

# TITLE NEWS

DO NOT REMOVE

THE OFFICIAL PUBLICATION OF THE  
AMERICAN LAND TITLE ASSOCIATION®



SEPTEMBER, 1965



## **PRESIDENT'S MESSAGE**

September, 1965

Dear Friends in the Title Profession:

Underlying the apparent quiet of this "long hot summer," there has been a gratifying volume of constructive activity among the ALTA officers, the staff, and the various committee members.

It has been my pleasure to attend many conventions of affiliated state title associations. In addition, Vice President, Don B. Nichols, and Section Chairmen, George Garber and Al Robin, have represented the Association at many state meetings. So has Jim Robinson. Bill McAuliffe has thrown himself into the work of the national office with enthusiasm. Already he is grappling with industry problems. You have received his first Washington report, "Capital Comment," and he has asked me to urge each of you to write him offering suggestions regarding ways in which he may be helpful.

The response to the survey on Errors and Omissions Insurance Coverage prepared by George Harbert's committee has been splendid. ALTA members have also received copies of the proposed Certified Land Title-Searcher Institute Constitution and By-Laws, distributed for Tom McDonald's committee; and copies of the Proposed Model Commitment form disseminated on behalf of the Standard Forms Sub-Committee, headed by John Mills. Listing forms have been mailed to all members, and work on the 1966 Directory is proceeding according to schedule. ALTA's public relations program continues to show results, with letters pouring into the national office and press coverage being achieved in newspapers and magazines in many parts of the country. All of these activities will be reported more fully at the Annual Convention in Chicago.

Plans for the Convention are shaping up nicely under the Chairmanship of Al Long. The Ice Breaker Reception, Sunday, October 3, will be sponsored by titlemen and women from Illinois, Indiana, Iowa, Missouri, Michigan, and Wisconsin. The local committees are working vigorously to assure your comfort and entertainment. If you haven't already sent your convention registration to the National Office. I urge you to do so now.

Sincerely,  
Joseph S. Knapp, Jr.

# TITLE NEWS

THE OFFICIAL PUBLICATION OF THE  
AMERICAN LAND TITLE ASSOCIATION

EDITORIAL OFFICE: Premier Bldg., 1725 Eye St., N.W., Washington, D.C. 20006 296-3671

<i>FEATURES</i>	Missouri vs. Kentucky	2
	The Effect of Death or Incompetency	4
	ALTA Ladies Will Love Chicago	6
	Urban Renewal Expert To Address Titlemen	7
	Commerce and Industry Chief to Welcome ALTA Delegates	8
	Noted Speaker Confirmed for Convention	9
	McAuliffe Introduced to Washington	10
	Regional Public Relations Meeting in Florida	12

<i>DEPARTMENTS</i>	President's Message	<i>Inside front cover</i>
	Letters	13
	State Association Corner	
	Texas	14
	Idaho	17
	New York	18
	From the Federal Register	20
	In the News	21
	In Memoriam	<i>Inside back cover</i>
	Meeting Timetable	<i>Inside back cover</i>

*VOLUME XLIV* TITLE NEWS, SEPTEMBER, 1965

*NUMBER 9*  
1965

ON THE COVER: The cover of this issue of Title News is guaranteed to dispel any doubt that the reception afforded National President, Joseph S. Knapp, Jr., by the Texas titlemen who attended the Texas Convention in El Paso was warm and friendly. It is apparent that President Knapp responded in kind.

JAMES W. ROBINSON, *Editor*  
FRANK H. EBERSOLE, *Assistant Editor and  
Manager of Advertising*

# MISSOURI vs. KENTUCKY



Did you ever travel by boat to vote? Probably not, but if you live on Wolf Island, Kentucky, you do every year. It is a unique piece of real estate, now rather firmly attached to Missouri but still a part of Kentucky. It has an interesting history.

In 1859 the State of Missouri brought her original bill against the State of Kentucky in the Supreme Court of the United States to establish by a court decree the boundary between the two states and to determine specifically the ownership of Wolf Island, which is located in the Mississippi River about 20 miles below the mouth of the Ohio.

The Supreme Court in a well considered opinion, (State of Mis-

souri vs. State of Kentucky, 11 Wall (U.S.) 395), handed down eleven years later in 1870, held that the treaty between France, Spain, and England, in February 1763, stipulated that the middle of the River Mississippi should be the boundary between the British and the French territories on the continent of North America. And this line has remained ever since as they settled it. It was recognized by the treaty of peace with Great Britain of 1783 and by different treaties since then, the last of which resulted in the acquisition of the territory of Louisiana by the United States in 1803. Kentucky succeeded in 1792 to the ancient right and possession of Virginia which extended,

by virtue of these treaties, to the middle of the bed of the Mississippi River. The Supreme Court said:

"It follows, therefore, that if Wolf Island, in 1763, or in 1820, or at these dates, was east of this line, the jurisdiction of Kentucky rightfully attached to it. If the river has subsequently turned its course, and now runs east of the island, the status of the parties to this controversy is not altered by it, for the channel which the river abandoned remains, as before, the boundary between the States and the island does not, in consequence of this action of the water, change its owner."

The Court then went into a lengthy discussion of the proof presented by both parties and decided that maps made by early explorers, being but hearsay evidence, should not control over testimony of old residents of the area. The Court took into consideration the character of the soil and trees of the island as compared with the soil and trees of Missouri and Kentucky respectively and the natural changes produced by the physics and hydraulics of the river. The proof generally showed that the main channel of the Mississippi used to be West of Wolf Island and that Wolf Island probably once was connected by land to the main Kentucky shore and the River had gradually changed its course and widened the gap between the Island and Kentucky. Indeed one old settler testified that in early times he had walked from the Kentucky side to the Island nearly all the way on dry land and the residue on driftwood and noticed while on

the island that there was plenty of water in the Missouri channel.

The Court finally adjudged that Wolf Island was a part of Kentucky and that the main channel of the river had gradually changed but at the time of the treaty the middle of the River was west of Wolf Island.

Since the decision in 1870 the channel has changed more and Wolf Island, though a part of Hickman County, Kentucky, is entirely cut off from the rest of Kentucky by the main body of the Mississippi River. Its inhabitants must go by Ferry Boat to reach the polls in Columbus, Kentucky, in order to vote. Water still stands in what is called the "Chute" between the Island and Missouri. However, the "Chute" is crossed by automobiles when the water is low and the weather dry. Folks take the ferry from Columbus, Kentucky, to Missouri and then in those dry summers can drive their cars across the "Chute" which used to be the main channel of the Mississippi River.

The ancient treaty of 1763 thus still affects the ever shifting waters of the Mississippi River and in time its eastward movement may deposit more and more soil onto Wolf Island until we have a very large part of Kentucky lying West of the Mississippi River separating Missouri from the waters of its original River boundary.

By JOHN S. OSBORN, Jr.,  
Senior Vice President and  
General Counsel, Louisville  
Title Insurance Company,  
Louisville, Kentucky.  
Reprinted from the  
"Missouri Titlegram."

# WHAT IS THE EFFECT OF DEATH OR INCOMPETENCY ON AN ESCROW?



BY HAROLD J. HURLEY, ASSOCIATE COUNSEL  
TITLE INSURANCE AND TRUST COMPANY

**T**HIS question has often been presented to our law division. The general rule may be stated thusly: "When a true escrow has been created, it is not revoked by the death or incapacity of either party thereto during the time fixed for performance. If the party entitled to the benefits of the instrument deposited with the escrow holder fully performs within the time limit specified in the escrow instructions he is entitled to receive delivery of said instrument from the escrow holder."

The application of this rule de-

pends upon whether a true escrow exists.

The term *escrow* is generally applied indiscriminately to most real estate transactions to effect a concurrent exchange of money and instruments through the medium of a stakeholder.

Therefore, it is necessary to determine in each factual situation the nature and legal effect of the "escrow" involved.

I

A *true escrow* is one based upon a valid contract for the sale of real property. If the escrow instruc-

tions contain all of the elements of such a contract, then a separate instrument is not necessary. The seller must also deposit a deed to the property in question with the escrow holder for delivery to the purchaser within a specified time upon the payment of the purchase price and performance of other conditions.

Under this type of escrow, if the seller dies prior to the expiration of the time prescribed for performance by the purchaser, and if the purchaser fully performs within the time limit, he is entitled to the delivery of said deed as a matter of law.

As a practical matter, however, probate proceedings may be required for such purposes as obtaining the necessary inheritance release, having a qualified person to whom the escrow holder may safely pay the purchase money, or the escrow holder may not desire to sit in judgment as to whether the purchaser has fully performed all of the conditions, other than the payment of money, within the time specified. Also a title insurer usually requires a Probate Code Section 850 order before it will insure title in the purchaser.

## II

*Deposit Escrow*—Where the

seller deposits a deed with an escrow holder under instructions to deliver the deed to the buyer upon the payment of the purchase price and the escrow is not supported by a valid contract of sale. The seller dies or becomes incompetent before the buyer pays the purchase price. It has been held under these circumstances that the relationship between the seller and the escrow holder is that of principal and agent. Under C. C. 2355, an agency is terminated by death or incapacity of the principal. It has also been held that this was merely an offer revocable at any time before the purchase price was paid, and that it was not a true escrow.

## III

*Escrow Without Deposit*—In a situation where buyer and seller execute escrow instructions which constitute a full and complete valid contract, but no deed is deposited with the escrow holder at that time, unless and until the deed is deposited, this is not a true escrow. If the seller dies, the buyer's means of obtaining title upon the performance of the contract by him is by way of a deed from the representative of the deceased seller's estate made pursuant to an order of the probate court.

# ALTA LADIES

## WILL LOVE

### CHICAGO



#### TIPS ON WHAT TO WEAR FROM THE CHAIRMAN OF THE LADIES' HOSPITALITY

**A**UTUMN in Chicago is our nicest season. How fortunate we are to have all of you ALTA ladies to enjoy it with us in October! The days are usually sunny and crisp with cooler evenings. Lake Michigan is Chicago's "air conditioner", and a breeze from the Lake can make the Loop area much cooler than the suburbs. A warm coat or stole is a must for the evenings.

For daytime wear, we suggest you bring several dark cottons or light weight dresses, a suit or knits . . . and you'll be prepared for any range in temperature.

Headquarters for our convention is the Sheraton-Chicago Hotel located on North Michigan Avenue in the heart of exciting shopping. A short cab ride will put you on "State Street—that Great Street"—so publicized in the song. Here you will

find world-famous Marshall Field & Company and many other wonderful stores.

Our hospitality suite will be open every day in the Tropical Room of the Sheraton-Chicago for coffee and rolls. We hope you will join us each day as we are planning many things to entertain you.

The ladies luncheon will be in the Guildhall of the Ambassador West Hotel—once again, a short cab ride.

Plans can be made for trips through Old Town, Marina City, museums, and the Merchandise Mart. We do not want any of you to leave Chicago feeling you have missed the highlights of our city. It will be our pleasure to show them to you.

Cordially,  
Kit Long  
(Mrs. Alvin W.)



# URBAN RENEWAL EXPERT TO ADDRESS TITLEMEN

AT THE meeting of the Title Insurance Section, Tuesday, October 5, Convention delegates will be treated to a well rounded discussion of all facets of community development and urban renewal. To handle the second phase of this important subject is John H. Muller, Senior Vice President of The Equitable Life Assurance Society of the U.S.

Mr. Muller was graduated from Stevens Institute of Technology with the degree of Mechanical Engineer and recently was honored with the degree of Doctor of Engineering.

Mr. Muller joined the Equitable Life Assurance Society in 1937 having become interested in real estate management and financing. He directed the liquidation of a vast

JOHN H. MULLER



number of foreclosed properties and as economic conditions improved initiated a program of large scale housing construction and residential mortgage financing.

Mr. Muller has for some years directed the continuing work of planning and constructing Equitable's Gateway Center in Pittsburgh which has come to be known as "the most ambitious municipal face lifting job in America." He has become an authority in the field of real estate planning, financing, construction and management and is a member of many committees and Boards of Directors in these related fields.

Mr. Muller is Vice Chairman of the Board of Trustees of Stevens Institute of Technology and Chairman of its Executive Committee; Director and Member of the Executive Committee of the Lafayette National Bank of Brooklyn; Trustee of Central Savings Bank; Director and Member of the Executive Committee of Home Title Division of Chicago Title Insurance Company; President, Director and Member of Executive Committee of the ACTION Council For Better Cities; President of the Avenue of the Americas Association; Vice President and Director of West Side Association of Commerce; Director of Broadway Association; Director of Owners Division and Member of Education Committee of the Real Estate Board of New York; and active in many other civic organizations.

# COMMERCE AND INDUSTRY CHIEF TO WELCOME ALTA DELEGATES

**T**HE City's official greeting to ALTA members attending the 59th Annual Convention in Chicago will be extended by a distinguished executive.

Since January, 1954, Thomas H. Coulter has coordinated the civic efforts of more than ten thousand Chicago business executives and professional men who comprise the largest metropolitan Chamber of Commerce in America. As Chief Executive Officer of the Chicago Association of Commerce and Industry, he directs an association of business leaders who operate America's most diversified manufacturing complex, and most extensive transportation and distribution facilities in the world.

Born in Winnipeg, Canada, in 1911 (now an American citizen), he was graduated from Carnegie Institute of Technology in 1933. Further studies earned for him the Master's Degree in Economics and Business from the University of Chicago in 1935.

Mr. Coulter's background has been largely in business as an executive and a management consultant. He has traveled extensively, built and operated plants in Australia and the Far East, and has broad experience in world trade.

His business career began in 1935



THOMAS H. COULTER

and for the next twenty years he was engaged with Chicago enterprises in manufacturing and consulting before assuming his present responsibility.

Mr. Coulter is active as a civic leader. In addition to his many Association responsibilities, he is a Director of numerous organizations, including the Chicago Crime Commission, Chicago Council on Foreign Relations and the National Export Expansion Council; a Trustee of Presbyterian-St. Luke's Hospital and Skokie Valley Community Hospital.

In 1956 he was a member of a Management Seminar Team sent to the Middle East under the sponsorship of the International Cooperation Administration. In 1958 he served in a similar capacity in a Top Management Seminar Team sent to Japan. In recent years he has been very active in promoting exports from the U.S.A. and developing new foreign trade opportunities for Chicago and Mid-American business.

Mr. Coulter is married, the father of four children, and resides in the Village of Golf, a Chicago suburb.



EDWARD McFAUL

SOME speakers have the enviable capacity to drive home an important truth in such a manner as to be both profound and entertaining. Such a speaker is Ed McFaul, the "serious humorist," who will address the Abstracters Section meeting, Tuesday morning, October 5, at the Sheraton-Chicago Hotel.

Edward McFaul was born in Wisconsin. His father and grandfather were prominent in the lumber industry of that state. For the past thirty years, McFaul has been active in the fields of Personnel Management, selling and University teaching.

He received his Master of Arts degree from the University of Michigan and continued his formal training at the Harvard School of Business Administration and the University of Edinburgh, Scotland. He taught for several years at Northwestern and DePaul Universities.

During World War II McFaul served four years with the U.S.

## Noted Speaker Confirmed For Convention

Navy in the Pacific Theatre—finishing his sea duty at Iwo Jima.

He has spoken in nearly every state in the union as well as in Canada, Scotland, Ireland, and England. These wide contacts have given him an unusual understanding of people—an understanding reflected in the success of his talks.

Mr. McFaul is the man about whom Dale Carnegie has said, "In my opinion, Edward McFaul is a superb speaker—one of the finest on the American platform."

Among his clients, Mr. McFaul proudly points to a list that reads like Standard and Poor's.

Mr. McFaul's subject will be, "How To Keep Your Foot Out Of Your Mouth."

POSTER REPRODUCTIONS  
OF ALTA ADVERTISEMENTS  
APPEARING IN THE  
SATURDAY EVENING  
POST  
**\$1.25 EACH**  
*Order a Supply*  
**TODAY**



LUNCHEON GUESTS DISCUSS INDUSTRY PROBLEMS



ALTA staff girls, Lynn Dennard (left) and Carol Ann Herbert provide glamour at the luncheon.



BILL McAULIFFE (left) HAS A SERIOUS TALK WITH PHILIP N. BROWNSTEIN (center) AND CHARLES STEWART.

ALTA's newly appointed Executive Vice President, William J. McAuliffe, Jr., assumed his duties as chief staff officer of the American Land Title Association July 1, 1965.

On July 22 McAuliffe was the guest of honor at a luncheon at the Mayflower Hotel, Washington, D. C., attended by many of the city's titlemen and by Government officials and others with whom he will be working very closely.

Among those who attended the luncheon were:

J. Stanley Baughman, President  
Federal National Mortgage Association

Howard Bernstein, Executive Vice President

District-Realty Title Insurance Corporation



J. STANLEY BAUGHMAN AND BILL McAULIFFE GET ACQUAINTED.

Hans O. Clasen, CLU, General Agent

John Hancock Mutual Life Insurance Company

Alexander C. Day, Manager

John Hancock Mutual Life Insurance Company

E. Spencer Fitzgerald, Executive Vice President



PART OF THE GROUP GATHERED AT THE MAYFLOWER TO MEET ALTA'S NEW EXECUTIVE VICE PRESIDENT.



ALTA'S EXECUTIVE VICE PRESIDENT (head of table) SMILES BROADLY AS THE TALK AROUND THE TABLE TURNS TO TITLE INSURANCE.

## McAuliffe Introduced to Washington

District-Realty Title Insurance Corporation

Samuel R. Gillman, President

American Real Title Corporation

Oliver Goodman, Financial Editor

The Washington Post

Mr. and Mrs. David Heller

Deane and David Heller

Stanley G. House, President

Stanley House and Associates

Ralph Koebel, Assistant General Counsel

Department of Agriculture

John Kopecky, Associate General Counsel

Federal Housing Administration

Frank W. Marsalek, Manager

Lawyers Title Insurance Corporation

Henrietta Morris, Owner

Henri Morris and Associates

Graham T. Northrup, Director of Governmental Relations

Mortgage Bankers Association

Fran Nowak, Director of Public Information

Federal National Mortgage Association

Robert Newton Reid, General Counsel

Federal National Mortgage Association

Charles Stewart, Director of Washington Office

National Association of Real Estate Boards

H. Stanley Stine, President

District-Realty Title Insurance Corporation

Sandy Witkowski, Assistant to General Counsel

Federal Housing Administration.



FLORIDA TITLEMEN GATHER TO SOLVE PUBLIC RELATIONS PROBLEMS.

## Regional Public Relations Meeting In Florida

AS part of the ALTA's comprehensive program of public relations, a meeting of Florida titlemen was held at the Fontainebleau Hotel in Miami Beach last month to exchange ideas about grass root public relations problems and their solutions.

Topics discussed included legislation; relations with county officials, lenders, homebuilders, lawyers and realtors; public relations techniques at the time of closing; and case histories of successful promotional programs. The titlemen attending the meeting expressed gratification at the success of this first Florida Public Relations roundtable.



TOP ROW: Percy Hopkins, Russ Smiley, Phil Cheaney, Tom McDonald  
BOTTOM ROW: Bill Cameron, M. R. McRae, R. O. Denham, and Hart McKillop



TOP ROW: Charles Mann, George Balfour, Jim Robinson  
BOTTOM ROW: Frank Lucente, Bob Workman, and Marv Brooker, Jr.

# LETTERS



## Federal National Mortgage Association Housing and Home Finance Agency

811 Vermont Avenue N.W.,  
Washington, D.C. 20414

July 30, 1965

With sincere regret, I am informing you that Mr. Arthur A. Gretz, who has served the Association as Manager of its Philadelphia Agency Office since September 7, 1950, is retiring from Government service effective July 31, 1965.

We, in FNMA, feel that the Association has been fortunate in having had Mr. Gretz as its Philadelphia Manager for about fifteen years and are sorry he is terminating his services at this time. I am confident that this feeling is also shared by the many hundreds of organizations and individuals that have done business with Mr. Gretz during the last fifteen years or so.

Because of Mr. Gretz's retirement, certain personnel changes will be necessary in FNMA's Philadelphia organization. You will be glad to know, however, that there will not be any interruptions of your relationship with the Association as a consequence of these changes since the positions will be filled by people with whom you have been dealing for some time.

I take pleasure in announcing the following personnel actions: Mr. Kevin E. Keegan, who has been serving as Assistant Agency Manager (Administration) since September 7, 1950, has been ap-

pointed Agency Manager to succeed Mr. Gretz;

Mr. Phillip J. Lynch has been appointed Assistant Agency Manager (Administration) to fill the position being vacated by Mr. Keegan;

Mr. Harry F. Bickford has been appointed Assistant Agency Manager (Loans) to take over Mr. Lynch's former duties. The above appointments will be effective August 1, 1965.

I am sure that Mr. Keegan and his staff can count on receiving from your organization the same fine cooperation which has heretofore been extended to Mr. Gretz.

J. S. Baughman  
President

**GENUINE Engraved Stationery**

**FREE DIES AND PROOFS**

**LETTERHEADS**

**\$19.00 FOR 1000**

BUSINESS CARDS	500 FOR \$11.00	• 1000 FOR \$15.00
BUSINESS ANNOUNCEMENTS	500 FOR	28.00
RUBBER STAMPS	• 60¢ PER LINE	• OVER 3 1/4" \$1.20 PER LINE
NOTARY OR CORP SEALS	• HAND OR DESK	\$7.95

**Write for FREE PROOF TODAY**

**DEWBERRY ENGRAVING CO.** | **WORLD'S LARGEST ENGRAVER**

3201 SO. 4TH AVE., BIRMINGHAM, ALA.



State Association  
**CORNER**



DELEGATES AND GUESTS "DRESS UP" FOR THE ANNUAL BANQUET



DISTINGUISHED TEXAS TITLEMEN AND THEIR WIVES RELAX BEFORE DINNER



ABOVE: (top) Retiring President Duke Taylor receives a plaque from the newly elected President, Frank Stamper. (bottom) Jack McAninch is honored as the Texas Titleman of the Year. William J. Harris presents the award.



LEFT: Past Presidents of the Texas Land Title Association meet for lunch.



# AN OUTSTANDING CONVENTION IN TEXAS



MR. AND MRS. FRANK STAMPER (left) AND MRS. AND MR. DUKE TAYLOR SURROUND THE ALTA NATIONAL PRESIDENT, JOSEPH S. KNAPP, JR.

If you have never attended a Convention of the Texas Land Title Association, you have a treat in store for you. Each year Herb Becker, assisting the Program Chairman and the other officers, sets a new standard for fine business programs and scintillating social events which leave the delegates exhausted but happy and fulfilled.

The 55th Annual Texas Convention, which was held May 13, 14, and 15, was no exception.

Before the Convention actually began, the registrants were transported from El Paso to Juarez, Mexico, to attend the races at the beautiful new million dollar race track. As they enjoyed an excellent dinner, they saw some of the finest

racing in Mexico. The ALTA President, Joseph S. Knapp, Jr., was called upon to present a trophy to the winner of the 9th race declared as the Texas Land Title Association Handicap.

On Friday, May 14, the Texas titlemen and women really got a workout. There were speeches, panel discussions, and open forum discussions that covered such subjects as closing statements, recent legal decisions, new developments in the abstract and title business, new methods and equipment, and legislative processes.

The Annual Banquet was held at the El Paso Country Club with authentic Mexican music, hors d'oeuvres, and liquid refreshments. Everyone who attended said it was the "best yet."



Mrs. Duke Taylor with two of the ladies who modeled fashions of Old Mexico at the Ladies' Lunch.



RIGHT COLUMN: (top) The entire new Board of Directors, Past President, Duke Taylor, Director Eastland, Vice President Weylandt, President, Frank Stamper, Secretary-Treasurer, J. W. McAninch, Directors Feuille and Half. (center) National President, Joseph S. Knapp, Jr., presents the Texas Land Title Association trophy to the owner of the winning dog in the 9th race (Texas Land Title Association Handicap) at Juarez Race Track in Mexico. An evening of racing was part of the convention entertainment. (bottom) Duke Taylor confers an honorary Texas citizenship on our President, Joe Knapp, by authority of Governor John Connally.





Left to right: Newly elected President, C. L. Schoenhut, Cascade; Roy A. Bowen, Vice President, Panhandle District, St. Maries; Mrs. Jeanette Pauli, Secretary-Treasurer, Boise; Dwain Stufflebeam, Vice President, Southeast District, Blackfoot; Mrs. Mary Davis, Vice President, Southwest District, Payette.

## IDAHO ELECTS SCHOENHUT

A HIGHLY successful Convention of the Idaho Land Title Association was held June 2-5 at the Downtowner Motel, Boise, Idaho. The following officers were elected for the ensuing year:

Mr. C. L. Schoenhut, Valley Land Title Co., Cascade, Idaho—President

Mrs. Jeanette Pauli, The Title Insurance Company, Boise, Idaho—Secretary-Treasurer

Mrs. Mary Davis, Payette County Abstract and Title Co., Payette, Idaho—Vice President, S.W. District

Mr. Ray Bowen, Benewah County Abstract Co., St. Maries, Idaho—Vice President, Panhandle District

Mr. Dwain Stufflebeam, Bingham Title and Trust Co., Blackfoot, Idaho—Vice President, Southeast District

The American Land Title Association was represented by George B. Garber, Chairman of the Title Insurance Section; Senior Vice President, Title Insurance and Trust Company, Los Angeles, California.

# NEW YORK STATE TITLE ASSOCIATION



ARTHUR J. SELTZER



RIGHT COLUMN: (top) Left to right, Matthew A. Campbell, guest speaker; Leo J. Sullivan, President; Commissioner Albert A. Walsh, guest speaker; Frank J. Laski, guest speaker; Lawrence A. Davis, President, Pennsylvania Land Title Association; Joseph S. Knapp, Jr., President American Land Title Association. (bottom) A group of New York State Title Association officers take time out from a busy convention schedule to pose for the ALTA camera.

**L**EO J. SULLIVAN, President of the New York State Title Association, announced that the Title Association in its recent Annual Convention held at The Otseaga, Cooperstown, New York, elected as President Arthur J. Seltzer, Senior Vice President of Metropolitan Title Guaranty Company. Other officers elected to take office November 1st are: Vice President-Southern Section, Thomas Sheehy, Vice President, The Title Guarantee Company; Vice President-Central Section, Clifford Wells, Vice President of Mid-State Abstract Corp.;



ABOVE: The wives of New York titlemen were royally entertained at the Otesaga in Cooperstown.



LEFT: Leo J. Sullivan, retiring President; Matthew A. Campbell, guest speaker; Arthur J. Seltzer, newly elected President; Dr. Ralph Damsker, guest speaker.

Vice President-Western Section, Ralph M. Garlock, Assistant Vice President, Abstract Title (Div. of) The Title Guarantee Company, Lockport, N.Y.; Treasurer, William G. Von Garlem, Vice President, City Title Insurance Company; Chairman of Title Insurance Section, Fuller Heath, Senior Vice President of American Title Insurance Company, Guaranteed Title Division; Chairman of Abstracters Section, Joseph L. Tauber, President, Commonwealth Abstract Company, New York City; and Executive Secretary, Edward T.

Brown, 111 Broadway, New York City.

The new President, Arthur J. Seltzer, has been associated with Metropolitan Title Guaranty Company for the past twenty years and as its Senior Vice-President is in charge of the Company's title operations and branch administration.

Mr. Seltzer, after leaving the United States Navy at the close of hostilities in World War II, attended Hunter College, Hofstra College and New York University. He resides with his wife and three children at Merrick, Long Island.

# FROM THE FEDERAL REGISTER



## TITLE 24—HOUSING AND HOUSING CREDIT

### Chapter II—Federal Housing Administration, Housing and Home Finance Agency

### Subchapter C—Mutual Mortgage Insurance and Insured Home Improvement Loans

#### Part 203—Mutual Mortgage Insurance and Insured Home Improvement Loans

##### Subpart B—Contract Rights and Obligations

##### Title Objection Waiver with Reduced Insurance Benefits

In Part 203 in the Table of Contents a new section heading is added as follows:

203.391 Title objection waiver with reduced insurance benefits.

In Part 203 a new section is added

to read as follows:

§ 203.391 Title objection waiver with reduced insurance benefits.

Payment of an insurance claim will not be refused solely because the title evidence reveals a condition of title not taken into consideration in the original appraisal and not covered by the provisions of § 203.389, or not otherwise waived in writing by the Commissioner. In such instances, the claim will be paid if the mortgagee agrees to accept a reduction in insurance benefits considered adequate by the Commissioner to compensate for any anticipated loss to the Mutual Mortgage Insurance Fund as a result of the existence of the title condition at the time of claim.

(Sec. 211, 52 Stat. 23; 12 U. S. C. 1715b; interprets or applies sec. 203, 52 Stat. 10, as amended; 12 U. S. C. 1709)

Issued at Washington, D. C., May 19, 1965.

Philip N. Brownstein,  
*Federal Housing Commissioner*  
[F. R. Doc. 65-5443; Filed, May 24, 1965; 8:48 a.m.]

# IN THE NEWS



## CONDOMINIUM TITLE CLOSINGS

Within less than two hours, 49 families took title recently to apartments they have purchased in the first two buildings to be built in Queens for condominium ownership. Under customary procedure, between 50 and 60 hours would have been required to complete the legal formalities involved and would have extended over several days.

It is believed to be the first instance in the New York area where title closings have been carried out on so large a scale.

The title closings were for the first 49 apartments in Heritage House East and Heritage House West, built by Alexander and Douglas Paulsen on 153rd Avenue in the Lindenwood section of Howard Beach, Queens. Each six-story building contains 78 apartments, ranging in size from studio suites to apartments with four bedrooms, three baths and two outdoor terraces, priced from \$10,000 to \$36,000. Two more similar buildings are now under construction.

The legal formalities, which permit the purchasers to start moving into their individually-owned apartments immediately took place Mon-

day morning (June 28, 1965), in the Nassau County office of The Dime Savings Bank of Brooklyn in the Green Acres Shopping Center at Valley Stream. The bank had financed construction of the two buildings to the extent of \$2,835,000.

The huge exhibition hall of The Dime's branch office presented an unusual appearance. Forty-nine tables, each with four chairs, were ranged in four rows the length of the hall facing a raised platform. On this platform, readable from all parts of the room, were huge blow-ups of each of the legal documents involved in the title closings. Each family taking title and its attorney were seated at the tables.

William A. Anzalone, vice president and attorney of The Dime of Brooklyn, welcomed the purchasers and explained that purchase of an apartment under the State's 15-month-old condominium ownership law gives the buyer the same legal status as the owner of a one-family home. He then explained each of the legal documents and the procedure to be followed in closing titles without loss of time.



On each table had been placed folders containing those documents which had been previously completed, except for signatures of the parties involved, and the 49 families and their attorneys followed along with the explanation being given from the platform.

When this was over, five attorneys representing The Dime of Brooklyn and five representatives of the Home Title Division of the Chicago Title Insurance Company, together with two attorneys representing the Paulsen Brothers and the General Apartment Corporation, moved from table to table signing and notarizing the legal papers and receiving from the buyer the money involved in each transaction. The Home Title closing attorneys were Ralph E. Schack, Theodore J. Scharfenberg and Robert Tomlin. Mr. Edward L. Dash, Regional Vice President and Mr. Carl O. Wachter, Vice President of the Mineola office of Home Title were also present.

Within two hours, all 49 titles had been closed and the purchasers were in possession of recordable deeds which give them the right to sell, rent, exchange, mortgage, or will to heirs their dwelling units and each one's portion of the common elements such as hallways, grounds, elevators, parking space, etc. All of this is spelled out in the deeds.

Unlike cooperative ownership, each purchaser under condominium thus has the same status of ownership in a multi-family building as he would have in an individual house.

The buyer obtains a conventional mortgage and pays it off in monthly installments. Each owner is assessed for tax purposes separately,

and to the monthly payment for mortgage principal and interest is added at Heritage House a relatively small amount each month for heat, taxes and insurance on the owner's apartment, and for maintenance of the grounds and other parts of the property which are owned in common by all the families in the building.

In a cooperative, the occupant of an apartment buys stock in a corporation that owns and manages the building. Should he want to move, he sells his stock to the corporation. Should another owner default, the rest of the owners must absorb mortgage payments, interest, taxes and other carrying charges in proportionate ratio. Under condominium ownership, this condition does not prevail. Owners are responsible only for their own obligations.

When The Dime Savings Bank of Brooklyn made a construction loan commitment to the Paulsen Brothers last year, George C. Johnson, chairman of the bank's board stated:

"Purchase under condominium represents a new type of home ownership in the state of New York, and we believe it will mark the start of a new era in residential construction and ownership here."

#### NEW DIVISION FOR AMERICAN TITLE

American Title Insurance Company, Miami, Florida, has established a National Sales Division, President Jay R. Schwartz announced.

Head of the new Division is Stanley M. Fisher, Senior Vice President of the Company and President of American Title Company of Michigan, a subsidiary. Mr. Fisher will



continue to direct the Detroit-based subsidiary, with branches throughout Michigan, and also will continue to manage American Title's operations in Wisconsin.

Detroit will be the base of the new National Sales Division, Mr. Schwartz said, "because it is such an important industrial and commercial center for major companies with properties located throughout the United States."

Branches of the new Division are currently located in San Francisco, Atlanta, Miami and New York, and work for national clients will be coordinated through the network of division offices, branches, agents and representatives maintained by American Title Insurance Company in forty states, the District of Columbia, Puerto Rico and the Virgin Islands.

The establishment of the San Francisco branch of the National Sales Division brings into American Title's organization as a Second Vice President a veteran in the title insurance and related fields in the San Francisco area. He is Robert S. Findlay, Jr., who has been in the industry at San Rafael, California, since 1947, and until recently was President and Board Chairman of the Cal-Marin Title Company, which he founded in 1962.

FISHER



In joining American Title, Mr. Findlay will serve also as the Company's Far West Service Officer in the states of California, Utah, Arizona, and Nevada. In that capacity, he will appoint underwritten title companies and agents as representatives of American Title.

American Title Insurance Company presently has a Division Office serving Los Angeles County, and through related companies serves Orange and Ventura Counties.

#### F. H. A.

Federal Housing Commissioner P. N. Brownstein has assured mortgage lenders that title matters automatically waived under FHA regulations will not later be disputed. Letters to FHA indicate that some mortgage lenders still are apprehensive that failure to obtain specific title waivers might, in some way, jeopardize future claims for insurance benefits.

FHA broadened coverage of its general waiver regulations in February 1965 to simplify the handling of title exceptions by including easements, restrictions, and other minor title objections considered customary by lenders. The move was designed to reduce the number of mortgagee letters requesting individual waivers.

FINDLAY



The broadened regulations have added customary easements, restrictions, and similar minor title objections, which prudent lending institutions and leading attorneys in the locality of the property find acceptable, to those title objections listed by the FHA which are waived automatically.

It is unnecessary for the mortgagee to ask the local FHA insuring officer for specific waiver determinations in such matters.

Title exceptions which do not impair value, but which are neither listed as waived nor considered common and customary locally, may be waived by FHA upon request of the mortgagee.

The new general waiver provisions are retroactive to the extent that, in claims filed on previously insured cases, FHA will not raise title objections in matters coming within the amended regulations.

#### AMERICAN TITLE NAMES TWO VICE PRESIDENTS

**F.** JAMES ROLANDO and N. L. Dumont, Jr., were elected Vice Presidents of American Title & Trust Company, Phoenix, Arizona, according to a recent announcement by James W. Walser, President.

ROLANDO



Rolando is from a pioneer Arizona family and was Executive Vice President of Guaranteed Title Company, New York City, before returning to Arizona. Prior to that he was International Marketing Director for Sylvania Electric Products, Inc. Rolando brings 19 years of marketing know-how to American and 6 years in title company management. He will direct the company's Business Development and Escrow Operations.

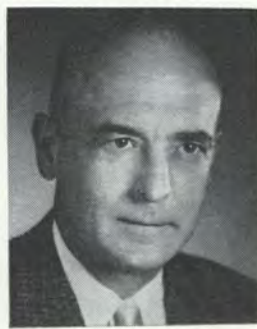
Dumont has been involved in all phases of title insurance, trust and loan administration in Phoenix for the past 23 years. For 17 years prior to that he was with Bankers Trust Company of New York City. As Senior Trust Officer, Dumont will administer American's Trust Operations.

#### GRIFFITH ELECTED STATE COUNSEL

**D**AVID T. GRIFFITH, JR. was elected California State Counsel for Lawyers Title Insurance Corporation by the Executive Committee of the Board of Directors meeting in Richmond, Virginia, on Wednesday, July 28, 1965.

Griffith, whose headquarters will be in Los Angeles, had been assistant county counsel for Santa Barbara County. He also served as

DUMONT



counsel to the County's Planning Commission and as legal adviser to the County's Water Agency and Flood Control District.

Lawyers Title opened a branch office in Los Angeles in 1964. This year the company established a National Division Office in Los Angeles and another branch office in San Jose.

### TRANSAMERICA ELECTS MAZZERA DIRECTOR

**T**RANSAMERICA Corporation directors, meeting in Seattle for the first time, elected Lloyd L. Mazzera to the Board. Mazzera, a well-known San Francisco banker, recently retired as head of Bank of America's world-wide loan activities.

Mazzera is still active with the Bank of America and serves as a member of the Advisory Council and two advisory committees of the Bank's Board of Directors. His career spans 49 years of California banking history, much of it as a long-time associate of A. P. Gianini, founder of both Bank of America and later (1928) Transamerica Corporation. Although there is no longer any connection between the two organizations, Mazzera brings to Transamerica a wealth of financial experience.

A resident of Oakland, California, Mazzera has held many offices and memberships in professional, civic, and charitable organizations. He was past Chairman of the Credit Policy Committee of the American Bankers Association, past Treasurer and Director of the California and San Francisco United Cerebral Palsy Associations, Director of the Salesian and San Francisco Boys Clubs, and Director of the Italian

Welfare Agency. Mazzera also serves as a Regent of the University of Santa Clara and has served in advisory capacities with the Small Business Administration.

### MBA OPPOSES DUAL CONTRACTS

**T**HE Mortgage Bankers Association of America, working with other national trade associations, has been diligent in its efforts to prevent the use of dual contracts in real estate transactions and to make as certain as possible that appraisals and statements made on applications for mortgage loans are accurate in every respect. "The use of dual contracts strikes at the very heart of the mortgage correspondent system in that it creates doubt in the minds of mortgage investors regarding the truthfulness and accuracy of appraisals in mortgage applications," stated Samuel E. Neel, the Association's acting Executive Vice President. "The national MBA has long fought this practice and will continue to do so," Neel stated.

Neel's remarks were occasioned by the announcement of the Texas Mortgage Bankers Association that, through the efforts of its members, working with other trade associations in Texas, the State Legislature had enacted an amendment to the Texas penal code which would make it unlawful to "substitute one instrument in writing for another and by this means cause the making of a loan or the extension of credit or induce by any fraudulent instrument in writing the making of a loan or the extension of credit." The bill states that such a transaction would be considered a misdemeanor

and, upon conviction, the guilty party or parties could be jailed for a period of six months and/or fined \$1,000. Any subsequent offenses would be considered a felony and the guilty party or parties fined up to \$5,000 and/or confined in the state penitentiary for a period up to five years for each offense.

"The use of dual contracts," Neel explained, "is the questionable means by which borrowers obtain more liberal financing by submitting a contract to the lender which increases the stated value of the property upon which the loan is based. In the case of mortgage financing, two contracts are signed by the purchaser and the seller—one stating the actual sales price of the property (this contract is considered the binding contract between the buyer and seller) and a second contract which inflates the sales price of the property in order to obtain from the lender a higher loan than is justified.

"We will continue to fight this unsavory practice and have sent letters and copies of the Texas Bill to all presidents of state and local Mortgage Bankers Associations, heads of allied trade associations, and key personnel in government and Congress. We will continue to cooperate with all these groups with the hope that the use of dual contracts may one day be declared illegal in every state of the union," Neel concluded.

#### CONOVER APPOINTED V.P.

**N.** CLEMENT SLADE, JR., President of Peninsular Title Insurance Company of Jacksonville, has announced the appointment of Leigh W. Conover as the Vice President and Manager of

North County Title and Abstract Company of Lake Park, Florida, a Peninsular subsidiary. Mr. Conover has had eighteen years experience in the title industry.

After attending Oberlin College, he went to work for Chelsea Title and Guaranty Company in Atlantic City, New Jersey, and served as Title Examiner, Closing Officer, Title Officer, Senior Title Officer, and Vice President.

Coming to Florida as President of Okaloosa Title & Abstract Company of Crestview, Florida, in 1957, Mr. Conover and his family moved to Lake Park, Florida, in 1958. He served as State Agent and Vice President in charge of Chelsea Title's West Palm Beach office.

He is a member of the Florida Land Title Association and The Mortgage Bankers Association of Palm Beach County.

#### GRETZ RETIRES

**A** RTHUR A. GRETZ, for the last fifteen years Agency Manager of the Philadelphia Agency of Federal National Mortgage Association, retired from Federal service on July 31, 1965.

Mr. Gretz had been in the Federal service for almost thirty-five years, all of this time engaged in activities involving mortgage financing. Originally on leave of absence as an Assistant Title Officer of the old Land Title, now the Commonwealth Land Title Insurance Co., he went with Reconstruction Finance Corporation in 1932 to assist in the organization of its Philadelphia office. He spent three years in the Baltimore, Maryland and Washington areas, representing the R.F.C. in connection with the Refunding Plans of several large cas-

uality and insurance companies. Thereafter, he returned to Philadelphia, his home city and remained with R.F.C. until 1950, when FNMA was transferred from the status of a subsidiary of R.F.C. to a constituent of the Housing and Home Finance Agency, at which time he became Agency Manager for FNMA.

Mr. Gretz saw the territory served by the Philadelphia Agency of "Fannie Mae" grow through consolidations from the original Delaware, Eastern Pennsylvania, and Southern New Jersey to the present sixteen jurisdictions including Eastern states from Maine through West Virginia, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands. He says that servicing the needs of such diverse areas has been a fascinating and rewarding experience and has resulted in friendships which few people have the opportunity to make.

### TUCSON TITLE

**T**UCSON Title Insurance Company has purchased Navajo-Apache Abstract and Title Company, headquartered at 111 E. Hopi Street in Holbrook, Arizona, announced Thomas L. Chambers, President of Tucson Title.

All assets, including the complete Navajo County title plant, were purchased from W. Dean Nutting, who will continue to work closely with Tucson Title in an advisory capacity. Mr. Nutting intends to continue his law practice in Holbrook.

Nutting's former employees, LaMerle Gerwitz and Barbara DeSpain will continue as employees of

Tucson Title Insurance Company.

James Preston Hay is moving from Tucson to Holbrook to manage operations in Navajo County. Prior to joining Tucson Title, Hay held executive positions with two title and abstract companies in Texas.

Navajo-Apache Abstract and Title has been an agent for Tucson Title since 1949 and has been issuing Tucson Title policies for that entire period.

The Navajo-Apache Abstract and Title Company was founded in 1918 and has done business in Navajo County since that date. Mr. W. Dean Nutting purchased the business when he first came to Holbrook in 1929. Except for three years of military service during World War II he has continuously practiced law and operated the title business.

Tucson Title itself was organized in 1920, and is also an Arizona pioneer.

### FIRM TO STUDY LEGAL ASPECTS OF INVERSE CONDEMNATION SUITS

**I**F a homeowner wakes up some morning and finds that the multi-level super-highway being constructed nearby cuts off the view, the sunlight, and the gentle breezes he was used to, he may be able to sue the highway department for damages through an inverse condemnation suit.

"Inverse Condemnation" is a term coined by the California courts and simply means a suit wherein the state is called upon to pay for property damaged or taken by highway construction. Generally, such suits involve damages incurred during or after construction. For example, damages due to blasting, disturb-

ances of drainage, loss of lateral support, noise or anything else that deprives a property owner of the full use of his property may be compensated for through an inverse condemnation suit.

Such cases are increasing, especially as more and more highways are being built in urban areas and consequently are affecting more people. Unfortunately, the theory and limits of the state's liability for inverse condemnation are neither clearly understood or agreed upon. Legal procedures for determining questions of liability are also unsettled and vary from state to state.

As a major move to add clarity to the somewhat cloudy aspects of inverse condemnation proceedings, the Highway Research Board-administered National Cooperative Highway Research Program (NCHRP) has awarded a \$15,000 study contract to Regional and Urban Planning Implementation, Inc. of Cambridge, Massachusetts. Under the terms of the contract, the research agency will conduct a 4-part project that will include:

1. A complete review of substantive case law for those states having a considerable volume of inverse condemnation cases.

2. A complete review of available defenses and the major techniques available to litigate inverse condemnation claims.

3. An analysis of the administrative techniques used in handling inverse condemnation claims, including pre-damage preventive measures and post-damage settlement methods.

4. Comparative analysis of the judicial treatment of inverse condemnation claims and alternative

statutory proposals.

The 15-month project will add considerably to the knowledge obtained through legal research conducted recently by Washington University in St. Louis. This earlier study developed both the substantive and procedural aspects of inverse condemnation through a review of the law in five selected states.

The research team's report will also suggest in detail how the findings may be applied to problems currently facing the state highway departments.

The NCHRP, now in its fourth year of operation, is the result of a three-way agreement among the American Association of State Highway Officials, the U. S. Bureau of Public Roads, and the National Academy of Sciences. It serves as a means to accelerate research into particularly acute problem areas of highway design, construction, and operation.

The Program is administered by the Highway Research Board, an arm of the National Academy of Sciences—National Research Council. The Board was established in 1920 to encourage research in highway administration, transport, and technology. It operates within the Academy-Council's Division of Engineering and Industrial Research.

#### NEW POST FOR WILLIAMS

**L**OUISVILLE Title Insurance Company has elected Jesse M. Williams to the newly created office of Executive Vice President, effective July 1. Williams, formerly Senior Vice President, has been with the firm 19 years and has been in charge of its national division 11 years. He is a director of the com-

pany and of its parent company, Commonwealth Land Title Insurance Company of Philadelphia. He is a former member of the Board of Governors of the American Land Title Association.



## MEETING TIMETABLE



**SEPTEMBER 9, 10, 11, 1965**  
New Mexico Land Title Association  
"The Inn," Hobbs

**SEPTEMBER 10, 11, 1965**  
Kansas Title Association  
Baker Hotel, Hutchinson

**SEPTEMBER 16, 17, 18, 1965**  
Utah Land Title Association  
Prudential Federal Savings Auditorium  
Salt Lake City

**SEPTEMBER 19, 20, 21, 1965**  
Missouri Land Title Association  
Lampighter Motor Inn, Springfield

**OCTOBER 3, 4, 5, 6, 1965**  
**ANNUAL CONVENTION**  
American Land Title Association  
Sheraton-Chicago Hotel  
Chicago, Illinois

**OCTOBER 17, 18, 19, 1965**  
Nebraska Title Association  
Prom Town House Motor Inn, Omaha

**OCTOBER 21, 22, 23, 1965**  
Florida Land Title Association  
Fort Harrison Hotel, Clearwater

**OCTOBER 22, 23, 1965**  
Land Title Association of Arizona  
Pioneer Hotel, Tucson

**OCTOBER 24, 25, 26, 1965**  
Ohio Title Association  
The Christopher Inn, Columbus

**OCTOBER 28, 29, 30, 1965**  
Wisconsin Title Association  
Hotel Sterlingworth, Elkhorn

**NOVEMBER 7, 8, 9, 1965**  
Indiana Land Title Association  
Claypool Hotel, Indianapolis

## in memoriam



### ALTON B. WETHERINGTON

**A**LTON B. WETHERINGTON, 60, retired President of the Title & Trust Company of Florida, died in a Jacksonville hospital after a long illness.

Mr. Wetherington, who lived at 222 River Hills Drive, was born in Jasper and moved to Jacksonville 40 years ago. He was an honorary life member of the Florida Land Title Association and was a past president of the Association.

He was also a member of St. Paul's Episcopal Church, Duval Masonic Lodge 159, Morocco Temple of the Shrine, the Damascus Commandery 2, Knights Templar, the San Jose Country Club, Ponte Verde Club, the Gator Boosters and the University of Florida Alumni Association. He was also an honorary life member of the Civitan Club.

Surviving Mr. Wetherington are his widow, Mrs. Dorothy M. Wetherington of Jacksonville; his mother, Mrs. Ethel E. Tariff of Jacksonville; a daughter, Mrs. Jean W. Aimar of Beaufort, S. C.; four sisters, Mrs. Agnes Swearington of Texarkana, Ark.; Mrs. Gladys Christie of Jacksonville; Mrs. Daisy Lee McDaniel of Lakeland and Mrs. Evelyn Danko of Daytona Beach; three brothers, L. Levon Wetherington of Miami; J. B. Wetherington, Jr. of Fort Lauderdale and Carlton A. Wetherington of Jacksonville; and three grandchildren.

---

**American Land Title Association**

---

