Desk Copy

Title News

the official publication of the American Land Title Association

ALTA Officers, Board Members Are Installed

November, 1973

A Message from the President

NOVEMBER, 1973

Our annual convention in Los Angeles last month was outstanding. We extend special thanks to Allen and Ermal McGurk and their hard working committees for all the planning and help they provided to make our meeting a success.

Committee reports, panel discussions, industry speakers and guests focused on the economy, federal and state legislation, rating bureaus, joint title plants, political action, employee motivation, condominiums, claims, and other topics important to the land title industry. Annual conventions are learning and sharing experiences, and we appreciate the efforts of our 48 program participants in leading us in this learning and sharing process.

I am honored to have been elected president of your association. We have had excellent leadership in the past, and I shall endeavor to carry on in the same tradition. One of my hopes for the next year is to increase an awareness in the industry of the work of our association. I know that we can do a better job of communicating to employees of our respective companies the importance of a national association. We must explain the functions and benefits of ALTA to every one of our employees. We must tell the land title story to our many publics—consumers, trade groups, government agencies and legislators, and we should begin in our own communities.

The ALTA is a professional organization of excellence. It is through the dedicated efforts of many—officers, committees, members and staff—that this excellence has been achieved. Let us all work together to achieve our goals and meet the challenges facing us in the next year. I am sure that with your continuing cooperation and support, we'll realize our goals.

Sincerely,

Robert C. Dawson

Robert C. Dawson

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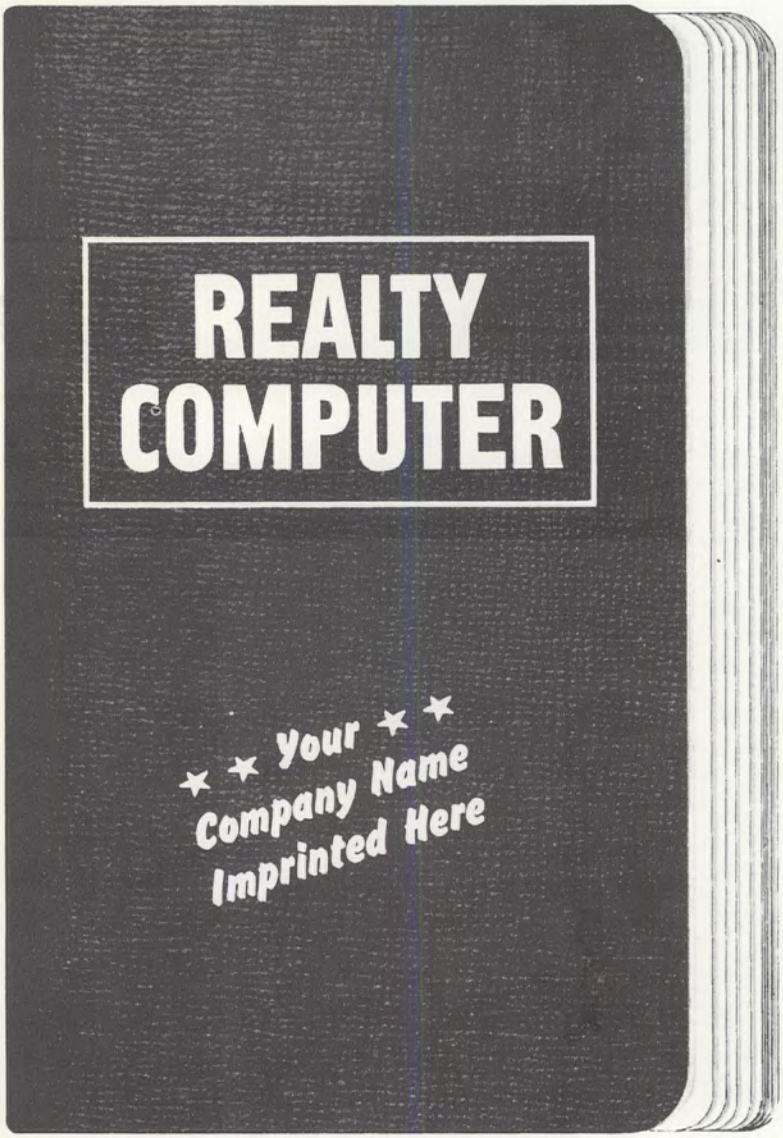

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What's in the kit? The singers, of course. On 7½ ips mono tape. Furnishing high quality contemporary music for a 20, a 30, and a 60-second commercial. Plus instructions and suggested copy for three different title company radio advertising approaches. For promoting use of local attorneys or real estate brokers. For establishing local identity for a title company executive. For promoting simultaneous issue and awareness of mortgagor title insurance. You decide which approach is best for your local need—or substitute another.

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What does the group sing? This jingle: "Who can ease all your worries . . . when you're buyin' a home . . . who can bring you protection . . . the title man can."

Better order now. They're doing your song.

American Land Title Association
1828 L Street, N.W.
Washington, D.C. 20036

Title News

the official publication of the American Land Title Association

Features

Departments

ON THE COVER: Newly-elected ALTA officers and Board of Governors members are shown in these photographs made October 3 during the 1973 Annual Convention of the Association in Los Angeles. Members of the 1973-74 Executive Committee in the top photograph are, from left, Immediate Past President James O. Hickman, Pioneer National Title Insurance Company, Chicago; Finance Committee Chairman Alvin W. Long, Chicago Title and Trust Company, Chicago; Title Insurance and Underwriters Section Chairman Richard H. Howlett, Title Insurance and Trust Company, Los Angeles; President-Elect Robert J. Jay, Land Title Abstract Co., Detroit; President Robert C. Dawson, Lawyers Title Insurance Corporation, Richmond, Va.; Abstracters and Title Insurance Agents Section Chairman Philip D. McCulloch, Hexter Fair Title Company, Dallas; and Treasurer Fred B. Fromhold, Commonwealth Land Title Insurance Company, Philadelphia. Shown being installed shortly after their election (lower photograph) by ALTA Past President Arthur L. Reppert, Clay County (Missouri) Abstract Company (at lectern) are, from left, McCulloch; Howlett; Governors John B. Wilkie of Lawyers Title of Arizona, Tucson, John E. Flood, Jr., of Pioneer National Title, Los Angeles, John E. Jensen of Chicago Title, Chicago, and John W. Brown, Jr., of The Title Guarantee Company (Baltimore); Jay; Dawson; Long; Governor Floyd B. (Shum) Jensen, Western States Title Company, Salt Lake City; Fromhold; and Governor Nic S. Hoyer, Wisconsin Title Service Company, Inc., Milwaukee.

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GARY L. GARRITY, Editor *CAROL MATHES HALEY, Managing Editor*

Part III: Uniform Land Transactions Code

Robert Kratovil
Vice President
Chicago Title
Insurance Company

(Editor's note: Author Kratovil serves as an adviser to a committee of the National Conference of Commissioners on Uniform State Laws that is developing a Uniform Land Transactions Code scheduled for completion by July 1, 1974. The completed Code will be submitted to the National Conference for approval and subsequent consideration by state legislatures. In this third article, he reviews work on the Code to date and provides commentary on elements of interest to the land title industry. Earlier installments of the series are published in the September and October, 1973, issues of *Title News.)*

* * *

Secured Transactions (continued)

1. Sections 3-401 to 3-404 deal with finance charges and prepayments. It is my understanding that these sections are not in final form.

Part 5 (of the Code)

2. This part deals with default and foreclosure. The provisions here are complex.

3. Section 3-501(c) is important in that it provides, that with certain limited exceptions, the requirements of Sections 3-505, 3-510 and 3-512 cannot be waived or varied.

4. Section 3-501(d) deals with foreclosure where the lender has a lien on land and chattels.

5. Section 3-502(a) gives the secured creditor (mortgagee) the right to take possession on default as if the debtor were a holdover tenant. This is a provision highly favorable to mortgage lenders.

6. Section 3-502(b) requires the secured party to postpone taking possession as to a protected debtor until 4 weeks elapse after giving notice of intention to foreclose, although this is not necessary as to rental units not occupied by the protected debtor. The language of this section suggests that it cannot be waived by the protected debtor.

7. Section 3-502(c) is as follows:

> Any possession and control of the creditor under this section is subject to the terms of any lease executed by the debtor before the creditor takes possession even though the lessee's right under the lease terminates on termination of the debtor's interest in the property.

This is a somewhat troubling section. In many states where a lease is *junior* to a mortgage, the mortgagee can oust the tenant when a default occurs. In these states he is not bound by any lease the mortgagor has given, and any other rule could punish the mortgagee, for the mortgagor might rent to relatives or friends at low rentals. On the other hand, if the mortgagor exercises his rights on default, he terminates the lease; and if the tenant elects to remain he does so as a tenant from month-to-month or from year-to-year. Kratovil, *Modern Mortgage Law and Practice,* § 302. Perhaps this section was designed to preserve the lease. As it

stands, however, it is objectionable to mortgage lenders.

8. Section 3-503 is a section designed to encourage the court to put the mortgagee into possession instead of appointing a receiver.

9. Subsection 3-504(a) is as follows:

> "(a) A creditor in possession, if he has a security interest in the rents from the real estate may notify a lessee to make payments to him whether or not the debtor was theretofore making collections of the rent."

Since this right is conferred on a "creditor in possession", the inference can be drawn that the mortgagee must first obtain possession by "judicial process", as specified in Section 3-502. But in doing so he would not join the tenants in possession, since he wants to preserve the leases. If this is the intention, it seems that this should be spelled out with greater clarity. The whole complex problem of leases prior to the mortgage, leases subject to the mortgage, preserving leases, terminating leases is left in a rather muddy, incomplete form. Kratovil, *Modern Mortgage Law and Practice,* Chapter 27.

Presumably, this subsection does not water down the rights given the mortgagee by Section 3-211 to take a "security interest in the rents". Under existing law, in many states a mortgage holding an assignment of leases and rents can activate the same by serving notice on tenants demanding payment of rent. Kratovil, *Modern Mortgage Law and Practice,* § 303. In other states such an assignment can be activated, at present, only by the filing of a foreclosure and a request for a receiver. *Ibid.* The subsection seems designed to establish a uniform rule favorable to the mortgagee.

This subsection is well-intentioned but needs redrafting. Perhaps, elimination of the phrase "creditor in possession" and substitution of a phrase "creditor after default" would help.

10. Subsection 3-504(b) is as follows:

> "(b) A creditor in possession may execute leases which extend in duration beyond the time of his possession and control and any redemption or sale is subject to the terms of the lease executed by the creditor. The terms of the lease including its duration must be reasonable and customary for the type of use involved."

Under existing practice, some assignments of rent give the assignee the right to make leases extending beyond the redemption period. Kratovil, *Modern Mortgage Law and Practice,* § 303, p. 215 par. 15. Whether this power would stand up in all states is a matter of some doubt. This subsection would clarify the law. It requires some redrafting.

11. Subsection 3-504(e) requires a creditor in possession to comply with housing, building or zoning regulations. It would be helpful if it would confer the power to issue certificates in the nature of receiver's certificates, under proper court authority, in order to bring the building up to Code or make necessary repairs.

12. Subsection 3-504(g) authorizes the creditor to apply all moneys received by him to payment of interest and principal. This, in some states, the mortgage cannot do at present.

13. Section 3-505 provides for foreclosure by power of sale, foreclosure by judicial sale, and for taking title in lieu of foreclosure. The Comment on this section is as follows:

> "This is the basic section on the commencement of foreclosure proceedings. If the borrower is not a protected party, the lender may commence foreclosure proceedings after default in the manner and at the time and on the notice agreed to between lender and borrower. Restriction on freedom of contract as to commencement of foreclosure proceedings is provided for a 'protected party.'
>
> "When the real property security is used by a protected party as a residence, the lender must give notice of intention to foreclose and two restrictions are imposed on his utilization of the foreclosure procedure: there is a period of time (5 weeks after default) before which the lender may not commence foreclosure proceedings, *i.e.*, may not send a notice of intention to foreclose; and secondly, there is a period of time after notice of intention to foreclose during which the lender cannot foreclose. It is this period of time which gives the borrower the basic right to cure his default. See Section 3-512. The period of time varies in accordance with the type of foreclosure procedure which the lender intends to use. The shortest period of time is that provided for foreclosure by power of sale. In fact the foreclosure by judicial sale is the most onerous process of foreclosure because the lender must wait 5 weeks after default and must send a notice of intention to foreclose and must wait another 4 weeks before he commences judicial foreclosure. The purpose of making judicial foreclosure more onerous is to encourage the lender to make use of the much simpler and more rapid method of foreclosure and accordingly, the cheapest method of foreclosure."

14. Section 3-506 relates to notice of intention to foreclose to a protected party. It requires the notice to advise the protected party of his legal rights and the various courses open to him.

15. Section 3-507 is a novel section intended to expedite taking title in lieu of foreclosure. The Comment is, in part, as follows:

> "Because of the seriousness from the borrower's point of view of this method of foreclosure, the lender is required to be extraordinarily certain that he has given adequate notice to the borrower. The lender may propose to use this method only after he has taken possession or after the notice of intention to foreclose has been given for more than 4 weeks. Another notice to the borrower is required by this section and when the lender elects to use this method he must at this time notify junior lienors that he will take title after expiration of a specified period."

The section does not explicitly provide that the deed extinguishes junior liens. This should be added if the section is to be workable.

16. Section 3-508 provides for foreclosure sale by the mortgagee under the statutory power of sale. It permits sale by private sale, which is something of a novelty in foreclosure law. It provides

Continued on page 7

Louisville Title Beats Traffic With Facsimile Transmitting System

Until recently, Louisville Title Company was a land title concern operating comfortably in downtown Houston, Tex. Then a competitor introduced the branch office concept to Houston. "We could hardly sit on our hands and watch," said Walter F. Allen, Louisville vice president. Within months Louisville Title had established five suburban branches where subdivision development was the heaviest.

But Louisville, in going to the customer, created a communications problem for itself.

Real estate agents and developers were generating 40 to 50 orders a day and everybody wanted to close yesterday," Allen recalls. Louisville Title couldn't move information between its downtown office and branches with its courier system in a manner fast enough to satisfy its potential customers.

Then the company began to improve things with an everyday tool—the telephone—and a new tool—a facsimile transmitter. Result: faster handling of orders through swift communication.

Louisville installed a 3M "VRC" Model 600 Remotecopier unit in each of its branches and in the downtown office. The machine at headquarters is serviced by a telephone line dedicated exclusively to its use while machines in the branch offices operate off an extension of the regular voice line.

When a clerk in a branch receives a title order, she simply calls the headquarters office. When her call is answered, she inserts the order in the fac-

Title order from outlying suburban branch is received in headquarters office of Louisville Title Company, Houston, via 3M Model 600 Remotecopier, a facsimile machine that transmits page documents via telephone wires.

simile machine and activates her phone coupler, which starts the machine. The VRC Model 600 unit will transmit an 8½-by-11-inch order page to the main office in six minutes.

The home office machine has an "automatic answering" option that permits it to answer incoming calls, receive the copy and disconnect automatically. Copies are made on a continuous roll of paper, eliminating the need to reload the machine after each transmission.

The system uses a dielectric imaging process to produce high-resolution and balanced-density copies that are dry and won't smear when they come off the machine. Printed, typewritten, handwritten or even copied documents and graphics or photographs all can be transmitted at 180 lines per minute with resolution of 96 lines per inch.

When someone in the home office wants to send information back to the branch, the same system is used to transmit. At the branch, all a clerk has to do is answer the phone, couple it to the machine and check back in six minutes for the copy.

"The big advantage of the facsimile system is its ability to transmit orders as they are generated," Allen said. "This way we can begin title searches immediately. In many cases, we can complete them before we'd even have the order on hand, if we depended on our courier to collect and deliver the orders in batches."

The system has proved particularly helpful when the search exposes irregularities or problems about which the branch offices need to be informed or which require followup at the branch office, Allen added. If there are tax or mechanic's liens found against the property, that we need an heirship affidavit, or there are mistakes, Louisville Title can get the information to the proper branch immediately.

"In our business," Allen said, "our fees are set by the state so the name of the game is service. The firm that provides the best service is in the most advantageous position. As word spreads among the agents and developers that we've found a way to beat the traffic I'm sure additional new business will result."

Louisville Title has remained modern in the rest of its business, too, Allen noted.

After title insurance orders are received, clerks initiate the title search by scanning a computer-printed index of Louisville's plant, a file of 7,000 rolls of microfilm containing every legal document filed pertaining to real property in Harris County. The index guides microfilm clerks to the particular rolls containing documents that pertain to a given property. It further lists an odometer reading indicating the precise point on the roll where the document will be found.

Five 3M Model 500 reader-printers are used to locate and make hard copies of documents of interest. These dry-copy microfilm units—installed in August, 1972, to replace older wet-process machines—paid for themselves in six months, according to Allen. Copies cost only about five cents total each, compared with 10 cents per copy under the old system plus the cost of processing chemicals. With each machine turning out some 9,000 pages each week, the saving amounts to more than $12,000 a year.

In an effort to further speed searches, Louisville Title currently is experimenting with a new page search reader-printer model that automatically "locks in" on the precise document desired. Actual title reports are prepared on typewriters "programmed" with magnetic cards, which automate most of the typing and permit mistake correction by the simple strike-over of errors.

Dixie Association Offers New Folder

A folder entitled, "Title Protection: It Might Have Kept The Lincolns In Kentucky," and published by the Dixie Land Title Association is proving to be a successful part of the association's public education effort, reports O. B. Taylor, Dixie president and chairman of the board, Mississippi Valley Title Insurance Company.

The publication recalls that the family of Abe Lincoln lost three farms because of land title problems when the sixteenth president was a boy. It explains the role of the abstracter, attorney and title insurer in protecting the home owner and emphasizes the need for the services offered by all three.

CODE—Continued from page 5

that "every aspect of the sale, including the method, advertising, time, place and terms must be commercially reasonable". This language is taken from UCC Section 9-504. Sales of chattels obviously are different from sales of land. Also what is commercially reasonable in a forced sale might be different from what is commercially reasonable in a voluntary transaction.

The Comment offers these thoughts: "The basic requirement for a commercially reasonable sale is a requirement that reasonable steps be taken to inform prospective buyers that the land is for sale. Advertisement in the real estate sections of the newspapers of general circulation or listing of the property with one or more real estate agents is more likely to qualify as a commercially reasonable method of sale than advertisement in a legal publication announcing an intention to conduct a foreclosure sale."

Real estate brokers are accustomed to dealing with properties on the assumption that a clear title is forthcoming. How they can be persuaded to work on a deal where the deal can blow up repeatedly because of borrower's cure of defaults was not explained.

It may be well, if the Code is enacted, for title company personnel to avoid serving as trustees in deeds of trust until the uncertainties are clarified.

17. Section 3-510 is a complex section, one portion of which eliminates deficiency decrees against a protected debtor where the mortgage is a purchase money mortage, but the section itself does not so state. It would be well if this were clarified.

18. Section 3-511 is an important section. A third-party purchaser for value, either at the foreclosure sale or afterward takes free of defects in the foreclosure process, such as inadequate notice of sale.

19. Section 3-512 is a highly controversial section giving the debtor the right to cure defaults. It is being redrafted.

Part VII: ALTA Judiciary Committee Report

(Editor's note: Members of the ALTA Judiciary Committee have submitted over 500 cases to Chairman John S. Osborn, Jr., of the Louisville law firm of Tarrant, Combs, Blackwell & Bullitt, for consideration in the preparation of the annual Committee report. Chairman Osborn reports that 116 cases have been chosen for the report. The following completes publication of this year's report. For previous installments, please see the February, March, April, July, August, September and October, 1973, issues of *Title News.*)

* * *

TITLE INSURANCE
(Continued)

Miller v. Commercial Standard Insurance Company, 248 So. 2d 675 (Fla. 1971)

An action by mortgagees against title insurer. Legal description in the insured mortgage was erroneous and when mortgage was in default, instead of attempting to foreclose on the misdescribed land or trying for reformation of the mortgage, the plaintiffs brought action directly against the title insurer.

Held: There was no question of liability on the part of the title company but only to the extent of defending the insured title against a claim of invalidity. The court put it thus: "The title insurance contract is not a continuing obligation to purchase a mortgage which goes sour. . . . The option to pay the owners of the mortgage and succeed to their interest is the insurer's." The case went on to hold that the insured mortgagee should have brought an action against the mortgagors whereupon the title company would have been obligated to support their mortgage against claims of invalidity on account of title.

Blaylock Investment Corp. v. Standard Title Ins. Co., 335 F. Supp. 1284 (Ark. 1971)

P loaned money to a developer, the loan being secured by a mortgage on the developer's 51 lots located in Arkansas. P, in addition to receiving interest on its loan, entered into an escrow under which P was granted the possibility of securing further sums for its loan upon the sale of each lot, the escrowee being a wholly owned subsidiary of D, a title company. D issued a 1962 ALTA Loan Policy insuring P's mortgage. Thereafter, the mortgage transaction was held null and void by the Arkansas Supreme Court as "a clear case of usury." P then sued D on its policy, claiming that in spite of the exclusion in the policy against loss by reason of "usury or claims of usury not shown by the public records," the failure of the mortgage lien by reason of usury was a risk insured by the policy.

P's contentions:

(1) Among the eight perils insured under the insuring provisions of the policy, the second peril of which covers the "invalidity or unenforceability of the lien of the mortgage," two (i.e., defects in title not shown in Schedule B and priority of liens over the insured mortgage liens not shown in Schedule B) are specifically limited by the language, "not . . . . excluded from coverage in the conditions and stipulations." Hence, in spite of the fact that the entire insuring provisions are "all subject to the provisions of Schedules A and B and to the conditions and stipulations," the insuring provisions of the policy disclose an intention to render the exclusions in the conditions and stipulations applicable only to the two perils described in the insuring provisions which refer specifically to the exclusions.

(2) D had actual knowledge of the usury and, therefore, the usury exclusion should not and does not control.

(3) The facts establish clearly that it was the intent of the parties to protect P from the risk of usury and, accordingly, the policy should be reformed to reflect such intent.

Issue: Was the failure of the mortgage lien by reason of usury, under all the circumstances, a risk insured by the policy?

Held: The policy did not insure over the risk.

Opinion: As to P's first contention that the exclusion was inapplicable under the terms of the policy, the answer thereto seems obvious from a reading of the clear language of the policy. In those two risks which specifically refer to the conditions and stipulations, both provide for further contractual exclusions, depending upon the unique condition of the property (e. g. prior liens, etc.) Schedule B which provides a blank space for the addition of further non-standard exclusions is referred to in both instances. It is obvious that the reason the additional reference to "conditions and stipulations" is made in those instances is to avoid the contention that Schedule B provides the *only* exclusions, conditions, or stipulations with respect to the two risks.

We find no ambiguity here. After delineating the risks insured, the policy further provides they are "all subject, however, to the provisions of Schedules A and B and to the 'conditions and stipulations' hereto annexed." P's contention that the "conditions and stipulations" do not apply here clearly is without merit.

We further find that it is not necessary to consider any of the exclusions other than 3(f). P argues that, because D had *actual* knowledge of the "escrow agreement" which resulted in the usury situation, Exclusion 3(f) should not and does not control. No authority to that effect has been presented and we must reject that contention. As noted, there is no ambiguity involved here. The exclusion clearly exempts coverage for "usury or claims of usury not shown by the public records." We find no basis to convert that clear language to cover this situation where the "es-

crow agreement" was not recorded, even assuming, *arguendo*, that D had actual knowledge of the agreement.

There is no evidence that P intended the insurance policy in any way to relate to the "escrow agreement." That agreement was instigated by P for its own benefit. There is no evidence that P was interested in securing insurance relating to the effect that agreement might have. We cannot read the clear language of the policy to mean, other than as written, "usury or claims of usury *not shown by the public records*." We cannot distort that language to require reliance on the public records by P or to find that D should be barred from invoking this exclusion because its wholly owned subsidiary "controlled" recordation. There is no evidence whatsoever that P desired to have this letter agreement recorded or that it relied upon anyone to file the letter in the public records.

P argues this is a clear case for reformation based on the writings and actions of D's officers and the president of its agent and subsidiary. Reformation is an equitable remedy. The general rule is expressed in Annot. 32, A.L.R. 3d 661, 674 (1970).

> "An action for reformation of an insurance policy may be brought where an insured alleges that he had applied for coverage against certain risks or causes of loss and, although he had reason to believe he had obtained the desired coverage, he discovered after a loss that the policy as issued did not by its terms provide such coverage. . . .
>
> "The general principles applicable to reformation of contracts are applicable to insurance contracts, so that where, by reason of mutual mistake, mistake of the insurer, or fraud, the policy as written does not express the true agreement of the parties, it may be reformed so as to express the actual contract intended by the parties."

For purposes of reformation, we think it necessary to prove specific intent to insure against the particular risk here involved—i.e., failure of the lien due to usury, based on the non-recorded instrument. We repeat, there is no evidence that P thought the letter-agreement would be recorded or that it relied on anyone under D's control or related to it to do so. While there is little doubt that the parties involved were aware of the existence of the "escrow agreement," there is no evidence that anyone considered it was related to risks insured thereunder.

USURY

Kessing v. National Mortgage Corp., 10 S. E. 2d 823 (N. C. 1971)

The borrower received a loan of $250,000 with interest at the maximum rate of 8 per cent per year. In addition, and as consideration for making the loan, the property securing the loan was conveyed to a partnership in which the lender had a 25 per cent interest for a consideration of $25 paid by it. Under the terms of the partnership arrangement the lender was to receive 25 per cent of any profits, although its liability could not exceed its $25 contribution. The borrower sued to have the partnership agreement cancelled on the theory that the transaction was usurious.

Held: The 25 per cent interest in the partnership clearly is a "thing of value" within the meaning of the North Carolina statute which forbids a lender from receiving, in connection with any loan, "any sum of money, thing of value or other consideration" in excess of the interest permitted by the statute. Since the loan was usurious the partnership agreement was cancelled and the lender was deprived of any past or future interest on the loan.

Patterson v. Sprinkel, 98 Cal. Rptr. 400 (1971)

In this case the court held usurious an agreement between the defendant, holder of a note providing for 10 per cent interest, and secured by a second deed of trust, and the plaintiff borrower to continue the foreclosure sale for one month for a monetary consideration, in addition to actual costs incurred by the parties in continuing the sale. Such an agreement constituted a forbearance of money, and being unrelated to specific services or expenses incidental to the loan was interest which rendered usurious the loan made at the maximum interest rate.

Kidd v. Brothers, 212 Va. 197, 183 S. E. 2d 140 (1971)

Kidd desired to purchase the property of James, listed for sale at $29,000, but could not obtain financing from conventional sources. Brothers agreed to lend Kidd $29,000 at the then usurious rate of 8 per cent. Brothers and Kidd orally agreed that Brothers should purchase from James and re-sell to Kidd. A $28,000 sales contract between James and Brothers was executed on September 8, and a $29,000 contract between Brothers and Kidd was executed on September 9. James conveyed to Brothers and Brothers to Kidd. Kidd gave Brothers a $29,000 note bearing 8 per cent interest secured by a deed of trust.

The court refused to hold the transaction usurious. It found the September 9 transaction to be at arms length, there being no binding obligation on either Kidd or Brothers, and re-affirmed the long standing Virginia rule that a time-price differential was not considered interest in bona fide sale transactions.

VENDOR AND PURCHASER

Ackerman v. Spring Lake of Broward, Inc., 260 So. 2d 264 (Fla. App. 1972)

An action by purchasers of individual condominium units for declaratory judgment as to the status of recreation area.

The declaration submitted the housing part of the land to condominium ownership in fee simple and recreation area to condominium ownership for the term of 99 years. Then upon sale developer had purchasers sign a lease on the recreation area which, among other things, required an annual payment of $150.

Held: The recreation area had been submitted to condominium ownership as a 99 year leasehold estate, and because it was a part of the "common elements" incident to ownership of an individual unit the developer had no present possessory interest to lease.

Burton-Dixie Corp. v. Timothy McCarthy Const. Co., 436 F. 2d 405 (5th Cir. 1971)

Builder used a standard form AIA contract which provided: "The contractor shall remedy any defects due to faulty materials or workmanship . . . . which shall appear within a period of one year. . . ." Possession was taken in March and in the following May the roof began to leak. After some attempts to repair, and a period of negotiation, the owner had a new roof installed by another contractor and sued the original builder for the replacement cost of $13,000. The builder claimed he was not liable because of the above clause.

Held: This clause does not constitute a limitation of liability, but rather an extension of the contractor's liability in the nature of an "added guaranty" for the first year of occupancy.

Canatella v. Daris, 286 Atl. 2d 122, 264 Md. 190 (1972)

The purchaser, who received less land than he had contracted to purchase, brought suit against the sellers, the corporation which did the title search, and the title insurer. It was held that where the deed to the purchasers made it clear that the parties intended to convey only the land which remained in the names of the sellers, the purchaser was not entitled to recover damages from the sellers for alleged breach of warranty even though he received less land than he had contracted to purchase. It was also held that the evidence supported the finding that the title searcher was liable to the purchaser for failing to use the skill and diligence which the purchaser had a right to expect. The court further held that the title insurer which issued the title policy was not liable to the purchaser on the ground that the insurer was negligent in failing to cover in the policy portions of the lots named in the deed but which were not owned by the vendors at the time the deed was executed, where the purchaser did not go into equity for the purpose of reforming the policy.

Elderkin v. Gaster, 447 Pa. 118, 288 A. 2d 771 (1972)

The court ruled that a builder-vendor of development area houses who conveys to purchasers both the home and the land upon which it is built impliedly warrants habitability of both. Accordingly, the court rejected the builder's claim of *caveat emptor* and upheld the purchaser's complaint that a polluted water supply breached the implied warranty in the purchase agreement.

Feingold v. Davis, 444 Pa. 339, 282 A. 2d 291 (1971)

Defendant husband and wife purchased as tenants by the entireties real property on which they constructed and operated a nursing home. The defendant husband alone signed an agreement for sale of the nursing home. Defendant wife refused to execute the deed and plaintiff brought an action for specific performance. The lower court held and the supreme court affirmed that the agreement was unenforceable under the Statute of Frauds, since the husband had no authority in any capacity to bind his wife to the sale of the property. The contention of the plaintiff that the defendants were operating as a partnership and that under the Uniform Partnership Act, section 10(4), Act of March 26, 1915, P. L. 18, 59 P. S. (section 32) a conveyance by one partner of real estate titled in the name of all partners passes the entire interest of the partnership was dismissed because this rule only applied to conveyances and transactions carried on in the usual course of business and further since this was a sale of the entire partnership business section 9(2) of the act required the joinder of all partners thereto.

Flynn v. Wallace, 270 N. E. 2d 919 (Mass. 1971)

Contract was entered into for the sale and purchase of a 438-acre tract of undeveloped land. The purchaser's surveyor had difficulty tracing the chain of title. After the law date for completion of the contract had passed the purchaser gave an additional $5,000 deposit for a further extension. While the purchaser's surveyor was endeavoring to trace the title it developed that the seller was negotiating through another broker for the sale of the property to a third party. When the purchaser learned of this he threatened to bring suit and place a lien against the property. A week later the seller transferred title to the third party at a 7:00 a.m. closing and a deed was presented for recording at the registry's office at 9:00 a.m. The original purchaser brought suit against the seller and the new purchaser, seeking that the deed be set aside and that the original contract be specifically performed.

Held: The plaintiff had not lost his rights because he had not closed on the initial closing date as it was extended. Time was not of the essence, and the seller had no right to declare the purchaser in default without taking affirmative action to set a definite date for closing. As to the claim that the third party was an innocent bona fide purchaser and that the plaintiff should be relegated to an action for damages against the vendor, that innocence was dispelled by the 7:00 a.m. closing and the rush to get the deed on record at the earliest possible moment. Judgment was rendered setting aside the deed and directing specific performance of the orignial contract.

Gable v. Silver, 258 So. 2d 11 (Florida, 1972)

Action by condominium purchasers against seller (developer) for damages and cost of repair of defective air conditioning system.

Held: Implied warranties of fitness and merchantability extend to purchase of new condominiums from builders.

The court found air conditioning system which included supply wells was attached and immovable, therefore part of the realty. UCC disclaimer not applicable since the builder was not a dealer as defined by UCC. The court went along with the trend in other jurisdictions toward abandoning the caveat emptor doctrine in the purchase of new homes and applied the rule of implied warranties. However, the question was certified as one of great public interest, so that there will be a further ruling on it by the supreme court.

Kadner v. Shields, 97 Cal. Rptr. 742 (1971)

The escrow agreement contained an approval or satisfaction clause which provided that the terms and conditions of an existing first encumbrance were subject to the written approval of the purchasers. The purchasers specified their disapproval of two provisions in the note secured by the first encumbrance, i.e. 1) an acceleration clause, and 2) a prepayment clause. The purchasers brought this action for a judicial declaration that the escrow contract was rescinded and for a return of their deposit. The vendor filed a cross-complaint for breach of agreement and damages. The appellate court held that the objective test of the reasonable man rather than the subjective personal judgment test, controlled only by the element of good faith, should have been applied in measuring the purchasers' disapproval of the financial terms of the note, and reversed the judgment in favor of the purchasers.

Lane v. Bisceglia, 15 Ariz. App. 269, 488 P. 2d 474 (1971)

Real estate purchase contract provided that the purchaser would, as a part of the purchase price, assume a specific mortgage with a stated balance and with an interest rate of 6 per cent per annum. The mortgagee refused to approve the assumption of the mortgage unless the interest rate was increased to 6-¾ per cent per annum. The court held that the purchaser had the right to rescind the contract and to recover his earnest money, since the vendors materially breached the contract by their failure to provide an assumable mortgage at the stated interest rate.

Lane v. Crescent Beach Lodge & Resort, 199 N. W. 2d 79 (Iowa, 1972)

Action by seller of resort property against purchaser seeking to quiet title based upon alleged forfeiture of installment purchase contract. The district court quieted title in and granted possession of resort property to the seller, and the purchaser appealed. The supreme court held that failure of the defendant purchaser of the resort to make timely payment of insurance premiums was not a default of the real estate contract justifying forfeiture where, even though contract stated that time was of the essence in relation to payment of the insurance premiums, since timeliness of premium payments would not necessarily affect the covenant to keep the improvements insured, the timing of such payments was clearly left open to whatever bargain might be negotiated between the purchaser and the insurer, there was no implied contractual term prohibiting the purchaser from accepting credit in purchasing insurance, and where in fact such credit had been extended by the insurer to the purchaser.

Reversed and remanded with directions.

Schlosser v. Creamer, 284 Atl. 2d 220, 263 Md. 583 (1971)

Suit by vendor against purchasers for damages sustained when the purchasers declined, because of alleged title defect, to proceed under contract to purchase a house. The alleged title defect was a violation of a minimum set back restriction contained in a deed to the sellers in 1925. The house was erected in its present location on the property in 1930. Adjacent houses also violated the restriction. The court concluded in this case that a reasonable purchaser, who is well informed as to the facts and their legal bearings, and ready and willing to perform the contract, would be willing to accept the title in the exercise of that prudence which business men ordinarily use in such transactions, and therefore the title was merchantable.

Wilkins v. Birnbaum, 278 A. 2d 829 (Del. 1971)

Contract for the sale of land for a purchase price of $40,000. A $10,000 deposit was made at the time of the execution of the contract. The contract was to be performed within one year, but also carried a provision that final settlement could be accelerated by either party on a 90-day written notice. In the event of acceleration, the purchase price was to be discounted at $38,000 at the election of the seller. The seller exercised the right to accelerate the agreement with a purchase price of $38,000. After the purchaser failed to perform without excuse, seller gave notice to him that the deposit had been forfeited and then entered into a contract of sale with a third person for the price of $38,000. Seller appealed from the finding of the chancellor that the deposit should be refunded.

Held: (1) A 10 per cent deposit may well be considered liquidated damages if, in fact, it is a fair estimate of the seller's damages resulting from the breach. The burden is upon the defaulting buyer to prove that the deposit exceeds in amount the actual damages resulting from the breach; (2) Chancellor was in error in holding that the burden was on the seller to minimize his damages. The burden was on the buyer to show that the seller's damages did not equal the amount of the deposit.

A case of first impression.

WATER AND WATERCOURSES

Silver Blue Lake Apts. v. Silver Blue Lake H. O. Assn., 225 So. 2d 557, (Fla. Ct. App. 1969) affirmed, 245 So. 2d 609 (1971)

The owners of land underlying a lake

sought to enjoin an allegedly unreasonable use of the surface of the lake by tenants of an apartment complex bordering a small portion of the lake. The lake was a non-navigable, man-made lake.

Held: The use of the lake was restricted to the owners of land underlying the lake and the tenants were enjoined. To permit one owner to expand his rights by passing them on to hundreds of tenants would be an unreasonable use depriving other owners of their rights.

The Supreme Court of Florida considered the case because it passed on a question of great public interest.

Williams v. Skyline Development Corporation, 288 Atl. 2d 333, 265 Md. 130 (1972)

An action by the owner of condominium units to enjoin the performance of certain land filling operations in Isle of Wight Bay and to require restoration of the bay to its former condition. The deed to the petitioners' predecessor in title provided that the grantee, his heirs and assigns, shall have no right to extend the lot beyond the present lines by causing, in any manner whatsoever, artificial accretion thereto, the grantor reserving unto itself, its successors and assigns, all lands as shown on the plat, adjacent to said lots which lie beneath the waters of Isle of Wight Bay, etc. The habendum clause of said deed provided that the fee simple estate conveyed was subject to the provision and reservation concerning riparian rights theretofore made.

Held: Within the meaning of the statute providing that the proprietor of land bounding on navigable waters is entitled to the exclusive right of making improvements in the waters in front of his land, the word "exclusive" indicates that after the effective date of the statute the state should not have the power to grant the riparian rights to others and is not intended to prohibit or impair the right of the riparian owner to sever said rights from the land, by grant or reservation.

United States v. 422,978 Square Feet of Land, San Francisco, 445 F. 2d 1180 (Cal. 1971)

In 1940, Congress authorized the expenditure of moneys for "essential equipment and facilities at either private or naval establishments" for building naval vessels. Pursuant thereto, the Secretary of the Navy with the President's approval recommended the construction of a naval shipyard in San Francisco Bay, the shipyard to be located on unsubmerged land owned by the United States adjoining the bay. In order to construct the facilities, the United States took possession of the submerged land in the bay which was owned by the state of California, adjoining the land it owned, including a wharf facility on the submerged land, also owned by the state. In 1955 the United States filed a condemnation action against the submerged land to acquire the land for a term of years. The state appeared in this action, but nothing took place therein until some years later when the United States moved to dismiss the action with prejudice to any claim the state had to compensation or, in the alternative, for judgment that the United States had taken the property in the exercise of its navigational servitude, for which no compensation was payable. The trial court dismissed the complaint in condemnation and the state appealed.

Issue: Is the state of California entitled to compensation for the use by the United States of the submerged land, or did the United States exercise a navigational easement over such land, so that no compensable right existed in the state?

Held: The state is not entitled to compensation.

Opinion: The United States contends that the state is not entitled to compensation for the government's use of submerged land in San Francisco Bay in connection with a naval industrial shipyard. Its argument that the owner of land under navigable waters does not have a compensable right as against the United States for the use of such submerged land for a navigation purpose is supported by language in a long line of opinions of the Supreme Court.

The state argues that none of these cases involved the precise issue before us but involved questions of the compensability of private interests in the flow of navigable streams. We hold that the United States can use land submerged beneath navigable waters for a navigational purpose without compensating the owner of the land.

State v. Slotness, 185 N. W. 2d 530 (Minn. 1971)

D's predecessor in title to land in Minnesota bordering on Lake Superior filled in the submerged land in front of his property to the point of navigability, a practice permitted riparian owners under Minnesota law. The state, desiring to utilize this land for interstate highway purposes, instituted a condemnation action seeking a determination as to whether it must pay just compensation to D for the taking of the land. In its action, the state conceded D had a riparian owner's right to create new dry land out to the point of navigability, but it contended that in such circumstances D was a mere tenant at sufferance on the new land without compensation for purposes of constructing a highway on land held in trust for the people. A summary judgment adverse to the state was entered, and the state appealed.

Held: Construction of a public highway is not remotely connected with navigation or any other water-connected public use, and is not one of public purposes for which the state holds the bed of navigable lake in trust for the public, and, accordingly, the state may not take riparian land for highway purposes without payment of just compensation.

WILLS

Kentucky Trust Co. v. Kessel, 464 S. W. 2d 275 (Ky. 1971)

Suit for judgment declaring rights to realty where will devised realty owned by testator and his wife as tenants by the entirety to one son in trust for life of wife and in fee simple to that son after her death. Wife did not renounce the will and accepted other benefits under the will.

Held: The wife ratified and legitimatized the testamentary disposition of the property and was thereby estopped from denying or contesting the testamentary disposition. Under the doctrine of testamentary election, one given a benefit under a will must choose between accepting the benefit and asserting an independent claim to property which the will purposts to dispose of to others.

Langhorne v. Langhorne, 212 Va. 577, 186 S. E. 2d 50 (1972)

The court held that the rule in Virginia was that a testator does not intend the word "issue" or "descendants" to include persons who qualify as such only by or through adoption, unless the intent to include those persons is expressed or reasonably implied by the language of the will or may be reasonably inferred from extrinsic evidence properly before the court.

Stephens v. Bank, 12 N. C. App. 323 (1971)

John Timberlake owned a home in Greensboro in his own name. He died testate, with one of the provisions of his will providing that, "my wife will be the owner of our home, which is held as an estate by the entireties." The will then provided that the rest and remainder of his estate would be devised to North Carolina National Bank in trust.

The wife's successor in interest contended that the testator intended to devise the home to her under the doctrine of devise by implication. The court, in construing the will under the North Carolina Declaratory Judgment Act, held that the intent of the testator would be controlling. The intent would be determined by whether the language used in the will was dispositive or declaratory only.

In this case, the court held that the language was declaratory only, and the homeplace passed to the trustee under the residuary clause.

Glover v. Spinks, 12 N. C. App. 380 (1971)

The court of appeals discussed the applicability of the doctrine of election to a devise to the testator's son. In this case a 66-acre tract was conveyed to A. S. Spinks and wife, Maggie. A. S. Spinks died testate, devising this tract to his son, G. R. Spinks. Maggie Spinks received no benefits under the will. The will was duly probated and Maggie did not dissent from the will.

The court held that the testator must intentionally put the wife to an election by providing an alternative, inconsistent benefit for the wife under the will, wherein the wife must elect to take either under the will, or outside the will. In this case, the wife received no benefits at all under the will, and the doctrine could not apply. Most importantly, the case held that it was not necessary for the wife to dissent from the will to take benefits outside the will.

Continued on page 15

state association corner

WLTA Elects Kekow as President

The Wisconsin Land Title Association recently held its 67th annual convention at The Dome Resort in Marinette, Wis. Franklin A. Kekow, vice president of the Wisconsin division of Chicago Title Insurance Company, Milwaukee, was elected WLTA president and Theodore W. Schneider, president, Kenosha County Abstract Company, was chosen as vice president.

The convention program included an address by Robert J. Jay, president-elect of the American Land Title Association and president, Land Title Abstract Company, Port Huron, Mich., on federal legislation and other matters affecting the land title industry. J. Mack Tarpley, vice president, Chicago Title Insurance Company and chairman of the ALTA Committee to Establish Liaison with the N.A.I.C., discussed his committee's work with state insurance commissioners across the nation.

Eugene Ouchie talked on the Wisconsin consumer act as it affects the abstracter and title insurance agent and Robert Mitchell reported on the activities of the Wisconsin title insurance rating bureau. Additional convention topics included uniform abstracting procedures, plant equipment and photography, title insurance problems, condominiums, and the new Wisconsin probate law changes and how they affect the abstracter and title insurance examiner.

Enjoying a relaxing moment at the recent convention of the Wisconsin Land Title Association are newly elected officers Franklin A. Kekow, (above, left) president, and Theodore W. Schneider, vice president. In the lower photo, Leon Feingold (right) is congratulated on his receipt of a certificate of merit from the association as he talks with former WLTA President Harold Lenicheck. Feingold, president and treasurer of Modern Abstract and Record Service, Janesville, has served the state association as a board member for 10 years, as its president for two years, and most recently as chairman of its uniform abstracting standards committee.

Howlett Addresses FLTA - Florida Bar Seminar

Pictured here is Richard H. Howlett, senior vice president and general counsel of Title Insurance and Trust Company, speaking at the recent educational seminar sponsored by the Florida Land Title Association and the real property, probate and trust law section of the Florida Bar Association. Howlett was elected chairman of the ALTA Title Insurance and Underwriters Section October 3 during the ALTA Annual Convention in Los Angeles.

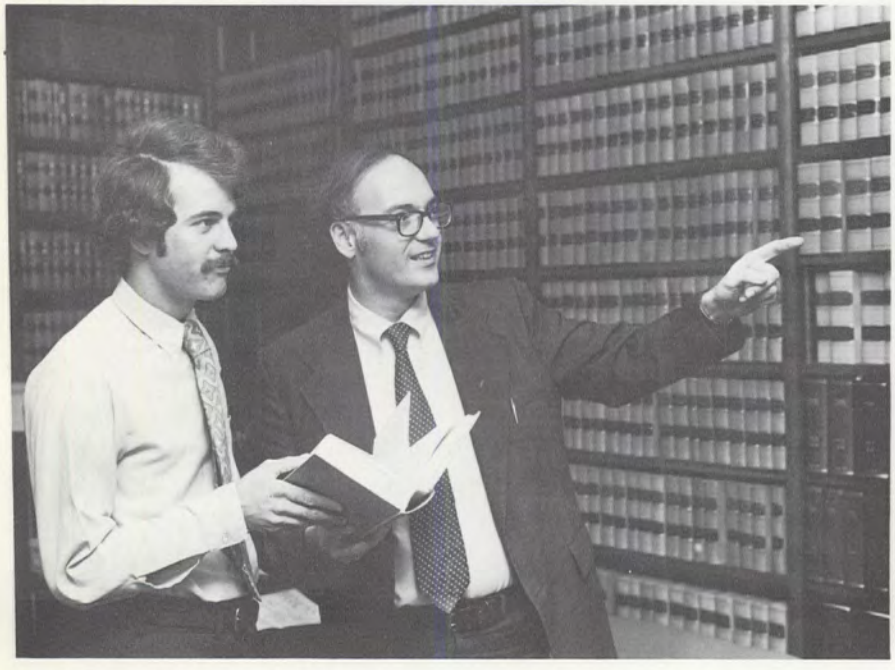
First Land Title In Second Century

First Land Title Company, Inc. of Fort Wayne, Ind., formerly Kuhne & Company, is celebrating its 100th anniversary this year and was recently the subject of an extensive feature article in the Sunday magazine of the Fort Wayne *Journal-Gazette*. The article describes the function of the abstracter as "compiling the legal history of the only commodity that's privileged to permanency — terra firma."

The article quotes James R. Suelzer, president of First Land Title, in explaining the importance of the abstract to the homebuyer's peace of mind and pocketbook and goes on to trace the development of the company back to 1873.

A. W. Suelzer, the current president's late father, purchased the business in 1921 and in 1945 was elected president of the American Land Title Association.

Mid-South Awards 1973-74 Law Scholarship



Clyde A. Billings, Jr. (above, left) has been named the 1973-74 recipient of the Mid-South Title Company's first-year tuition scholarship to Vanderbilt University School of Law. Pictured with Mr. Billings in the Vanderbilt law library is Professor Robert N. Covington, associate dean of the Vanderbilt law school, who served on the selection committee along with George M. Houston, chairman of the board of Mid-South, and W. Stuart McCloy, Jr., chairman of the Memphis and Shelby County Bar Association selection committee.

American Honors First Employee

The first employee of American Title Insurance Company, Mrs. Bernice T. Allen, (above, right) second vice president, agency division, recently celebrated her 25th anniversary with the company. Presenting her with an engraved certificate is Jay R. Schwartz, president of American Title.

names in the news

American Title Insurance Company announces the appointment of **Robert B. Coats** as vice president in charge of underwriting and reinsurance.

* * *

Charles D. Murrell has been appointed vice president for national title service, Pioneer National Title Insurance Company. **Miles F. Ertel** has been promoted to vice president for accounting, personnel and other administrative functions in Pioneer's central region; **Jerry L. Frost** to vice president for marketing in the central region.

* * *

Richard DeMott, Jr., has been named Florida agency representative for Commonwealth Land Title Insurance Company. **Harry C. Ritenbaugh** is assistant vice president and manager of the company's new Arizona operation; **Thomas Funicello** is title officer.

* * *

Nine persons were recently elected to office by the boards of directors of Title Insurance and Trust and Pioneer National Title Insurance. Elected to office in TI are: senior vice president: **Richard A. Cecchettini,** eastern regional manager; vice president: **Philip B. Branson,** manager, national marketing; assistant vice presidents: **M. L. Brittain, III,** trust officer-supervisor, private trust section; **Vernon L. Heckelsmiller,** trust officer-manager, employee benefit plans department; **Doris M. Hughes,** trust officer-supervisor, court trust section; **William S. Krause,** trust officer-manager, corporate trust department; **Robert G. Riddle,** manager, real estate department.

COATS

MURRELL

ERTEL

FROST

DEMOTT

RITENBAUGH

FUNICELLO

SUMMERVILLE

Elected to office in PNTI are: senior vice president: **Richard A. Cecchettini,** eastern regional manager; vice president: **Philip B. Branson,** manager, national marketing; assistant vice presidents: **David J. Wilcox,** manager, Lake County, Indiana; **Bruce Zimmerman,** assistant manager, Porter County, Indiana.

* * *

Thomas W. Burkhart has joined USLIFE Title Insurance Company of New York as regional office manager in the company's home office.

* * *

Thomas J. Fallon has been designated house counsel of West Jersey Title and Guaranty Company; in addition, he will continue his responsibilities as title officer.

* * *

Alan D. Summerville has been elected manager of the Reno branch office of Lawyers Title Insurance Corporation. **Joseph M. Allison,** formerly Reno branch manager, has been named Nevada sales manager.

JUDICIARY—Continued from page 11

Estate of Eva Randall, deceased, Clarance L. Randall, Jr., Executor, v. Alma McKibben, et al, 191 N. W. 2d 693 (Iowa 1971)

A declaratory judgment action by the executor of an estate to determine ownership of realty and to quiet title. The district court entered judgment, and appeals were taken. The supreme court held that where the widow, when joint will and codicil were executed, held an undivided half interest in one 80-acre unimproved tract and an undivided half interest in an entire "improved" farm, and there was obviously a bilateral contract supported by both a manifestation of mutual assent and adequate consideration, the will and codicil were joint and mutual and governed disposition of all the widow's property, both real and personal, despite the fact that the widow after her husband's death later attempted to execute another will and codicil, and further held that where the widow, as the life tenant, satisfied outstanding mortgage indebtedness during the occupancy of the "improved" farm, her estate was entitled to interest from date of payment made in amortization of the principal.

Reversed on both appeals and remanded.

Oregon Titleman Active at 87

B. Frank Wylde

B. Frank Wylde, president, The Abstract & Title Company, LaGrande, Ore., has been engaged in the land title business in Oregon for more than 60 years and at the age of 87 is still actively carrying his share of the company's work load, reports Katheryn Moran, title searcher for that company.

The octogenarian titleman came to LaGrande in 1923 after working in the industry in other areas of Oregon. Later in the 20's, Wylde's company associated with the then Title and Trust Company of Portland (now a part of PNTI) as an agent.

Commonwealth Expands in Two States

Commonwealth Land Title Insurance Company has recently opened a new branch office in West Bend, Wis., with Forrest F. Aliota serving as office manager.

An additional new Commonwealth facility is a settlement service office in Exton, Pa. Robert R. Schroedel, title officer, is manager of the office; he is assisted by Bert C. Miller.

Preparing to evaluate entries in the 1973 writing and editing competition of the National Association of Real Estate Editors are three Washington, D.C., area judges. They are, seated from left, Ash Gerecht, editor, *Housing Affairs Letter;* Dr. Richard W. Lee, assistant professor, University of Maryland College of Journalism; and George E. Trainor, Washington regional public relations manager, Ford Motor Company. Standing are two NAREE associate members serving on the Association Awards Committee. They are, from left, Edwin L. Stoll, director of corporate affairs, National Corporation for Housing Partnerships, and Gary L. Garrity, ALTA director of public affairs. After judging in Washington October 17, plans were made to announce the winners at a NAREE banquet there November 10.

meeting timetable

1973

November 7-10, 1973
Dixie Land Title Association
Sheraton-Biloxi
Biloxi, Mississippi

November 8-10, 1973
Land Title Association of Arizona
Francisco Grande Hotel and Motor Inn
Casa Grande, Arizona

November 9-15, 1973
National Association of Real Estate Boards
Sheraton Park, and Hilton Hotels
Washington, D.C.

December 5, 1973
Louisiana Land Title Association
Royal Orleans
New Orleans, Louisiana

1974

April 18-20, 1974
Oklahoma Land Title Association
Lincoln Plaza Inn
Oklahoma City, Oklahoma

May 5 - 7, 1974
Iowa Land Title Association
Holiday Inn of the Amana Colonies
Amana, Iowa

May 31 - June 1, 1974
South Dakota Land Title Association
Phil-Town Inn
Sturgis, South Dakota

June 28 - 30, 1974
Utah Land Title Association
Park City Resort
Park City, Utah

August 22 - 24, 1974
Minnesota Land Title Association
Holiday Inn
Anoka, Minnesota

Pamela Lynn Rosenberg (above, left) has been selected as Miss Commonwealth Torch by Commonwealth Land Title Insurance Company to assist in the Philadelphia United Fund Drive. Presenting the official bouquet is Fred B. Fromhold, president of Commonwealth who was elected ALTA treasurer October 3 during the 1973 ALTA Annual Convention in Los Angeles.

Tell Your Story More Effectively

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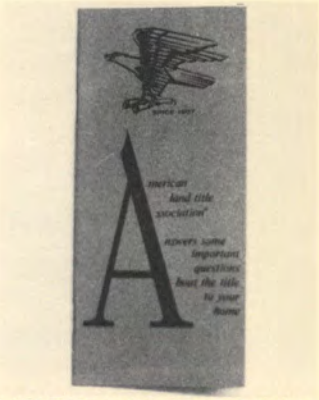
HOME BUYER: HORSE SENSE HELPS! A concisely-worded direct mail piece that quickly outlines title company services. 1-11 dozen, 65 cents per dozen; 12 or more dozen, 50 cents per dozen; designed to fit in a No. 10 envelope.

CLOSING COSTS AND YOUR PURCHASE OF A HOME. A guidebook for home buyer use in learning about local closing costs. Gives general pointers on purchasing a home and discusses typical settlement sheet items including land title services. 1-11 dozen, $2.25 per dozen; 12 or more dozen, $2.00 per dozen.



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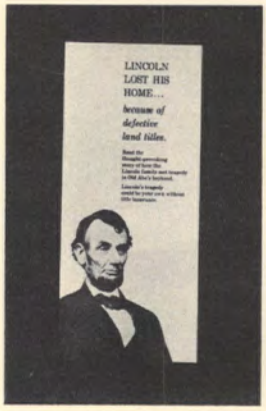
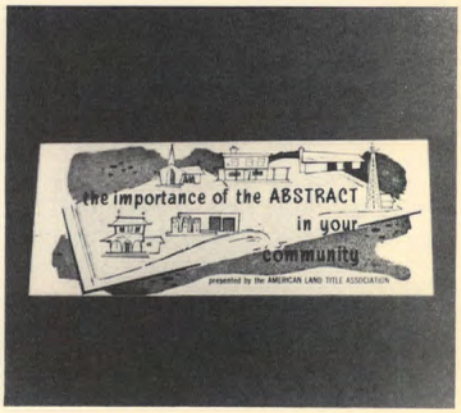
THINGS YOU SHOULD KNOW ABOUT HOME BUYING AND LAND TITLE PROTECTION. Folder designed for No. 10 envelope includes a concise explanation of land title industry operational methods and why they are important to the public. Narration provides answers to misinformed criticism of the industry. $5.75 per 100 copies.



LINCOLN LOST HIS HOME . . . BECAUSE OF DEFECTIVE LAND TITLES . . . A memorable example of the need for land title protection is described in this folder. $5.00 per 100 copies.



THE IMPORTANCE OF THE ABSTRACT IN YOUR COMMUNITY. An effectively illustrated booklet that uses art work from the award-winning ALTA film, "A Place Under The Sun," to tell about land title defects and the role of the abstract in land title protection. Room for imprinting on back cover. $12.00 per 100 copies.

(RIGHT) BLUEPRINT FOR HOME BUYING. Illustrated booklet contains consumer guidelines on important aspects of home buying. Explains roles of various professionals including broker, attorney and titleman. $18.00 per hundred copies, 20 cents each on 99 or fewer copies. (RIGHT) ALTA FULL-LENGTH FILMS: "BLUEPRINT FOR HOME BUYING." Colorful animated 16 mm. sound film, 14 minutes long, with guidance on home selection, financing, settlement. Basis for popular booklet mentioned above. $95 per print. "A PLACE UNDER THE SUN." Award winning 21 minute animated 16 mm. color sound film tells the story of the land title industry and its services. $135 per print.

American Land Title Association