58	15.27	15.63	14.48
Salaries of Officers }	58.05	52.47	52.28	54.03
Salaries of Employees }				
Sundry Expense	6.11	7.04	4.32	4.15
Travel, Entertainment, etc. ....	.45	.63	.54	.52
Insurance	1.13	.97	1.78	1.26
Auditing (Outside) .....	.12	.15	.12	.11
Depreciation—Furniture and Fixtures .....	.69	.60	.59	.56
Fees—Outside Examiners	6.05	7.83	9.18	9.56
Pension Contribution	3.98	3.57	3.43	3.22

*This company does not pay rent, as it owns its own building. The percentages in that line indicate a comparable expense for the cost of operating and maintaining our own building.

No. 10—Population Over 500,000—Title Insurance

ITEM	1949	1950	1951	1952
Advertising	3.935	2.855	3.157	4.054
Commissions				
Donations .....	.249	.239	.233	.109
Dues and Subscriptions .....	.245	.161	.256	.175
Legal Services and Auditing .....	.507	.411	.403	.674
Light and Janitors' Supplies } .....	.503	.535	.328	.421
Maintenance and Repair }				
Postage, Tel. and Tel.	1.583	1.400	1.264	1.241
Printing and Stationery	1.487	2.247	2.024	1.913
Rent Paid	4.381	3.308	3.224	3.015
Reserved for Ins. Losses .....	.435	.428	.766	.451
Reserved for Misc. Taxes	1.402	.838	1.507	1.299
Reserved for Federal Income Taxes	6.198	12.246	13.666	9.406
Salaries of Officers	5.004	4.107	4.370	3.734
Salaries of Employees	70.716	68.105	65.650	69.073
Sundry Expense				
Travel, Entertainment, etc. ....	.550	.601	.692	.547
Public Records—Take-off				
Insurance .....	.353	.268	.246	.277
Depreciation of Equipment .....	.505	.415	.427	.438
Sundry Expenses	1.248	1.022	1.116	2.458
Public Records—Take-off* .....	.699	.814	.671	.715

*Company's share of expense in Joint Take-off. The amount does not include salaries. One other company participates in this Joint Take-off expense.

No. 11—Population Rural—Abstracts, Title Insurance Agency

ITEM	1949	1950	1951	1952
Advertising	1.6	4.9	4.0	4.25
Commissions	5.4	4.7	4.7	3.2
Donations .....		.5	.2	.2
Dues and Subscriptions .....	.3			
Legal Services .....		.2		
Light and Janitors' Supplies				
Printing and Stationery				
Maintenance and Repair .....	.5	.5	.5	2.1
Postage .....	.5	.7	.7	.7
Rent Paid	7.4	6.8	6.6	6.6
Reserved for Ins. Losses .....			.5	.5
Reserved for Misc. Taxes	2.0	1.0	1.5	1.5
Reserved for Federal Income Taxes	1.1	1.3	1.2	2.5
Salaries of Officers	16.1	13.5	13.3	12.5
Salaries of Employees	51.5	55.2	53.2	54.0
Sundry Expense	3.5	.9	1.1	1.15
Travel, Entertainment, etc.				
Public Records—Take-off .....		.2		
Insurance	1.7	2.7	3.2	2.0
Supplies	3.2	3.4	2.5	3.3
Trade Association Exp.	1.4	1.1	3.0	2.2
Auto Expense .....	.4	.5	1.3	1.4
Telephone, Telegraph, Electricity, Oil and Gas	2.0	1.9	2.5	1.9
Interest Expense	1.4			

No. 12—Population Under 500,000—Title Insurance, Abstracts

ITEM	1949	1950	1951	1952
Advertising .....	.9	.7	.7	1.0
Commissions				
Donations				
Dues and Subscriptions .....	.4	1.1	1.1	1.2
Legal Services .....	.7	.9	.7	.5
Light and Janitors' Supplies	1.2	.4	.4	.4
Maintenance and Repair	1.1	1.5	4.2	1.9
Postage, Tel. and Tel.	2.4	2.4	4.1	4.0
Printing and Stationery	2.1	2.2	2.2	1.7
Rent Paid .....	.9	.8	.9	1.1
Reserved for Ins. Losses	1.9	2.0	1.9	2.0
Reserved for Misc. Taxes	3.3	3.4	3.6	2.7
Reserved for Federal Income Taxes	6.3	10.3	5.9	9.5
Salaries of Officers	19.1	16.5	17.5	} 65.1
Salaries of Employees	54.5	52.7	51.7	
Sundry Expense	1.0	1.5	1.1	5.1
Travel, Entertainment, etc.	1.0	.6	.5	
Public Records—Take-off				
Insurance .....	.4	.4	.4	.4
Employees Retirement Fund	1.3	1.9	1.0	1.8
Losses on Sale (Bad Debts)	1.0	.2	.3	.3
Re-Insurance .....	.5	.3	1.1	.7
Branch Office, Expense .....		.2	.7	.6

No. 13—Population Under 500,000—Title Insurance, Abstracts

ITEM	1949	1950	1951	1952
Advertising .....	.10	.16	.06	.13
Commissions	10.81	9.92	10.20	9.62
Donations .....	.15	.11	.14	2.72
Dues and Subscriptions	1.08	.92	1.15	1.35
Legal Services .....	.25	.12	.18	.22
Light .....	.26	.24	.21	.20
Maintenance and Repair (Included in Rent Paid)				
Postage, Tel. and Tel.	1.08	1.12	1.13	1.18
Printing and Stationery	2.14	2.30	2.36	4.51
Rent Paid	2.80	2.27	2.01	2.22
Reserve for Insurance Losses	2.64	2.65	2.45	2.40
Reserve for Misc. Taxes	1.84	.87	.91	.98
Reserve for Federal Income Taxes	23.30	33.75	31.41	30.76
Salaries of Officers	} 39.75	} 34.41	} 33.35	} 33.43
Salaries of Employees				
Sundry Expenses	4.60	3.50	6.53	5.40
Travel, Entertainment, etc. ....	.24	.15	.21	.19
Public Record Take-off	4.85	3.44	4.86	2.36
Insurance (Included in Rent Paid)				
Retirement Fund	4.11	4.07	2.84	2.33

No. 14—Population Under 500,000—Title Insurance, Abstracts

ITEM	1949	1950	1951	1952
Advertising .....				.12
Commissions	11.37	9.85	9.20	9.97
Donations .....	.23	.17	.16	2.62
Dues and Subscriptions .....	.39	.30	.37	.63
Legal Services .....	.26	.17	.24	.22
Light .....	.29	.22	.23	.25
Maintenance and Repair (Included in Rent Paid)				
Postage, Tel. and Tel.	1.55	1.52	1.38	1.39
Printing and Stationery	1.42	2.74	1.21	1.25
Rent Paid	2.89	1.95	2.00	1.75
Reserved for Ins. Losses	2.50	2.52	2.32	2.30
Reserved for Misc. Taxes .....	.67	.49	.60	1.50
Reserved for Federal Income Taxes	20.20	26.82	30.66	29.74
Salaries of Officers }	47.90	43.20	40.80	41.83
Salaries of Employees }				
Sundry Expenses	2.81	2.85	5.89	1.61
Travel, Entertainment, etc. ....	.15	.12	.11	.20
Public Record—Take-off	3.86	3.58	2.49	2.40
Insurance (Included in Rent Paid)				
Retirement Fund	3.51	3.50	2.34	2.22

No. 15—Population Under 500,000—Title Insurance, Abstracts

ITEM	1949	1950	1951	1952
Advertising	1.09	1.20	1.05	1.34
Commissions	10.00	10.70	10.20	10.15
Donations .....	.26	.21	.20	.19
Dues and Subscriptions	1.28	1.85	1.62	3.46
Legal Services .....	.57	.30	.76	.61
Light	1.09	.89	.89	.92
Maintenance and Repair (Included in Rent Paid)				
Postage, Tel. and Tel.	2.18	1.94	2.00	2.30
Printing and Stationery	1.82	1.71	2.49	2.80
Rent Paid	6.36	5.30	5.44	6.05
Reserved for Ins. Losses	1.90	1.99	1.90	1.92
Reserved for Misc. Taxes	1.27	1.38	1.26	1.28
Reserved for Federal Income Taxes	13.65	21.15	22.68	15.29
Salaries of Officers {	48.60	43.50	41.00	44.53
Salaries of Employees }				
Sundry Expenses	6.13	4.87	5.33	6.21
Travel, Entertainment, etc. ....	.36	.29	.31	.38
Public Record—Take-off	3.44	2.72	2.87	2.57
Insurance (Included in Rent Paid)				

No. 16—Population Under 500,000—Title Insurance, Abstracts

ITEM	1949	1950	1951	1952
Advertising .....	.13	.14	.14	.61
Commissions	7.25	8.10	7.50	7.85
Donations .....	.43	.37	.29	.31
Dues and Subscriptions .....	.43	.49	.85	.98
Legal Services .....	.78	.56	.77	.66
Light .....	.32	.33	.27	.31
Maintenance and Repair (Included in Rent Paid) .....	.....	.....	.....	.....
Postage, Tel. and Tel.	1.95	1.82	1.63	1.72
Printing and Stationery	1.20	1.99	1.15	2.34
Rent Paid	3.26	2.56	2.32	2.48
Reserve for Insurance Losses	5.38	5.55	5.16	5.16
Reserve for Misc. Taxes	1.43	1.37	1.17	1.26
Reserve for Federal Income Taxes	13.79	19.21	23.91	24.38
Salaries of Officers }	57.75	49.75	43.74	44.43
Salaries of Employees } .....	.....	.....	.....	.....
Sundry Expenses	4.25	4.23	6.44	2.39
Travel, Entertainment, etc. ....	.61	.51	.40	.43
Public Record Take-off	1.04	3.02	2.66	2.97
Insurance (Included in Rent Paid) .....	.....	.....	.....	.....
Retirement Fund .....	.....	.....	1.60	1.72

No. 17—Population Rural—Abstracts

ITEM	1949	1950	1951	1952
Advertising	2.3	3.1	3.6	2.7
Commissions .....	.5	.6	1.7	1.1
Donations .....	.3	.7	.1	.1
Dues and Subscriptions	1.1	.5	.4	.4
Legal Services .....	.....	.....	.....	.....
Light and Janitors' Supplies	2.0	2.0	2.1	1.7
Maintenance and Repair	6.9	12.6	10.7	10.5
Postage, Tel. and Tel.	1.5	1.7	1.5	1.2
Printing and Stationery	1.8	1.4	2.6	2.4
Rent Paid .....	.....	.....	.....	.....
Reserved for Ins. Losses .....	.....	.....	.....	.....
Reserved for Misc. Taxes .....	.....	.....	.....	.....
Reserved for Federal Income Taxes	6.7	3.6	.3	.....
Salaries of Officers	31.9	31.1	33.6	39.8
Salaries of Employees	23.3	19.4	20.2	14.2
Sundry Expense	1.9	1.8	2.4	3.3
Travel, Entertainment, etc. ....	.3	.3	.4	.2
Public Records—Take-off .....	.....	.....	.....	.....
Insurance	5.9	6.3	5.9	5.2
Real Estate Taxes	3.6	6.0	6.2	8.0
Personal Taxes	2.0	.9	1.2	1.4
F.I.C.A. Taxes .....	.2	.8	.6	.9
Interest	2.1	2.3	.9	1.7
Depreciation	5.1	4.9	6.5	5.1
Loss on Sale of Real Estate .....	.6	.....	.....	.....

Our firm not only deals in abstracts, but also real estate, insurance, loans and income tax service. The above percentages reflect the expense for all departments and mean little in a survey of this kind.

No. 18—Population Under 500,000—Abstracts

ITEM	1949	1950	1951	1952
Advertising	1.393	1.088	1.818	1.574
Commissions	4.139	4.283	4.138	4.124
Donations	1.345	1.272	.516	.622
Dues and Subscriptions .....	.470	.481	.429	.401
Legal Services .....				.150
Light and Janitors' Supplies.....	2.031	2.023	1.625	.864
Maintenance, Repair and Depreciation	2.315	2.094	2.304	2.267
Postage, Tel. and Tel. ....	.934	.909	.911	.972
Printing and Stationery	2.529	2.856	2.833	2.999
Rent Paid	3.103	2.932	3.209	3.225
Losses .....	.065	.014*		.005
Reserved for Misc. Taxes.....	2.093	2.466	2.294	2.227
Reserved for Federal Income Taxes....	5.715	8.669	5.466	5.208
Salaries of Officers	18.967	16.082	16.048	16.122
Salaries of Employees	48.614	48.739	53.247	52.924
Sundry Expense				
Travel, Entertainment, etc.	1.267	1.927	1.119	1.748
Public Records—Take-off	1.435	1.743	1.895	1.996
Insurance .....	.988	.926	.892	.930
Other Direct Expense .....	.964	.516	.393	.662
Other Administrative Expense.....	1.631	.863	.861	.979

*Credit.

No. 19—Population Rural—Abstracts, Title Insurance Agency

ITEM	1949	1950	1951	1952
Advertising .....	.05		.05	.07
Commissions				
Donations				
Dues and Subscriptions.....	.0025		.003	.003
Legal Services				
Light and Janitors' Supplies.....	.004		.004	.004
Maintenance and Repair } Postage, Tel. and Tel. } Printing and Stationery }	30.0	30.0	30.0	30.0
Rent Paid				
Reserved for Ins. Losses.....				
Reserved for Misc. Taxes.....	.02		.02	.02
Reserved for Federal Income Taxes.....				
Salaries of Officers	32.0	33.0	35.0	39.884
Salaries of Employees.....	29.0	30.0	30.0	30.0
Sundry Expense				
Travel, Entertainment, etc. ....	.005	.005	.005	.01
Public Records—Take-off				
(Included in Maintenance and Repair)				
Insurance .....			.005	.009

Ours is a small corporation and we never let it make a profit. If we do a good business the President of the company does OK, if not, then he doesn't do quite so good. Our business for the last three years has been only fair and volume about the same.

LOCATION—FIRMS 20 TO 21, INCLUSIVE—SOUTHWEST
No. 20—Population Under 500,000—Title Insurance, Abstracts

ITEM	1949	1950	1951	1952
Advertising	3.721	2.903	3.715	3.435
Commissions	1.137	1.105	.448	.007
Donations .....	.040	.010	.014	.008
Dues and Subscriptions .....	.906	.841	1.210	1.350
Legal Services	6.038	6.153	4.136	2.891
Light and Janitors' Supplies.....	.726	.688	.963	.864
Maintenance and Repair				
Postage, Tel. and Tel.	3.074	3.154	2.843	3.398
Printing and Stationery	3.374	3.305	2.850	3.713
Rent Paid	5.381	5.485	6.674	7.166
Reserved for Ins. Losses.....				
Reserved for Misc. Taxes.....	3.024	3.032	2.231	2.263
Reserved for Federal Income Taxes.....				
Salaries of Officers.....	13.546	10.725	12.772	14.885
Salaries of Employees.....	44.148	44.597	47.556	47.113
Sundry Expense	6.558	7.415	5.208	5.497
Travel, Entertainment, etc.	1.760	1.655	1.935	2.060
Public Records—Take-off				
Insurance .....	.370	.367	.540	.609
Interest	3.902	6.250	4.050	1.699
Depreciation, F. and F.....	2.295	2.315	2.855	3.033

No. 21—Population Rural—Title Insurance, Abstracts

ITEM	1949	1950	1951	1952
Advertising	3.0	2.0	3.0	2.0
Commissions				
Donations				
(Charged to Advertising and Dues and Subscriptions)				
Dues and Subscriptions	1.0	1.0	1.0	1.0
Legal Services	1.0	1.0	1.0	
Light and Janitors' Supplies.....	3.0	2.0	2.0	2.0
Maintenance and Repair				1.0
Postage, Tel. and Tel.	3.0	2.0	2.0	2.0
Printing and Stationery	2.0	2.0	1.0	1.0
Rent Paid	1.0	1.0	2.0	2.0
Reserved for Ins. Losses	1.0	1.0	1.0	
Reserved for Misc. Taxes	2.0	2.0	2.0	2.0
Reserved for Federal Income Taxes.....	3.0	8.0	6.0	7.0
Salaries of Officers	20.0	21.0	25.0	25.0
Salaries of Employees	39.0	36.0	37.0	35.0
Sundry Expense	2.0	2.0	1.0	
Travel, Entertainment, etc.	2.0	2.0	2.0	2.0
Other Abstract Expense	3.0	2.0	1.0	1.0
Insurance	2.0	1.0	1.0	2.0
Automobile	2.0	2.0	2.0	2.0
Depreciation	4.0	4.0	5.0	5.0
Director's Fees	1.0	1.0	2.0	2.0
Interest Expense	5.0	7.0	3.0	3.0
Employees' Profit-Sharing Trust.....				3.0

LOCATION—FIRMS 22 TO 24, INCLUSIVE—NORTHWEST

No. 22—Population Over 500,000—Title Insurance, Abstracts

ITEM	1949	1950	1951	1952
Advertising .....	.030	.020	.024	.007
Commissions .....	.030	.030	.030	.032
Donations .....	.002	.002	.002	.002
Dues and Subscriptions .....	.003	.002	.003	.003
Legal Services .....	.010	.004	.004	.....
Light and Janitors' Supplies .....	.004	.004	.010	.009
Maintenance and Repair .....	.001	.001	.002	.002
Postage, Tel. and Tel. ....	.013	.011	.010	.015
Printing and Stationery .....	.022	.030	.030	.026
Rent Paid .....	.030	.023	.040	.033
Reserved for Ins. Losses .....	.050	.042	.051	.050
Reserved for Misc. Taxes .....	.030	.030	.032	.029
Reserved for Federal Income Taxes .....	.140	.170	.090	.163
Salaries of Officers .....	.090	.060	.060	.063
Salaries of Employees .....	.450	.480	.495	.491
Sundry Expense .....	.040	.020	.037	.012
Travel, Entertainment, etc. ....	.010	.020	.020	.014
Public Records—Take-off .....	.035	.040	.040	.039
Insurance .....	.010	.011	.020	.010

No. 23—Population Under 500,000—Title Insurance

ITEM	1949	1950	1951	1952
Advertising .....	.612	.53	.361	.443
Commissions .....	.....	.....	.....	.....
Donations .....	.25	.204	.264	.285
Dues and Subscriptions .....	.38	.296	.368	.444
Legal Services .....	.....	.....	.....	.....
(Very Little—Included in Sundry Exp.)				
Light and Janitors' Supplies .....	.144	.125	.128	.122
Maintenance and Repair .....	.....	.....	.....	.....
(Very Little—Included in Sundry Exp.)				
Postage, Tel. and Tel. ....	.775	.805	.827	.818
Printing and Stationery	1.775	1.494	1.882	1.183
Rent Paid	2.256	1.773	1.944	2.039
Reserved for Ins. Losses	8.332	10.755	7.096	2.96
Reserved for Misc. Taxes	3.642	3.646	4.551	2.664
Reserved for Federal Income Taxes	25.293	30.495	31.169	40.18
Salaries of Officers	13.835	12.622	13.17	12.97
Salaries of Employees	40.424	35.758	36.282	33.888
Sundry Expense	1.384	.91	1.234	1.288
Travel, Entertainment, etc. ....	.381	.276	.336	.286
Public Records—Take-off .....	.....	.....	.....	.....
(Included in Salaries of Employees)				
Insurance (Fire and Liab.) .....	.517	.311	.388	.43

No. 24—Population Under 500,000—Title Insurance

ITEM	1949	1950	1951	1952
Advertising	4.3	2.8	4.1	7.49
Commissions				
⁵ Donations .....	.8	1.0	.6	
Dues and Subscriptions .....	.9	.7	.7	
Legal Services	1.2	1.1	1.0	1.10
¹ Light and Janitors' Supplies				
Maintenance and Repair .....	.3	.3	.3	.42
Postage, Tel. and Tel.	2.8	2.4	2.1	2.83
Printing and Stationery	4.1	3.8	3.7	3.07
Rent Paid	1.8	1.4	1.0	1.27
⁴ Reserved for Ins. Losses .....	.5	.9	.8	1.24
Reserved for Misc. Taxes	2.5	3.5	3.1	2.87
Reserved for Federal Income Taxes	8.3	16.1	25.3	15.83
⁶ Salaries of Officers	17.9	14.4	12.2	
Salaries of Employees	44.6	43.0	36.9	56.31
Sundry Expense	1.5	1.4	1.2	1.15
Travel, Entertainment, etc.	3.8	3.2	3.2	1.62
² Public Records—Take-off				
³ Insurance	3.0	2.5	2.2	2.43
Equipment Depreciation	1.7	1.5	1.6	2.37

¹Included in rent paid.

²Included in salary. Separate cost not available.

³Includes employee Group Insurance.

⁴Losses actually paid.

⁵Included in advertising.

⁶Included in salaries of employees—1952.

**LOCATION—FIRMS 25 TO 26, INCLUSIVE—
LOCATION UNKNOWN**

No. 25—Population Over 500,000—Title Insurance, Abstracts

ITEM	1950	1951
Advertising .....	.4	2.7
Commissions	7.5	6.6
Donations		
Dues and Subscriptions .....	.3	.3
Legal Services .....	.2	.1
Light and Janitors' Supplies .....	.7	.6
Maintenance and Repair	1.0	1.4
Postage, Tel. and Tel.	1.5	1.4
Printing and Stationery	1.5	1.7
Rent Paid	1.2	1.1
Reserved for Ins. Losses	4.3	3.9
Reserved for Misc. Taxes .....	.7	.6
Reserved for Federal Income Taxes	7.3	10.5
Salaries of Officers	5.8	5.2
Salaries of Employees	55.8	53.6
Sundry Expense	1.1	1.1
Travel, Entertainment, etc. ....	.8	.7
Public Records—Take-off	2.0	1.1
Insurance .....	.3	.5
Pensions .....	.6	1.2
Payroll Taxes and Other Employee Benefits	3.3	3.4
Employee Bonuses	2.4	.8
Depreciation	1.3	1.5

No. 26—Population Over 500,000—Title Insurance

ITEM	1949	1950	1951
Advertising	4.72	2.06	1.62
Commissions	11.91	9.99	8.47
Donations			
Dues and Subscriptions			
Legal Services .....	.55	.33	1.60
Light and Janitors' Supplies			
Maintenance and Repair	3.51	2.09	2.31
Postage, Tel. and Tel.	2.49	2.24	2.15
Printing and Stationery	2.74	1.87	1.52
Rent Paid	2.83	1.87	1.53
Reserved for Ins. Losses	2.88	3.89	3.34
Reserved for Misc. Taxes	1.27	1.15	1.59
Reserved for Federal Income Taxes	6.71	12.81	12.77
Salaries of Officers	13.56	18.29	28.95
Salaries of Employees	28.98	26.52	16.09
Sundry Expense	1.20	1.37	2.37
Travel, Entertainment, etc. ....	.56	.80	.97
Public Records—Take-off			
Insurance .....	.86	4.25	6.14
Depreciation—Buildings			1.23
Abstracting Expense	15.23	10.47	7.35