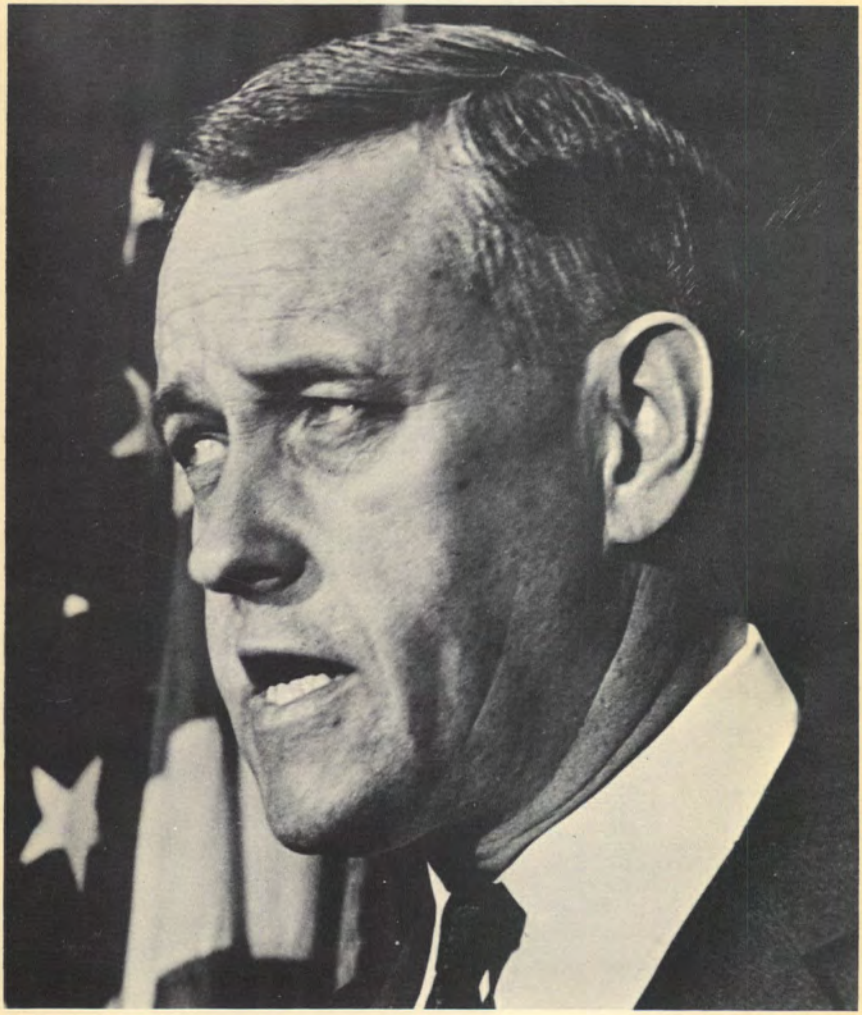
TITLE NEWS

THE OFFICIAL PUBLICATION OF THE
AMERICAN LAND TITLE ASSOCIATION ®

"OUR 61st YEAR"



AUGUST, 1968

PRESIDENT'S MESSAGE

AUGUST, 1968

As announced in the July issue of Title News, our very able Secretary and Director of Public Relations, James W. Robinson, submitted his resignation effective July 1st, 1968. It was with reluctance that his resignation was accepted as for a decade he had served us exceedingly well. Jim Robinson was a tireless worker completely dedicated to the cause of our association and his record of performance and accomplishments particularly in the Public Relations field speaks for itself.

At least we have not lost him from the Industry. Jim has accepted a position with District-Realty Title Insurance Corporation of Washington, D.C. and as such remains as a member in good standing of ALTA. We thank him for his outstanding contribution to our Association's work and we will miss his personal touch on the literally hundreds of details that he has handled for us in the past ten years. We all wish him the best in his new venture with District-Realty Title Insurance Corporation.

We are very fortunate to have on our staff a young man whose talents not only excel in the accounting field but who is capable in other areas as well. Mike Goodin who had been our business manager, was elected by your Executive Committee to the office of Secretary of our Association effective July 1st of this year. Mike, of course, has acquired additional duties and since the first of July he has most competently discharged these added responsibilities.

It is also necessary to obtain the services of another man to fill the post of Public Relations Director so that our efforts in this field may continue uninterrupted. Our Executive Vice President and your Executive Committee are currently working toward this end.

Sincerely,

Alvin R. Robin

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FEATURES

DEPARTMENTS

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ON THE COVER: The Honorable Tom McCall, Governor of the State of Oregon, and a distinguished guest speaker at the 1968 ALTA Annual Convention in Portland. The Governor will discuss "Business as Usual in an Election Year" at the Morning General Session assembly Wednesday, October 2. Governor McCall joins a host of outstanding speakers who will address ALTA members at the Convention. For additional Convention news, please turn to pages 14 and 16.

MICHAEL B. GOODIN, *Editor*
DONAILEEN C. WINTER, *Assistant Editor*

PRIORITY WITHOUT PRIORITY

By OSCAR H. BEASLEY
Vice President and Counsel, First American Title Insurance & Trust Company, Santa Ana, California

Utah Land Title Association members attending their State Convention in Park City on April 19, were fortunate enough to hear an outstanding presentation by Mr. Oscar H. Beasley, Vice President and Counsel for the First American Title Insurance & Trust Company, Santa Ana, California. Title News is pleased to present Mr. Beasley's most informative remarks dealing with Mechanic's Liens and Subordination Agreements.

I have been asked to speak about Mechanics' Liens and things, Subordination Agreements, and related items, that don't apply to our industry particularly. I know none of you ever have any problems with Mechanics' Liens, you always have priorities before you ever start anything. Having priorities, you obviously have no problems with ever losing anything because some Mechanics' Liens are filed, and they try to assume priority over your mortgage, Deed of Trust, or whatever you might have.

Some of us have not been quite that fortunate. We *have* learned one or two things about this problem however. I guess the best one we have learned is to try to stay away from it, but there are other things that do occasionally happen on this.

I'm dealing just a little bit herein with some problems that are perhaps slightly different than some I've dealt with in the past. The states I've lived in and worked in have Mechanics' Liens laws just a little different that Utah,—California is a little different than Utah —but there are specific subjects each of us needs to stop and think about.

I think one of the major subjects is the one I've already mentioned, and that subject is the word 'priority'. What are we talking about when we talk about priority, and why is it important to us? Well, title industry, obviously you have issued an ATA Policy to some lender somewhere. Possibly you have placed an endorsement on it, and maybe you haven't. Maybe you've issued a standard loan policy, and put an endorsement on it some way, any way. You have now talked about the idea of insuring the priority of your Deed of Trust or Mortgage. Now, insuring that priority obviously means you don't want anything else to come before it. If something does gain priority over your Deed of Trust, you and your underwriters suddenly wind up having to make the payment of whatever it is that has gained priority.

If in Utah, you get out there and have your Deed of Trust or Mortgage recorded today, and no

work starts until next week, nobody goes out and turns a spade full of dirt, then you *probably* have priority. In California we would probably use a different word than 'probably', we would have used the words 'we have priority'. In Utah, I am not sure. Let's assume that you do have the Deed of Trust recorded, or the mortgage, and you have a period of time before the spade full of dirt is turned. Then, assuming that in general that you have a priority situation, we go down the line, and no matter what happens in the property after that time, whether the subcontractors, material men, etc., are paid, you then still have your Deed of Trust being prior to anything else. When the contractor, or owner, or whatever the situation may be, go broke, you go get the foreclosure of the lien, and the mortgagee or trustee goes ahead and forecloses by either your nice new power of sale, or judicial foreclosure. Then, supposedly your mortgagee, or the beneficiary in the Deed of Trust, takes his property free and clear of these liens, and if that in fact happens, your underwriter is most pleased. Then he doesn't have to pay any money.

Let me tell you a fairy tale. There was once a Savings and Loan, they took a loan, gave a loan out to a nice young fellow (contractor), who went out and promptly built himself a nice house. They advanced him like $9,000.00 out of a total of about $16,500.00, and he built his nice home. Somewhere along the line, the contractor diverted some of the funds, did something with them, didn't get everything paid off, and didn't keep his loan payments up to date. The Savings and Loan then looked at the situation, and incidentally, they had ample priority, plenty of time ahead of the commencement of work with the Deed of Trust, so they promptly foreclosed on the loan. Now, obviously, they had some funds left over which they didn't have to spend, since they foreclosed before all the money had been disbursed, before the property construction was actually finished, so they foreclosed on their Deed of Trust and went merrily on their way. Then one day the prince (Fairy Tales always have to have a prince) comes riding into the picture, and lo and behold, the prince (unprincely like), sued the Savings and Loan. And, he didn't sue them saying "I have a recorded Mechanics Lien for the work I did, that I didn't get paid for." No, he didn't do that, he sued them and said "Look, while this house was under construction I provided some material. Now a fellow told me, and you don't know him, he isn't connected with your savings and loan association, and he wasn't with the contractor. He told me, however, that the savings and loan had money, and I knew since the savings and loan had money, that therefore I could deliver that product to that land, do my work, and I would be protected." And so, the Savings and Loan, in their righteous manner, said "What are you talking about? We didn't tell you we had money, we didn't tell you we were going to pay you, we didn't even know you existed, how come we owe you money?" Then the fellow turned to the Judge and said, "Judge, there is the situation." And do you know what that

Judge did? And, do you know what the District Court of Appeals in California did? They said, "Why, yes sir, Mr. Prince, you're right, you win, you have a right to get those funds." Now doesn't that give you lots of confidence? Don't you like that kind of fairy tale?

That didn't affect the Title Industry particularly, or at least it didn't at that time. The Court said, "This is what we are going to call an Equitable Lien, in other words, it's equitable for you to get the money, and not for the Savings and Loan to get the benefit of the work you did, even though they had a right to foreclose on the property. That's what we are going to do, we're going to give an Equitable Lien." Correct, your title policy didn't cover the equitable lien, but I think it should give you some ideas of what may be involved in certain areas.

I'm sure all of you probably realize what a Mechanic's Lien is, but did you know that in 1889, there was some form of Territorial Mechanics Lien Law, even in Utah, but it was designed as a protection, a protection for the poor young laborer, old laborer, poor laborer, whatever he was, the fellow who put materials and labor, and sweat and tears into the building of the project, so that he could get a recovery for the work he did. Mechanics' Lien laws in the present day and age, while they still use the same kind of terminology, don't do that. How long has it been since any of you have ever heard about a laborer, or the fellow who was hod carrying, or digging, or whatever it was, getting a Mechanics' Lien and collecting on it? You don't hear about those things. Today, they go to labor liens through the State Labor Department. So who gets Mechanics' Liens? The general contractor, the subcontractor, and the Materials supplier.

Here is the situation that we talked about with an Equitable Lien, that changes things. I know, in looking around at you gentlemen, that any time a title policy order comes into your shop, your determination of whether you're going to give credit to that title order is the status of the financial picture of the fellow you're going to give credit to. You want to know whether the guy is ever going to be able to pay you or not. You're not going to worry about whether or not somebody has a lien or not, you're going to worry about whether you're going to be paid. Your mechanics lien law doesn't do that. Your mechanics lien law, particularly if you have a break in priority, or whether you have priority or not, take your pick, gives a lien regardless of the credit of the individual and has nothing to do with the credit of the individual. The only thing it has to do with is whether there is a way to collect through a mechanics lien filing.

Look at what the California Court did with the word "Equitable Lien." It says, "we don't care whether you had a Mechanics Lien or not," it says, "by darn, we think that you deserve to collect from that savings and loan because you were led to believe that they had funds and you would be paid out of them." Now, they didn't even bother to look at who told him that, they didn't even bother to look at the position of whether or

not the savings and loan acquiesced or went along with the idea of him getting paid. No, they ignored these subjects. They only said "It's right for him to have it. The savings and loan had money, therefore he should have the benefit of this type of a lien." Now, you can all say, "Well, that's great, that happened to be in California, and certainly that type of thing could never happen in Utah." It already has, in a different form, in a very interestingly different form. I'm not sure, when you get right down and look at this one, what kind of a form we are talking about. I was kind of surprised again to even find this one, but it's an interesting situation. You have in Utah a case that is called "Utah Savings and Loan Association vs. Meacham." All of you know this one, it's one of your land marks. Let me quote from the head note of the case. Now, I used the word Equitable Lien, they use a different word, but listen to it. "Mortgagee was not estopped from claiming priority over Mechanics Liens, where Lien claimants were not induced by Mortgagee to act differently than they would have otherwise acted, and they furnished Materials to Owner as contractor, and relied upon him and his credit for payment of materials." Notice what they said here. They said, "In this case," the Mortgagee who had the right to priority by reason of in fact priority, he got his mortgage on, his Deed of Trust on, prior to the time the work was started, prior to the time any work was started. Mortgagee was not estopped from claiming priority over the Mechanics Lien where the lien claimants were not induced by the Mortgagee to act differently. In other words, is that Court saying, in their wisdom, (and Courts always speak in wisdom incidentally, since they have the final word), about that situation. "If the sub, or that materialman, in any way, induces, or is induced by the beneficiary under the Deed of Trust, or the mortgagee (your savings and loan) to go ahead and deliver goods and products, or to do work to that project, and he doesn't get paid, has he blown the priority wide open by giving that inducement?" That's what he says, that's an Equitable Type Lien, that's giving priority, where there was no priority to the Mechanics Lien holder, that's charging that mortgage, that deed of trust, with an obligation of a Mechanics' Lien.

What method of inducement are we talking about? You know, you read back in this case, and then you read the one you called "Western Mortgage," and then you read the other Utah Savings and Loan-Mecham case, since there were two of them, and you begin to come to some very interesting conclusions, because they say within them that if the money is in effect misappropriated, does not go within to save the loan agreement, does not go to the construction as it was supposed to, that this may be your method of inducement. Now, I'm reading some things in that they haven't said yet, I'm speculating on the future. The California Equitable Lien was based upon money held by the Savings and Loan in the Construction fund for disbursement. The e s t o p p e l theory used in Utah, in the Meacham case, is based on a form of estoppel, which incidentally in

the law is a fancy word meaning "stop, hold back, you can't go forward," something along this line. reliance or something of that nature. They're using the word estoppel, and saying that the lien may gain priority by reason of inducement from the Savings and Loan. Now, take your California, or San Joaquin case, where the inducement was based upon comments by somebody not connected with anybody in the project admittedly so, and yet they hung them.

Now, we may have had facts in that case that don't show up in the statement of the law, that are statements of the facts of the case that are completely different from this, completely different from what we think they are. But, unfortunately, when they do differ, those kind of statements in facts in cases, the courts the next time around forget about them, and they only read their printed words. And your District Court here, your lower Court here, listens to what the Supreme Court says in a past case, and uses that as a precedent in the next case. I think Utah established an Equitable Lien period based on inducement, misrepresentation, or what have you. What does this do to your title policy? Your title policy has a phrase in it that says something about bonafide purchaser, or bonafide mortgagee. If they're not bonafide purchasers or bonafide mortgagees, allegedly your title policy no longer applies. I'm sure that the gentlemen here representing underwriters, who handle such matters, will be glad to say that. Why certainly that's going to apply under all circumstances when the savings and loan sues you. They would be happy to say it, but there isn't one of them who will. Maybe in spite of everything, in spite of what our policy says, the future may show we'll be hooked on something like that, it's going to depend. I'm going to take the position right now, that if the savings and loan induces (the savings and loan or the bank, take your pick), if the lender induces by some manner of his own, and that inducement causes a break in priority that was established ahead of time, then we will say, "Buddy, that was your own fault."

I wonder how long we'll get away with it. That gives you a lot of faith and confidence for the future, doesn't it? I know you love this kind of optimism to be expressed in a meeting that gives you this confidence to run back to your office and just do everything great, never worry about a thing. Well, it's interesting to think about anyway.

My other subject was supposed to be "Subordination Agreements." Let me stipulate what subordination agreements are, even though I'm sure you all know the Utah Court again uses the word 'subordination' in reference to Mechanics Liens as between themselves and as between priority as to the mortgage. Subordination of the type we generally talk about is the type of subordination where there is of record a Deed of Trust or Mortgage, let's say its a purchase money Deed of Trust, for instance. I see Frank sitting out here. Frank sells me a piece of property, unimproved. I give Frank only part of the down payment. Truthfully, if Frank were selling me a piece of property, he

wouldn't get any down payment, but for our fairy tale, I'll give Frank a piece of money back, a little one. In turn, I will also give him a purchase money Deed of Trust, a Deed of Trust taken at the time of the purchase of the property. It's unimproved property, and Frank knows that I'm going to have to go out and build on this piece of property, get a construction loan. With Frank's Mortgage, or Deed of Trust, already of record, in order to induce the lender to lend me money, they are going to require that their Deed of Trust or Mortgage be prior to Frank's in order that they will have priority. The only way that this can be done is by subordination of his Deed of Trust by some manner or means, to the new construction loan.

Now, you do have in Utah a case involving this type of thing. Unfortunately, the lawyer can't give me the name of it, can't remember it, which is also a problem to lawyers. In this one (this is different than a lot of them, it's only about three years old, maybe two), A conveyed the property to B (Frank conveyed the property to me). I gave Frank back a Deed of Trust. The Court someway found that the Deed he gave me included within the idea of giving me the Deed the fact that it was to be subordinated to a Deed of Trust for Construction. Now, I don't quite know how they arrived at this kind of conclusion, but it had to be with the facts involved. You do have one case in Utah then talking about the same type of subordination we're talking about.

Another kind of subordination that frequently happens, and one that I'm sure you all insure is where you have a couple of Deeds of Trust already of record, obviously their priority is already established. The first Deed of Trust, the one we know is first, now wants to advance funds, advance funds that are not obligatory. In other words, the savings and loan doesn't have to advance them, and if he advances funds with the priority already established, the advances will fall below the second Deed of Trust. Now, what this then means, is that if you're going to insure that advance, whatever endorsement you want to put on your policy, or whatever policy you want to issue, you have to again establish the priority of the advance, and there has to be a method of establishing the priority of that advance. You can't give the borrower an advance where it's non-obligatory, and expect it to be the same priority as the original deed of Trust. That is the second situation.

Another kind of a situation that I'm sure you don't do more than 27 times a week is where I come in and I buy the property from Frank, and at the same time I have already arranged for the construction loan. Having already arranged for that construction loan, we go into the Title Company, and we say now we're going to let that construction loan record first, then we are going to record the Deed of Trust to Frank second, and that will give the priority. There are three types of situations we've talked about now.

Now, let's talk about two more that are obvious kinds that you also occasionally deal with. Any of you insure a Deed of Trust on a

building where there are leases of record, and somebody comes along and wants you to subordinate the leases to the Deed of Trust, or the present philosophy that seems to be gaining a little bigger foothold now, is the other way around, the Deed of Trust is of record, the leases come on afterwards, and they want the leases to be above the Deed of Trust in priority, so if the Deed of Trust forecloses, the leases will still be there. This is becoming a rather common thing. Now, the type of subordinations we are talking about are subjects that are going to become more and more prevalent once we get the war over, once we get someplace where the money starts running around again, once construction funds loosen, and as commercial in particular grows, or as subdivisions grow, as house owners, speculative house builders, and things become more common again, subordination is something you are going to have to learn to live with, and live with pretty strongly.

You can see that some of the things we are talking about are not unlike Mechanics Lien Laws. We are talking again about establishments of priority. We are talking again about certain things that are involved.

Now, with the subordination agreement, if Frank subordinates to my Deed of Trust for construction, Frank in subordinating to that new construction loan, that new Deed of Trust, has one thing in mind, one thing only, and that's the fact that by subordinating to this construction loan, there's going to be a sufficient improvement in the land to make it worth while for him to do so. Then if he does have to foreclose on his deed of trust, which has suddenly become a second, that there will be improvements there, that there will be something there that he has that has improved the value of his property, and therefore, he will still be protected for his equity, equity he had when he sold it to me.

Now, you remember, when we talked about Mechanics Liens, we got to a point where we said something about the Equitable Lien being established perhaps if the money doesn't all go into construction, if there is a difference in the way the money is used from the way it should be used, if maybe some of it was diverted out for some reason.

I have a very horrible recollection of a horror tale that happened to me a couple of years ago, in one of our larger national builders, a fellow named Lusk. I don't know whether he built in Utah, but he sure built in a lot of other places. Mr. Lusk happened to be building in Sacramento, and Mr. Lusk started to build a very nice FHA Low Housing Condominium 221D, as I recall they called it, and it was going to run in the neighborhood of $1,000,000.00. Mr. Lusk also had a project going in St. Louis, he also had some going in Arizona, in New Orleans, and in a couple of other places, and some of them had run into trouble. He got his money from an outfit in Florida who merely disbursed on whatever requirements they may make, in other words, if he came in and said he wanted 10% of it because 10% of it was completed, they'd give him 10%, and that was as far as it went. The unfortunate thing about

the whole subject is that I understood the priority, and that wouldn't be unfortunate except there wasn't any. I know none of you have gotten into this problem, but it could happen to you too. I insured the priority that wasn't. As he needed the money in St. Louis, he took the money and went to St. Louis. He continued to build on the project in Sacramento, though unfortunately. In his continuing to build, he forgot to pay his bills, well, he didn't forget, he had taken all his money to St. Louis, and didn't have any money left to pay his bills with. One day we woke up with $400,000.00 worth of liens on the project. It was 60% complete, and the remaining funds were not enough to complete the project, let alone pay off the bills. This is called diverting funds.

If that happens to you in Utah now, you probably have a lien that just gained priority over your Deed of Trust whether you had priority or not. If that happens to you in Utah, in a Subordination Agreement, you are going to find out that Frank isn't subordinated anymore. That's kind of a round about way of getting a couple of problems to look alike. I think the interesting point all of these things make is this—the courts are going to look to protect. I think that sometimes they get misled in whom they are protecting, but the courts are going to look to protect, and they're going to protect in Utah, as you see here, the Mechanics' Lien holders. They're going to protect him royally. They've already said that you're not going to have priority if there's an inducement, and the other statement they made is there's a disbursement of funds not in accordance with what they should be. What can disbursements of funds be if not in accordance with what they should be? In California, they even held that a disbursement for land draw was improper. Have any of you insured priority of a deed of trust where money has been put out for the land draw, or pay part of the land? Sure you have. Now, your Utah court hasn't said anything about that yet, but we'll see what the future brings.

We have something in California that you've all heard about, and that is a Lallop. Any of you know just exactly what a Lallop is? It's a little old lady from Pasadena. She's the gal that never drove the car except on Sunday, and Jack Benny had her a few other places too. The Lallop is a friend of ours in California, like the friend somebody was talking about, only she didn't turn out to be the 4th worst enemy, she is the worst enemy we have. Where does a Lallop fit into this picture? We're going to digress from Mechanic Liens for a minute, and move on to subordinations, and I'm going to tell you another fairy tale.

This little fairy tale involves a problem that occurred to me in another state, but it relates directly to our problem. I had a situation where a Lallop went to a lawyer, and the lawyer advised the little old lady concerning subordinations, and he advised her all the facts and circumstances concerning a p a r t i c u l a r subordination. She owned a piece of property which she was selling. The purchaser was going to get a large loan in excess of $30,000.00 from a Sav-

ings and Loan. The Savings and Loan said they wanted a subordination. They knew the Savings and Loan was going to loan at the time of the original purchase, so they put in this one an automatic subordination agreement. In other words, it said that if some time down the line, such and such kind of loan will be obtained, this loan will be automatically subordinated to this construction loan that is going to be made. The automatic provision was placed in her Deed of Trust, and it was insured by us. Things went merrily on their way, but because of our California problems where subordination agreements have been held in great ill repute, and completely thrown out in so many cases that we can't stand it any more, the Title Company in that town decided that when it came time to get the construction loan, they were going to then require a specific subordination agreement. They told the broker, who happened to be the only person they were dealing with, that they wanted this specific subordination. The broker obliged them, it was obtained, duly recorded, and the new construction loan was insured. The unfortunate thing about the whole situation is —they forgot to ask the broker to get it from the little old lady. He simply forged her name and gave it to us, but that's just an incidental problem with this one. The little old lady, the Lallop, goes to court. She appears before the judge and she says, "Judge, I didn't agree to that subordination, that's a forged subordination." The judge, in his best judicious manner, said to her, "Little, old lady, I'm greatly sympathetic with your position, however I don't think your position has merit. I think the court is going to, unfortunately for you, have to find that the fact that it was forged makes no difference at all. You are bound on the automatic subordination agreement. You are bound for this reason only (and this is the punch line to the fairy tale), you went to a lawyer. I know that lawyer to be of good reputation, and I know from what you told me, and what he has testified to, that he completely and entirely explained the transaction to you, and told you your every right in this problem. Your every right, every right you could possibly have he told you about. You've admitted it. He's admitted it. The mere fact the man took the construction money and disappeared with it makes no difference to us. You agreed, and under those circumstances were advised, and therefore you are hung."

That has now gone to the supreme court of that state, and obviously we have our fingers crossed again.

The reason I told you this particular fairy tale is to point out something to you in the way of a problem which you are going to be required, in the coming years in many, many transactions, to accept subordination agreements, and you are going to be required to insure these subordination agreements.

The California courts, when they threw them out, threw them out on several bases. The first one, after they read the escrow instructions, they read the loan agreement, they read the original deposit receipts, the binder type thing the broker takes, they read whatever other agreements there were involved,

then they looked at the facts, threw them all in the pot, stirred them up a while, then they came up with the fact, the major important fact, that the funds were not put where they said they would go. The funds were diverted—one situation to a land loan. In another situation, the builder got his subordination agreement based on a $35,000.00 house, and built a $25,000.00 house. Like my Lusk problem, diversions of funds to other areas.

Another situation, one that threw us all a little bit, they said that we can see $25,000.00 went into a project. We know it did, therefore we are going to subordinate the Deed of Trust to the money we know actually went into the construction. The construction loan however, was $50,000.00, so they took $25,000.00 and made it a first construction loan. Then they took the remaining purchase money Deed of Trust and put it second. Then the remaining $25,-000.00 off the construction loan and put it third. We don't know where it went. You're dead on that one, they split your loan. Can you imagine one of your savings and loans saying suddenly, "They split my loan, what are you going to do about it?" We've got enough loans now, we don't buy any more of them than we have to.

The point we are getting to on all these things, by lumping them together, is twofold. The California Land Title Association got together and drew subordination agreement forms of their own. These subordination forms were drawn with several ideas in mind. The major idea was obviously to protect the title companies, in doing this. This is what we did —you note we talked about diversion of funds, we talked about different agreements being lumped together, and lastly, we haven't yet mentioned it, but it's one of the more important items that goes with it, and that last one is reliance. These forms contain three specific thoughts: (1) That the lender will not under any circumstances make this loan unless they are making it only upon the reliance that the little old Lady, the Lallop, has signed the subordination form, and has requested them to do so, and wants them to do so; (2) and they rely on the fact that this subordination agreement is the only agreement pertaining to the subordination involved, the absolute only agreement pertaining to the subordination, in other words, its a novation, everything else is outlawed, novation in effect being new; (3) thirdly and lastly, words of estoppel. Here comes that word again. That it doesn't make any difference what the contractor does with the dough, he can take it and go to Mexico. But little old Lollop is saying, "I understand he can do this, I fully understand, I want you to go ahead, I want you to rely on me, I want you to understand that I want you to do this." And that's the third phrase.

Now, we have added another phrase to the bottom of the agreement, not as part of the agreement, but only that its on the same page, the last page where they sign. We said this form should be submitted to your attorney before it's signed. So, what are you going to do to have your subordination agreement upheld? You haven't had them attacked yet. I'd just love to be here and find a

couple of them, I'm sure I could find that money was diverted. I'll bet I can attack them and your courts will go along with this idea. So what are you going to have to do to protect yourself? The first, and most major, is to have an attorney involved representing the Lollop. We keep referring to the Lollop, she always has a husband involved, and he is in the same boat, we've paid off on him too. He's always a little old guy who has no knowledge, always against the great big savings and loan and the great big banks. So you have to get these people reputable lawyers to advise them. And you say, "That will blow my deal, they will never sign it." I'd rather see them blow the deal than have the whole thing fall on your underwriter, or on you. You have to have a lawyer. If you can get one in the picture, you have to have your forms in such a form that you have covered the items we have talked about. Once these things are done, you can sit back and do the last thing you have to do to make your subordination agreement good, you pray. You pray for justice. You pray that perhaps justice will run rampant in your favor for a change.

Now, you see, we've tied two subjects together, and each one comes kind of in the same thing. What did we talk about with mechanics' liens situations in Utah, inducement, you get priority by being first. Provided your savings and loan has not induced them to do something else to change their position, remember, inducement means changing positions. Subordination sure changes the position, doesn't it? Mechanics' liens can sure change the position. They have been induced to go ahead with delivering material based upon the savings and loan agreement that they will pay. Now, maybe the savings and loan won't say that they will not pay, maybe all the savings and loan will do is say, "We've got funds, and we are going to disburse them." Now, are they going to be able to disburse them, and still be right, by disbursing them directly to the contractor? That's a question I can't answer for you. But if the court carries what they've said in these three cases, to its logical conclusion, they are going to say the same thing they have said in other areas, "If that inducement leads to the fact that the man does not file his lien within the requisite time set up in the law, that he is still going to have an equitable lien against the savings and loan, or against the bank, whoever it might be." You can see how rosie we think the future is.

Lawyers have a project in mind, and that project is generally protection of the client. We don't always agree with their protection of their client. A Lawyer may come to you some day, he probably has a thousand times already, and he'll say: "Gentlemen, I want you to write a title policy on this particular project or this particular house. Now, I know there is a title problem with this house, but, I can show you in this book that a case has come down, or there is a law, saying precisely what the problem is in this project and that under no condition can there be a problem. You could win a law suit in a minute. If anyone ever took you to court on that, you

could win a law suit." Now you know as a matter of fact, in your dealing with that transaction that somebody is already threatening to take you to court on it. There you are, you know somebody is going to take you to court, and you know you can win the law suit. Then comes the interesting question, are you going to write based on what the laws are, and the fact that you know that there is going to be a law suit? Are you going to issue the policy? I certainly hope not. There's grown up over the years a situation where they say the law is made, I hate to use this word, but they say the law is made on Spring Street, when it comes to the title industry. Spring Street being the home office of that little company called, well, they call them Pioneer something out here, but back there they are called Title Insurance or something, Title Insurance and Trust Company. I understand they had a girl's basketball team at one time, and they used the initials across the front of the girls. But at any rate, the statement has often been made that way, that the law is made in your title offices, it may not be the law of the supreme court as declared.

You must have another consideration, and I don't care whether you can win your cotton picking law suit or not. Are you going to have enough title premiums to defend the law suit? The lawyers don't like to have us talk this way, but are you going to have enough premiums to defend the law suit, even though you can win it, when you are looking right down the face of the cost? Just remember that kind of thing.

I'm sure that in thinking about these things, there is a lot we could talk about on mechanics liens. Your law has now gone into some segregation of offsite, inside improvements which I think you will want to watch very closely. Just any number of things in mechanics liens in Utah, and your subordination agreements. We try to talk about what the future is, and the future is one where you are going to have to say to yourself, "I'm going to watch what is going on, and I'm going to be careful and do what is right. I think we're going to probably be just as well off as we've ever been."

DATES TO REMEMBER—

ALTA Annual Conventions

1968 Portland, Oregon, September 29-October 2, Portland Hilton Hotel

1969 Atlantic City, New Jersey, September 28-October 1, Chalfonte-Haddon Hall

1970, New York, New York, October 4-7, Waldorf-Astoria

1971, Detroit, Michigan, October 3-6, Statler-Hilton Hotel

OREGON'S "OFFICIAL A

WILL ENTERTAIN

Thanks to Convention Chairman Fred McMahon and Entertainment Committee Chairman John W. Kelley, ALTA's Annual Banquet entertainment in Portland will be outstanding! On Wednesday evening, October 2, the Portland-Hilton Hotel Ballroom will be filled with titlemen and women, good food, refreshments, and the beautiful sound of Bruce Kelly and the New Oregon Singers.

The New Oregon Singers is a group of seventy mixed voices that include prominent people from all walks of life; doctors, dentists, executives, teachers, truck drivers, secretaries, plus many festival queens and Miss Oregon Pageant winners. No one in the group receives pay. All monies raised by their performances help offset personal expenses of goodwill tours for which the group was organized.

MBASSADORS OF SONG"

AT CONVENTION

In June, 1967, the New Oregon Singers completed a three week goodwill tour of Europe, including feature appearances at the Bergen International Music Festival, famous Tivoli Gardens, Copenhagen, Berlin, Salzburg, Austria, and two command performances for Prince Rainier III and Princess Grace of Monaco.

The New Oregon Singers have performed at major international, national, and regional conventions, banquets and public presentations. Their total audience can be estimated at well over one half million. They have been proclaimed by their audience to truly be "The Voice of Oregon."

ALTA's 1968 Annual Banquet will truly be a memorable one.

A MESSAGE TO ALTA MEMBERS FROM THE PORTLAND, OREGON CONVENTION CHAIRMAN

The members of the Oregon Land Title Association are flattered to have so many fellow title people coming to visit his Fall. Oregonians being tucked off in a niche of the northwestern part of the country, do not have too many guests. Most people who drive through Oregon are either Washingtonians going to California or vice versa. Oregonians feel that it is too seldom that they play the part of hosts.

This land is not only noted for its beauty but also for Oregon dew. This is not an exotic liqueur, it is rain. The rainy season will not be with us at convention time. The sun shall be shining and the afternoon temperatures should be in the low to mid 70's. The evenings should be cool, so bring a light coat.

Those of you who are arriving early should plan on the Sunday trip around Mt. Hood. The highway is good, the scenery is grand and enough stops have been planned to make the day most enjoyable. The bus drivers have been instructed to talk of points of interest and at least one OLTA couple will be on each bus to answer questions.

The ladies will be delighted with their Monday tour of a part of Portland's park system. The City fathers are opening the Pittock Mansion and the Japanese Gardens as a special favor for the ladies of the ALTA.

We do want you to have a good time during the off-convention hours. The members of the OLTA will be wearing identifiable badges. They should be able to furnish you with directions as to routes, streets, restaurants, shops, churches and the myraid of problems that people have in a convention city.

The OLTA is looking forward to its role as a host.

Fred McMahon
Convention Chairman

THE FUTURE CHALLENGE

Reprinted with permission of the Mortgage Banker magazine

By C. A. BACON, President
Mortgage Bankers Association of America
President, Mortgage Investments Company, Denver, Colorado

Mr. Bacon reviews the current home financing scene, including rising interest rates, the proposed tax hike and government reductions in spending, the competition for investment funds, shortages of skilled labor and inflationary construction costs, and the current and future backlog of housing demand, and concludes that the long-term prospects for housing construction and mortgage lending will challenge the industry's ingenuity to carry out its tasks.

For the past year each upward movement in interest rates and each action by monetary authorities has sent large and reverberating shock waves throughout an over-sensitive money market and brought mounting pressure on the mortgage market. The situation of an economy straining at its resources and plagued by inflationary pressures cries for fiscal responsibility in government actions. Certainly, those of us in the real estate and mortgage financing industries lament the long delays in taking positive action to increase taxes and reduce government spending that have produced one of the greatest financial crises of modern economic history. That our industries have effectively responded to this challenge is to their everlasting credit.

Though corrective actions have been too long delayed, we can be encouraged by the fact that we are beginning to see some signs of action now—ceilings on FHA and VA interest rates have been removed, at least temporarily; responsible fiscal policy now seems to be at hand; and the peace negotiations have given us a psychological lift. Furthermore, the potential demand for housing of all types is climbing and actually creating a backlog of demand which will mean a sizable jump in building

and mortgage activity as soon as government tax, spending, and monetary policies give relief to the money and credit markets.

Before we get mesmerized with these bright prospects, however, there are some urgent questions which demand serious consideration.

1. *Has the interest rate increase on FHA and VA mortgages, initially three-quarters of 1 percent, merely traded legislative rigidity for administrative rigidity, or will it be an opening wedge to developing a workable, flexible rate?*

I am certain of only one part of the answer: that we are all under pressure to prove that a flexibly administered rate is workable under some extremely adverse circumstances, keeping in mind that the major purpose of the higher rate is to permit home mortgages to compete in the money markets. Failure to administer the rate "to meet the market" puts all of us who have supported the theory of flexible rates in an extremely vulnerable position.

FNMA's early auctions have produced some interesting points, not the least of which is the indication that yield requirements on mortgages have jumped from 7 to 7.5 percent and apparently still cannot keep pace with alternative investment opportunities. Yet the auction has made a valuable contribution toward keeping the mortgage market competitive and giving us hope the reported demise of the residential mortgage as an investment was premature.

2. *Will housing activity collapse in a repetition of the 1966 experience?*

Savings and loan associations have been a mainstay in the housing markets over the past year, doing business at rates below what most of us have believed the national market to be. The explanation must lie in their limited investment alternatives for utilizing the favorable flow of savings during 1967 and early 1968. In recent months, however, sizable withdrawals of funds from these institutions have again brought the fear of disintermediation and the possibility of another "credit crunch."

Housing activity recovered amazingly well from the 1966 experience. The annual rate of single-family starts has fluctuated narrowly since last fall at the pre-1966 level, while apartment starts have climbed to a new record. However, the large amounts of mortgage commitments that have been supporting this recovery are not being replaced. And, commitments are not likely to be replaced until thrift institutions again attract sizable savings flows and mortgage yields become competitive with alternative investments.

Adoption of the tax hike and spending reduction package will permit some easing in monetary policy which will quickly benefit the mortgage market. While a more responsible fiscal policy will have salutary effects on the economy, it will take time before the effects of its adoption work through to the money markets. Nevertheless, with Congressional action close at hand, strong demand for housing should keep activity from severe collapse during the interim necessary for tax, spending, and monetary actions to bring relief to the credit and mort-

gage markets and, in turn, to housing.

3. *Will competition for investment funds continue to hold interest rates at high levels?*

Even after a more responsible fiscal policy has had its effect, capital funds will continue under strong demand from the private sector of the economy. The rapidly rising number of young adults is accompanied by creation of additional jobs requiring capital investment by business firms, creation of additional housing units requiring capital investment by apartment owners, creation of additional public facilities requiring capital investment by state and local governments, and, finally, creation of new and independent households requiring capital investment in a wide variety of consumer goods. All of these investments must be financed, and the magnitude of the funds required is massive. Interest rates will reflect these continuing demands for funds and will remain at relatively high levels.

In the months and years ahead the housing and home financing industries must offer competitive yields if they are to obtain their share of available savings in the economy. Throughout most of the postwar period the mortgage market has been generally successful in capturing a large share of available funds by offering attractive yields even with a steady upward trend in interest rates. I am confident the mortgage market will continue to adapt to the requirements of the money market.

4. *How fast can homebuilding activity increase once the crisis in the financial markets has passed?*

Certainly, the backlog of housing demand has mounted. Housing starts have trailed the upward trend of basic demand for over two years. In most areas of the country, the tightening of the housing market has been reflected in low vacancy rates, increased rents, and rapidly rising home prices.

The bottleneck in satisfying the rising demand for housing once the money markets have calmed down will be shortages of skilled labor coupled with inflation in all types of construction costs. Unemployment rates have declined to the lowest levels since the Korean War and unemployment is almost nil in many of the skilled building trades. Accommodation of the backlog of housing demand will require massive recruiting and training programs, substantial overtime, and further shifts to laborsaving construction techniques. Those of us in the real estate and mortgage financing industries also face the necessity of expanding our services to meet the rising activity on the horizon.

5. *Will the housing, real estate, and mortgage financing industries be able to handle the great challenge of rebuilding our inner cities in addition to the growing demand for new housing?*

In looking ahead at the broader prospects and potentials in housing and home financing, this is, perhaps, the greatest challenge we have ever faced.

The problems of our inner cities were not created in a day, nor will any easy, simple, ready-made, sure-

fire solution be quickly devised. Money alone will not guarantee a solution, though lots of money will be required. Good intentions, however desirable, will not accomplish the purpose. The task requires the cooperation and commitment of all interested organizations.

For more than a decade the Mortgage Bankers Association of America has been concerned with problems of rebuilding our inner cities. This spring MBA sponsored six *Urban/68* regional conferences on urban development financing. These meetings are a part of our Association's continuing attack on urban blight. The large numbers of mortgage bankers attending these meetings demonstrates the spirit needed to solve this problem.

The number of housing units involved and the amount of financing required are staggering if the tasks of adequately housing our growing population and of rebuilding our cities are to be carried out. Thus, I must conclude, the long-term prospects for housing construction, real estate transactions, and mortgage lending are for steadily increasing activity which will challenge the ingenuity of us all.

In Memoriam

VETERAN TITLEMAN ROY LEE STONE

Roy Lee Stone, Secretary-Treasurer of Commerce Title Guaranty Company, Memphis, Tennessee, died on February 16, 1968. Mr. Stone began his title career in 1911 when he joined the Bank of Commerce and Trust Company as a clerk in the title and abstract department. When Commerce Title Guaranty Company was organized in 1934, purchasing the Bank's Title and Abstract Plant, Mr. Stone was elected Secretary-Treasurer of the Company.

Stone was also elected Assistant Secretary of the Mid-South Title Company, Inc. when it merged with Commerce Title Guaranty in 1954.

The Directors of Commerce Title Guaranty Company have passed a Memorial Resolution in honor of Stone, expressing the Company's tribute for his exceptional service.

RETIRED TITLEMAN RUSSELL A. CLARK DIES

Russell A. Clark, 77, former Executive Vice President of the Title Guaranty Company of Wisconsin, now a division of the Chicago Title Insurance Company, died Friday, March 29, 1968, in Deerfield, Florida.

An attorney, Clark practiced in Richland Center for several years before moving to Milwaukee to become attorney for the state real estate brokers' board, now the state real estate examining board. He later became Chairman and Secretary of the board.

He joined Title Guaranty in 1940, and returned to the company after serving as staff judge advocate for Lt. General George E. Stratemeyer of the army air force in China during World War II.

WANTED—

Articles Which Will Be of Interest to Members of the American Land Title Association and Readers of Title News

As the new editor of Title News, I would like to thank members and readers who, in the past, have sent to the national headquarters articles and suggestions for topics to be printed in Title News. However, I know that many more *of our members have excellent ideas and have written outstanding articles for their state association publications which would be of interest to members throughout the United States.*

Title News is published to help keep you—our members and readers —informed. Therefore, if there is a subject concerning the industry that you *would like to write about or a point of interest that* you *feel should be made to all members of the Association, please send it to my attention.*

Thank you.

Michael B. Goodin, Editor, *Title News*
1725 Eye Street, N. W.
Washington, D. C. 20006

THE REAL ESTATE BROKER— HIS COMMISSION

By Maurice A. Silver, Esquire
Title Consultant, New Jersey Realty Title Insurance Company
Newark, New Jersey

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ABOUT THE AUTHOR

Maurice A. Silver, Title Consultant, New Jersey Realty Title Insurance Company, was graduated from the University of Virginia Law School in 1921, but was admitted to the bar of Virginia in 1920, a year before he was graduated. He was later admitted to the New Jersey bar in 1924. Mr. Silver was a member of the editorial staff of the Virginia Law Review.

He became associated with Fidelity Union Trust Company, Title Department, in 1923 and continued with the organization, which finally became New Jersey Realty Title Insurance Company, until his retirement in 1963. At that time he was senior Title Officer of the company and was asked to remain in the capacity of Title Consultant notwithstanding his retirement.

He has assisted in the editing of an early publication of New Jersey Realty Title Insurance Company's "Title News" and later its "Title Comments."

Mr. Silver is a member of the Real Property, Probate and Trust Law Section of the New Jersey Bar Association and has served as its Chairman.

Ellsworth Dobbs, Inc. v. Johnson, 50 N.J. 528, 236 A2d 843. We note this case for our record because it modifies to a drastic degree the decisions in this State which laid down the rules governing the time when, and the circumstances under which a broker has earned his commission. The case is also noted because it again illustrates the judicial sensitivity to the disparity in bargaining power and contracting capability between parties in this era of bigness and concentrated economic authority. Whereas the court of equity was the keeper of the conscience of the King, our Supreme Court, it seems, is the keeper of the conscience of the community, weighing the equities and the justice in given situations and relationships.

The strength of this Court is its flexibility and its readiness to re-examine and re-evaluate the application of accepted doctrine, to determine its tenability in the present tense and its relevancy to a given situation. It will, as it has, review the historicity of principles

and their development, discard them or modify them to keep the law abreast of the changing present. Thus it will not, for example, indiscriminately apply the doctrine of caveat emptor, but as in Henningsen v. Bloomfield Motors, Inc., 32 N.J. 358, 161 A2d 69, although there the Court speaks of "The traditional contract—the result of free bargaining of the parties . . . on a footing of approximate economic equality," approach a problem with a sense of the disparity of which we speak. Nor will it apply the assumption that he who signs a written instrument is presumed to know its contents and their legal consequences, without a close scrutiny of the position of the parties, as it did in Cohen v. First Camden National Bank & Trust Co., 51 N.J. 11, 237 A2d 257.

In Ellsworth Dobbs, Inc. the Court not only considered, analyzed and determined the meaning and significance of the term "able" in the phrase "ready, willing and able," but went beyond the immediate issue to restate the position of the broker and his principal — the seller — and the obligation he owes that principal. The immediate issue revolved about the fact that the contract of sale was not consummated because of the buyer's lack of financial ability. Justice Francis outlines the new rule to be applied in New Jersey as follows:

> "When a broker is engaged by an owner of property to find a purchaser for it, the broker earns his commission when (a) he produces a purchaser ready, willing and able to buy on the terms fixed by the owner, (b) the purchaser enters into a binding contract with the owner to do so, and (c) the purchaser completes the transaction by closing the title in accordance with the provisions of the contract. If the contract is not consummated because of lack of financial ability of the buyer to perform or because of any other default of his, (Campbell v. Hood, supra), there is no right to commission against the seller. On the other hand, if the failure of completion of the contract results from the wrongful act or interference of the seller, the broker's claim is valid and must be paid. In short, in the absence of default by the seller, the broker's right to commission against the seller comes into existence only when his buyer performs in accordance with the contract of sale."

In reaching this "controlling rule" the Court traced the judicial development of the "able" in the given phrase, which ultimately cast the burden upon the seller to determine whether the buyer was financially "able" to perform. The Court now shifts that responsibility to the broker—"in reason and in justice"—it is the broker's responsibility to inquire into the purchaser's financial ability. The Court also looked to the realities in brokerage contracts, that the seller expects that the contract will be consummated, the consideration paid, and out of the proceeds of the sale the broker's fees will be paid. Fairness, said the Court, requires that these contracts be interpreted to mean that the owner becomes "liable for a commission only in the event a sale of the

property is consummated unless the title does not pass because of the owner's improper or frustrating conduct."

Understanding, perhaps anticipating, that the rule laid down by the Court could or would, by an appropriate clause or two in the broker's contract, be nullified, it explored the position of the broker in his business world. It found that it comes within the perimeter of what is called "public interest." Being so affected with a "public interest" public policy requires the Court to read into these contracts a provision that commissions are not earned unless the contract between the vendor and the vendee is performed; that any stipulation to the contrary offends that public policy, and accordingly will not be countenanced. In the words of Justice Francis, "Whenever the substantial inequality of bargaining power, position or advantage to which we have adverted appears, a provision to the contrary in an agreement prepared or presented or negotiated or procured by the broker shall be deemed inconsistent with public policy and unenforceable."

This last pronouncement of the effect of the contrary provision has no universal application. It is predicated upon the relative "substantial inequality" of the parties, but where that does not exist, then we conclude that the contrary provision is enforceable. If the seller is a sophisticated dealer or one of the economic giants, or where both parties are represented by counsel and deal with each other at arm's length, will not the Court enforce?

The broker, said the Court, has not earned his commission until the vendee performs his undertaking, "unless title does not pass because of the owner's improper or frustrating conduct." If the failure to consummate the contract is not due to the conduct of the owner, but rather to a defect in the title would not the fundamental rule govern? It would govern, it would seem, unless the defect of title was known to the owner and not disclosed to the broker.

These are some of the conclusions we extract from the Court's opinion. Needless to say others may draw other or contrary conclusions.

EXECUTORS—DECLINATION TO ACT AND A RETRACTION—In a recent New Hampshire case, In re Pafelis' Estate, 233 A.2d 825, the executor named in the will declined to act because of ill health. As a result, a special administratrix was appointed in accordance with the practice in that state. Having recovered from his illness, the named executor filed a withdrawal and sought to qualify and assume the office. The Court permitted the named executor to qualify stating: "Nothing has happened which has any legal effect since the declination was filed except the appointment of a special administratrix. But the basic obligation of a special administrator is to preserve the estate." See annotation 153 A.L.R. 220 for a collection of pertinent cases.

In an early case in New Jersey, In re Maxwell, 3 N.J.E. 611, the Court touched upon the question of an executor's renunciation and his retraction in its discussion incidental to the problem then at

hand. A renunciation, said the Court, cannot be made by an act in pais, by a mere verbal declaration. "To give it validity it must be done by some act, entered and recorded in the spiritual court." When, as a result of this renunciation and the appointment of an administrator c.t.a., may he regain the office? "After his death (death of administrator), however, the executor may retract his renunciation, however formally made." In Clapp—"Wills and Administration," § 687, while indicating that today a renunciation may be either expressed or even implied, the practice suggested is to formalize the declination and file in the Surrogate's Office, but first acknowledge to conform with R.R.4:115-3.

It is generally accepted that a renunciation may be retracted before the grant of letters to another, or when the office of the administrator becomes vacant. A question arises when a co-executor renounces but subsequently retracts. Under such circumstance the rule stated applies, that is, if the retraction is made before the remaining co-executors qualify, the retraction is in time and will, as a rule, be accepted; but if made after the co-executors qualified, the retraction comes too late. The Surrogate's Court of Essex County was confronted with a problem of a similar nature in In re Horvath's Estate, 19 N.J. Misc. 608. 22A.2d 194. There one of two executors renounced. Upon the death of the qualifying executor request was made to permit the retraction of the renunciation and permit her to qualify as executrix. The opinion by the Deputy Surrogate (Clapp) rested on the construction of R.S.3:7-61 and 3:7-69, now N.J.S.A.3A:6-45 and 3A:6-52, and the petition was dismissed. A renunciation, according to this opinion, is a disclaimer of the title and office and not merely of the right to authenticate that title by probate. Thus rejecting the office the remaining executor became the sole, or the sole surviving executor, and the statute, by the use of "shall," made the appointment of a substituted administrator with the will annexed imperative. We find no upper court determination on this subject. The opinion in Horvath's Estate states: "Notwithstanding that there may be much to be said for the common law rule, I do not think I am at liberty to disregard the action of the revisers in replacing the word 'may'."

The renunciation by an executor and a retraction as a result of a second thinking is not a common occurrence. It may present itself in the future, and in the light of In re Horvath's Estate may require a review. It has been suggested that it may serve the estate well not to renounce formally and to avoid any act which may be interpreted as an implied renunciation. By negating a renunciation, upon the vacancy of the office by the death of the acting executor, or for other cause, the co-executor could then qualify, thus avoiding the appointment of an administrator c.t.a. and the resulting cost of the necessary bond. It was pointed out that some lawyers effect such a negation by appropriate reservation in the probate proceedings.

NAMES IN THE NEWS

Frances E. Elfstrand was recently granted a Lifetime Honorary Membership in the Illinois Land Title Association at the occasion of the 61st Illinois Land Title Association Convention. She was cited in a presentation made by **Don B. Nichols,** former ALTA President, for her many years of contribution to both the American Land Title Association and the Illinois Land Title Association. She has served in almost every elective capacity in the State Association and in 1956 became the only woman ever elected to serve as President. She served on the Board of Governors of the American Land Title Association from 1961 to 1964.

* * *

GILLMAN

Samuel R. Gillman, prominent executive in the title insurance industry in the District of Columbia, has been elected President and Chief Executive Officer of Columbia Real Estate Title Insurance Company, succeeding **Harry J. Kane, Jr.,** who was elevated to Chairman of the Board.

* * *

James E. Ledbetter has been elected President of Transamerica Fund Management Company with headquarters in Los Angeles. Mr. Ledbetter joins Transamerica from Investors Diversified Services, Inc., Minneapolis, where he had the management responsibility for two IDS funds.

* * *

LABRIE

Harold R. (Hal) Labrie has been elected Senior Vice President of Title Insurance and Trust Company, Los Angeles. Mr. Labrie will transfer to the Los Angeles Home Office and assume the responsibility for the operation of the San Francisco, Southern, Sacramento and Fresno division of the company no later than September 1, 1968.

* * *

Lawyers Title Insurance Corporation, Richmond, Virginia, has announced the election of **James Hart McKillop, II,** of Winter Haven, as Florida State Manager. Vice President **Robert C. Dawson,** who had been Florida State Manager, is transferring from the Winter Haven office to the company's Home Office in Richmond. Mr. Dawson will act as liaison with those states within the territory served by Lawyers Title that are not already under the supervision of another Home Office Vice President.

Mr. **John Goode** has been elected Assistant Counsel for Lawyers Title Insurance Corporation's Home Office in Richmond. He was formerly Title Officer in the Norfolk, Virginia Branch Office.

* * *

CLEWIS

HARRIS

Chelsea Title and Guaranty Company has announced that the Tampa Abstract and Title Insurance Company has become the twenty first title facility of Chelsea Title operating within the State of Florida. The new company will operate under the name of Tampa Abstract Division of Chelsea Title and Guaranty Company with offices located at 405 Madison Street, in Tampa. **Richard M. Clewis, Jr.** and **Gibbs W. Harris,** both Vice Presidents of Tampa Abstract Division will be in charge of operations.

* * *

DAVIS

Foster M. Davis has been elected Vice President of Title Insurance and Trust Company in Los Angeles. Mr. Davis is currently a member of the title company's Corporate Business Development staff.

* * *

ABBATE

Mr. Joe Abbate, Sr., of Spring Branch, Texas, was honored recently by Stewart Title Guaranty Company, Houston, for twenty years of outstanding service.

MEETING TIMETABLE

1968

August 15-16-17, 1968
Montana Land Title Association
Jorgenson Holiday Inn, Helena

August 22-23-24, 1968
Minnesota Land Title Association
Germain Hotel, St. Cloud

September 12-13-14, 1968
New Mexico Land Title Association
Holiday Inn, Gallup

September 12-13-14, 1968
North Dakota Title Association
Holiday Inn, Bismarck

September 13-14, 1968
Kansas Land Title Association
Salina Hilton Inn, Salina

September 13-14-15, 1968
Missouri Land Title Association
Colony Motor Hotel
Clayton, Missouri

September 29-30-October 1-2, 1968
ANNUAL CONVENTION
American Land Title Association
Hilton-Portland Hotel
Portland, Oregon

October 2, 1968
Oregon Land Title Association
Hilton-Portland Hotel
Portland, Oregon

October 24-25, 1968
Dixie Land Title Association
Parliament House
Birmingham, Alabama

October 24-25-26, 1968
Ohio Title Association
Commodore Perry Hotel, Toledo

October 24-25-26, 1968
Florida Land Title Association
Hollywood

October 24-25-26, 1968
Wisconsin Title Association
Pfister Hotel, Milwaukee

October 24-25-26, 1968
Nebraska Land Title Association
Holiday Inn of Kearney
Kearney, Nebraska

October 27-28-29, 1968
Indiana Land Title Association
Stouffers Inn, Indianapolis

November 1-2, 1968
Arizona Land Title Association
Valley Ho Hotel, Scottsdale

1969

March 5-6-7, 1969
MID-WINTER CONFERENCE
American Land Title Association
The Drake Hotel
Chicago, Illinois

April 24-25-26, 1969
Texas Land Title Association
Fort Worth, Texas

April 25-26, 1969
Oklahoma Land Title Association

May 25-26-27, 1969
Pennsylvania Land Title Association
Fred Waring's Shawnee Inn,
Stroudsburg

June 26-27, 1969
New Jersey Land Title Insurance Association
Seaview Country Club, Absecon

September 28-29-30, October 1, 1969
ANNUAL CONVENTION
American Land Title Association
Chalfonte-Haddon Hall Hotel
Atlantic City, New Jersey

90 years of Title Knowledge

That's a long, long time. However, at Commonwealth Land we stress, not the years, but the experience accumulated, the golden treasury of title information stored, the able, helpful people, the willing attitudes. Actually, we encounter few knotty problems that we have not faced in some form and untangled many times in the past.

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