



# TITLE NEWS



CENTENNIAL CELEBRATION  
CONTINUES IN STATES





## A Message from the Chairman, Abstracters and Title Insurance Agents Section

AUGUST, 1976

During the November, 1975, Executive Committee meeting in Chicago, the chair officers expressed a desire to have the inside cover of *Title News* made available to ALTA committee chairmen for messages to the membership. This proposal was received favorably by the Executive Committee.

This issue is the first of such messages from our section committees. We hope that it proves beneficial to the membership – especially those belonging to the Abstracters and Title Insurance Agents Section. Perhaps some of us have forgotten that we have four committees created to provide help and assistance to the section membership.

I have asked the chairmen to make a short statement as to the purpose of their respective committees, together with any additional comments they might desire.

If you have any problems, suggestions or ideas in these four areas, we urge you to contact the appropriate chairman. Our committees should exist only as long as they are providing service to you. Please give them that opportunity.

Sincerely,

Roger N. Bell

\* \* \*

In the past the Plants and Photography Committee has functioned as a source of information on new developments in areas of interest to our profession and at the Annual Convention it has provided an early morning forum for exchange of ideas and experiences in using new equipment such as reader printers, computer input devices, copying machines, etc.

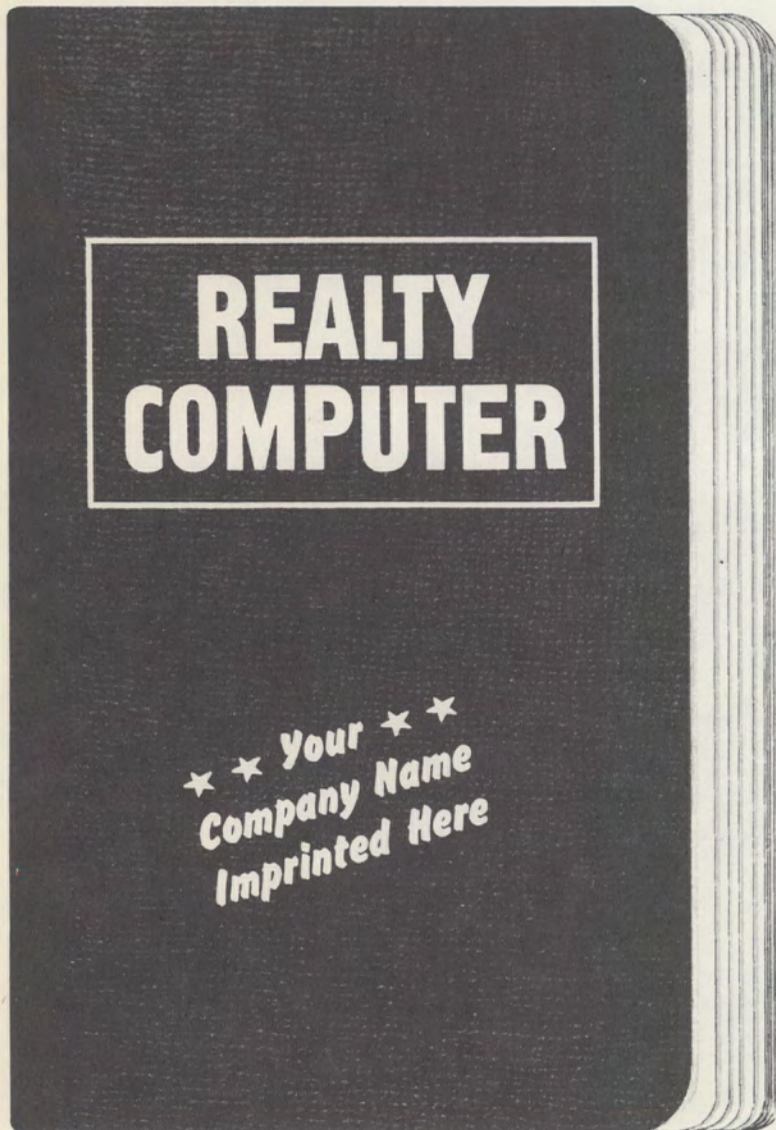
As the makeup of our Association has changed, and continues to change, from smaller companies operating in a rather isolated environment to more agencies and branch offices of larger companies, the information and support which this committee formerly provided comes more and more from the parent organization and technical publication services which are available at relatively modest cost.

Do you need help from your Association in suggesting or evaluating equipment, procedures, plant techniques, etc.? If you do, *please* let me know your needs or have your thoughts as to how we can help you in your day-to-day business. If a committee does not provide guidance to members of an association, then perhaps its reasons for existence are questionable. If the need is there, we want to know. Let me hear from you.

Tom Griffin, Chairman  
Plants and Photography Committee  
P.O. Box 432  
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Two ALTA officers will attend conventions of affiliated state associations in August.

President Richard H. Howlett will journey to Liberty, N.Y., for the New York State Land Title Association Convention August 16-19.

After attending the Montana Land Title Association Convention at Helena, Mont., August 12-14, Abstracters and Title Insurance Agents Section Chairman Roger N. Bell will travel to Manhattan, Kans., August 20-21 for the Kansas Land Title Association Convention.

Also, ALTA Executive Vice President William J. McAuliffe, Jr., will attend the American Bar Association Annual Convention in Atlanta August 8-11, and will travel to Colorado Springs for a meeting of the ALTA Standard Title Insurance Accounting Committee August 15-18.

\* \* \*

The ALTA Government Relations Committee has scheduled a special seminar for Congressional and federal agency personnel, for the purpose of explaining land title services including title insurance. This seminar will be held September 16 in Washington, D.C.

In addition to governmental personnel, invitations are being extended to consumer groups, other associations, and news media.

\* \* \*

For the eighth consecutive year, ALTA in 1976 is sponsoring the Consumer Information Category of the National Association of Realtors Creative Reporting Contest for editors and writers. Both associations have been praised by the National Association of Real Estate Editors for ALTA sponsoring the category instead of establishing a separate contest in the current era of proliferating editorial award programs.

Awards in the competition will be presented during the National Association of Realtors Annual Convention in Houston November 12-18.

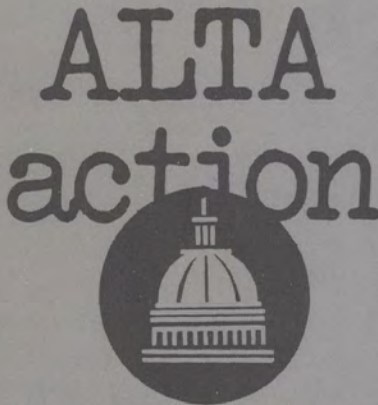
ALTA Director of Public Affairs Gary L. Garrity recently met in Washington, D.C., with Charles C. Vance, director of media for the National Association of Realtors staff with offices in Chicago, and Don McEwan of the Realtor Association Washington office staff, to work out details for the 1976 contest.

\* \* \*

Reports received to date show that an ALTA television public service slide announcement package distributed this spring has been aired by 75 stations in 38 states with a combined potential audience of more than 97 million viewers. All telecasts of this land title industry message are in free air time donated by stations in the public interest.

The ALTA slide package reminds the viewer that it is possible for home ownership to be challenged by land title claims under our present system of law — and suggests writing the Association for free information on related precautions.

Production and distribution of the slide announcements is an activity of the ALTA Public Relations Program. Members of the Association Public Relations Committee include Chairman Philip B. Branson, H. Randolph Farmer, Patrick McQuaid, Francis E. O'Connor, James W. Robinson, Edward S. Schmidt, and William H. Thurman.







# TITLE NEWS

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Los Angeles, California

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And Title Insurance Agents Section Inside Front Cover

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ON THE COVER: Among Land Title Insurance Centennial activity under way across the nation this year was the signing of a related proclamation by Colorado Governor Richard Lamm (seated). Standing are Land Title Association of Colorado Executive Manager Jesse Smith (center) and Richard Morgan, Colorado history professor at Arapahoe Community College. As part of its Centennial activity, LTAC sponsored Professor Morgan in a series of historical speeches before local groups — commentaries which focused on the fact that 1976 also is the centennial year for Colorado statehood. For reports on other Land Title Insurance Centennial activity elsewhere, please see the following pages of this issue.

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# Title Insurance Industry Accounting Standards Adopted

(Editor's note: The author has participated in ALTA Standard Title Insurance Accounting Committee deliberations related to development of the Title Insurance Industry Generally Accepted Accounting Principles.)

\* \* \*

In 1975, title insurance accounting grew into a unique, mature profession: unique, because the title insurance industry is one-of-a-kind; mature, because it adopted standards that confine the accounting practices of title insurance companies within certain limits. Such self-governing is a responsible, mature act.

The adopted standards, which accompany this article, are not earthshaking. At the time of their adoption, each standard was already being followed by more than one company. Their universal application will achieve a desirable uniformity within the industry.

## Statutory Premium Reserves

Unearned premium reserves are an anomaly in the title insurance industry. From a strict accounting standpoint unearned premiums could result from one of three conditions: (1) payments received in advance for work that is yet to be performed, (2) payment of a premium for coverage in defined future periods (a three-year policy, for example), or (3) premiums subject to refund should the insured cancel his policy. None of these conditions exist in the title insurance industry.

From an accounting standpoint the "unearned" premium reserve is not unearned at all. However, state legislatures, which have jurisdiction over title insurance companies, have determined that policyholders should be protected not only by the company's equity but also by a premium reserve, which is properly called a "statutory" premium reserve. Since this reserve is not avail-

able to the owners of the business as dividends, it is treated as an expense for federal income tax purposes.

However, neither state laws nor income tax regulations define good accounting practices. There is a proper difference between statutory accounting, tax accounting, and Generally Accepted Accounting Principles (GAAP). GAAP is used in reporting to investors. GAAP requires that all income be reported in the period in which the income is earned.

Figure 1 shows a condensed balance sheet for a company that reports in accordance with standards that were typical a few years ago but are no longer generally acceptable. Figure 2 shows a similar condensed balance sheet prepared under today's GAAP.

The first difference to note between the two statements is the investments shown on the asset side of the balance sheet. In Figure 1 the statutory premium reserve investments are segre-

FIGURE 1  
OLD ACCEPTABLE BALANCE SHEET

Investments	
General	\$10,000
Statutory Prem. Res.	7,000
Other Assets	15,000
	<u>\$32,000</u>
Loss Reserve	\$ 1,000
Other Liabilities	9,000
Statutory Prem. Res.	6,000
Equity	16,000
	<u>\$32,000</u>

FIGURE 2  
NEW REQUIRED BALANCE SHEET

Investments	\$17,000
Other Assets	15,000
	<u>\$32,000</u>
Loss Reserve	\$ 2,500
Deferred Inc. Tax	2,160
Other Liabilities	9,000
Equity	20,340
	<u>\$32,000</u>

FIGURE 3  
INCOME STATEMENT

	OLD	NEW
Total Revenue	\$27,000	\$27,000
Statutory Premium Reserve	1,500	
Losses	500	1,000
Other Expenses	20,000	20,000
Net Before Tax	5,000	6,000
Income Tax	2,400	2,880
Net Income	<u>\$ 2,600</u>	<u>\$ 3,120</u>



gated. In Figure 2 all investments are combined.

The next thing to notice is that on the liability side of the balance sheet, the statutory premium reserve of \$6,000 is not shown in the new statement.

The standard does require that the statement or the footnotes to the financial statements disclose statutory limitations upon dividends and assets. Such disclosure can be provided with a note as follows:

State laws require the company to maintain a statutory premium reserve, which is a restriction on shareholder's equity. Qualified investments and cash must be maintained in an amount equal to this reserve, which at December 31, 1975, was \$6,000.

In addition, investments with an aggregate carrying value of \$500 were on deposit at December 31, 1975, with insurance departments of various states as required by law.

### Loss Reserves

Another difference between the balance sheets shown in Figure 1 and Figure 2 is the loss reserves. This difference is typical of what a company might have experienced if they had changed to the new standard at the end of 1972 or 1973. These were good years with high underwriting volume and low loss experience.

Under the old method the loss reserve shown on the balance sheet was equal to the estimated liability on all known claims. The new standard requires that the loss reserve be higher than known claims to provide for claims that have not yet been discovered.

Ideally, the loss reserve would be large enough to cover all net loss payments that will ever be made on policies that were issued on or prior to the date on which the balance sheet is prepared. The reason for this is that most losses arise from events that occurred on or prior to the effective date of the policy. The company has committed itself to protect the insured from all such losses. (Note 1)

The standard does not dictate how this estimated liability is to be calculated. In fact, many companies have



AUTHOR MILLER

adopted similar but different procedures.

### Deferred Income Taxes

The other difference between Figure

1 and Figure 2 is the Deferred Income Taxes (see Note 2), which are calculated as follows:

Decrease in statutory premium reserve	\$(6,000)
Increase in loss reserve	1,500
Net change in liabilities	(4,500)
Income tax effect (.48)	2,160
Increase in equity	2,340

### Income Statement

The income statement is also affected by a changeover to the new standards. Figure 3 compares an "old" income statement with a new one.

The net Statutory Premium Reserving does not appear according to the new standards. All premiums are fully earned when reported as income.

The loss expense is considerably higher. Ideally, the loss accrual should be adequate to cover all out-of-pocket loss and loss adjustment expense that will ever arise from the matters on which income was reported. A basic principle of accounting is that all expenses should be accounted for in

## Title Insurance Industry Generally Accepted Accounting Principles

### A. Statutory Premium Reserves

1. In the income statement no accounting recognition will be given to statutory premium reserve requirements. An accounting policy statement will disclose how revenue is recognized.
2. Disclosure shall be made in the financial statements or the notes thereto of any statutory requirements to defer a portion of premiums and the extent to which such deferral for statutory purposes results in:
  - a. Restrictions on retained earnings
  - b. Deferred tax provisions
  - c. Restrictions on assets

### B. Title Losses

At the statement date provision shall be made for the estimated future cost of: (1) all known claims, (2) title contingencies with respect to which no claim has been made, but there is reason to expect future losses, and, (3) investigation and defending claims.

### C. Title Plants

Title plants are carried at original cost, which includes the cost of producing or acquiring interests in title plants or the appraised value of subsidiaries' title plants at date of acquisition for companies accounted for as purchases. Thereafter the costs of daily maintenance (updating) of these plants are charged to expense as incurred. Since a properly maintained title plant has an indefinite life and does not diminish in value with the passage of time, and since maintenance is expensed currently, no provision has been made for depreciation of these plants.



the same period as their related income is reported.

The net effect of these two changes is an increase in net income and an increase in Federal Income Tax expense.

### Title Plants

The accounting standard for title plants is essentially a restatement of what most large companies in the industry follow. The basic problem with title plants is that they are tangible. The filing cabinets, papers, racks, folders, maps, microfilms, and magnetic tapes are all things that can be touched. However, their physical properties are not the basis of their value. Their value lies in their ability to generate income and/or to reduce searching expenses.

Therefore, there is no sure way to value plants. We can only depend upon expert appraisals. If there were an active market buying and selling title plants, this market would establish the value. Since there is not, accountants must become conservative and value title plants at cost by one of the following three procedures or some combination of them:

- (1) The out-of-pocket costs of building a plant "from scratch,"
- (2) Amounts paid for a plant, copies of a plant, or portions of a plant are to be capitalized, or
- (3) If a title plant is part of a business acquisition, the plant must be appraised, and that appraisal is the key determinant of the plant's value. (Note 3)

The standard also says that the cost of updating title plants will be charged to expense as incurred.

The standard says that title plants do not diminish in value *with the passage of time*. This does not preclude amortization of title plants for reasons other than the passage of time. For instance:

- (1) The public records in an area might be improved in quality, speed, and availability to the extent that searches of the public records could be conducted as quickly and as

inexpensively as searches in a title plant. In such circumstances any continued maintenance of a title plant would be unjustified and the plant's value should be amortized (if not "written off").

- (2) The volume of transactions in a market area served by a title plant could decline. For an extreme example, it would be very difficult to justify placing any value on the title plant of a ghost town.
- (3) If the value of a title plant was established by appraisal techniques that depended upon business volume served by the plant, a decline in market share could require a write-down.

Unfortunately, there is no basis in accounting for writing up the value of a title plant because real estate activity in the market it serves has grown or the company's market share has increased. Such a write-up could occur only in a business transaction in which the plant is sold in an arm's-length transaction.

### Standards

Accounting standards are established for all United States industries by the Financial Accounting Standards Board, which is an independent body of CPA's and scholars. The title insurance industry standards accompanying this article do not enjoy such prestigious sanction.

The title insurance industry standards were initially proposed by an *ad hoc* group of title insurance accounting personnel and their certified public accountants under the auspices of the ALTA's Standard Title Insurance Accounting Committee. The first draft was prepared in November, 1974.

The standards were then reviewed by the ALTA Regional Executive Committees and the ALTA Executive Committee. The Executive Committee circulated the standards to all ALTA member companies for their review and comment in the summer of 1975.

In November, 1975, the ALTA Executive Committee and the Board of Governors approved the final draft

of the standards that accompanies this article.

### Conclusion

Preparation and adoption of these standards has accomplished three things:

- (1) Investors will be better informed by the increased uniformity in title insurance company financial statements.
- (2) In the process of developing and adopting the standards, the industry has further educated public accountants and members of the Securities and Exchange Commission about the unique characteristics of the industry.
- (3) The industry has demonstrated to itself and others that it has the maturity and responsibility to adopt standards itself, rather than wait for some other body to impose them.

Many other industries have been unable to take such steps on their own. The title insurance industry can take pride in this accomplishment.

### NOTES:

1. *Statement of Financial Accounting Standards No. 5 - Accounting for Contingencies*, Financial Accounting Standards Board, Stamford, Connecticut, 1975. Paragraph 8 says: "An estimated loss . . . shall be accrued . . . if . . . it is probable that a liability had been incurred at the date of the financial statements . . . (and) the amount of the loss can be reasonably estimated."
2. *APB Opinion No. 11 - Accounting for Income Taxes*, American Institute of Certified Public Accountants, 1969. Paragraphs 12 and 19 say: "Interperiod tax allocation procedures should follow the deferred method. . . .  
". . . whereby the tax effects of current timing differences are deferred currently and allocated to income tax expense of future periods. . . ."
3. *APB Opinion No. 16 - Business Combinations*, American Institute of Certified Public Accountants, Inc., 1970. Paragraph 87 says: ". . . all identifiable assets acquired . . . should be assigned a portion of the cost of the acquired company, normally equal to their fair value at date of acquisition."  
"Independent appraisals may be used as an aid in determining the fair values. . . ."



*Theo. V. Brumfield*  
*Regional General Manager*  
*St. Paul Title Insurance Corporation*

## Accounts Receivable Problems

Depending upon the geographic location of your business and the modus operandi of your office, accounts receivable can be a problem, not only from a monetary standpoint but public relations as well.

If you are fortunate enough to be operating in an area where your office acts as a closing agent or where reputable escrow companies operate, you are in receipt of your title charges as soon as the real estate transaction is consummated and funds disbursed. If this is not the case with you, read on.

When we bill for our services and have to depend upon someone else closing the transaction to pay us for these services, we often times must play the waiting game. Our fees are included in the settlement charges but, for some reason, our bill is not paid.

Before we go any further, let it be said that if your office is behind in issuing policies after transactions have been closed, you are hardly in the position to demand payment for the product which you have not produced.

Another factor which can add to your problem is whether you actually invoice for your service when issuing the preliminary title evidence (thus putting it on your books as a receivable) or inform your customer of what the ultimate charge will be, but not in invoice form. If you operate in the former way, you could have a lot of open charges on your books on transactions which have not been closed for one reason or another and create an aged accounts receivable situation

which is not truly correct. Transactions which have not been closed in a reasonable amount of time should be checked on with the person handling settlement. If the transaction has fallen through, ask for the return of the title evidence and cancel in accordance with local custom or rating bureau rules.

Be that as it may, you are almost always made cognizant when a transaction has been closed because, if for no other reason, the lender wants its policy. If, after a transaction has been closed, your policy or policies issued, charges properly made, and no pay-

ment has been received from the broker or attorney, say for a month, it is entirely proper for the title company to make inquiry as to why it has not been paid. A friendly letter indicating that a certain policy or policies have been issued and the date, together with a copy of the invoice, will suffice. This would be in addition to a monthly statement. Remember, the fees for the title evidence should be in the related escrow account.

A similar letter can be sent the second month with a reminder that this is the second notice. If you are even more benevolent, a third letter can be sent after three months indicating that this is the third notice. At this point, you want to get some attention. You mention that until this account is brought up to date, all future orders must be C.O.D. and partial payment made on pre-existing unpaid orders before you can do any further work for that individual.

In some cases, the decision must be made to write the account off as a bad debt or pursue collection through a collection agency. In these cases, you should bring your accountant into the picture for his expert advice.

The logical party to keep the customer abreast of the condition of his receivables is his bookkeeper. However, the decision on how delinquent accounts are to be handled, whether by telephone, form letter or personal visit, is the responsibility of the manager. He should know his customers



AUTHOR BRUMFIELD

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# Part II: ALTA Judiciary Committee Report

(Editor's note: Members of the ALTA Judiciary Committee have submitted over 400 cases to 1975 Chairman John S. Osborn, Jr., of the Louisville law firm of Tarrant, Combs, & Bullitt, for consideration in the preparation of the 1976 Committee report. 1975 Committee Chairman Osborn reports that 64 cases have been selected for publication in this year's report. For Part I of the report, please see the May edition of *Title News*.)

\* \* \*

## MORTGAGES AND LIENS

*Sanders v. Hicks*, So.2d (Miss. 1975)

The purchaser of certain real property sought to enjoin foreclosure proceedings brought by the trustee and the beneficiaries of a trust deed which prohibited alienation of the property without the latter's consent. The purchaser was aware that they had withheld their consent.

The Court stated that while restraints on alienation are not per se invalid, they are not favored and are strictly construed. Finding that the transfer created no threat to any legitimate interest of the beneficiaries, the Court held the restriction unenforceable.

*Roundhouse Construction Corp. v. Telesco Masons Suppliers Co., Inc.*, A.2d (Conn. 1975)

In an action for the foreclosure of a mechanic's lien, the property owners counterclaimed for the invalidation of the lien as a taking of property without 14th Amendment due process. The Court, after reviewing federal case law, held that the Connecticut mechanic's lien statute was unconstitutional. Particularly, the Court found the statute to be deficient in that the party claiming the lien was not required to post surety to protect the property owner; the ex parte filing of the lien was not supervised by a judicial officer; the lien

certificate filed was only a conclusory statement; and a filed lien was valid for two years without provision for a timely hearing thereon.

*Turner v. Blackburn*, F. Supp. (N.C. 1975)

This Action was brought under 42 U.S.C., paragraph 1983, by a mortgagor whose property had been sold pursuant to North Carolina Foreclosure and eviction statutes. The mortgagor maintained that the statutes deprived her of property without affording 14th Amendment due process, and the three-judge court agreed.

The Court first determined that the "state action" requirement of the 14th Amendment and paragraph 1983 was met, since under the Statute the superior court clerk must administer any upset bid and his audit validates the disposition of the proceeds of sale. Concluding that the mortgagor had not waived her right to due process, the Court went on to find that due process requires that a mortgagor receive notice and a prior hearing before property may be subjected to foreclosure and sale.

The North Carolina Statute was defective on both grounds and was, therefore, declared unconstitutional.

*Calumet Federal Savings and Loan Assn. of Chicago v. Lake Co. Trust Co.*, 509 F.2d 913 (Ill. 1975)

Hil-Budd Corporation agreed to loan its co-defendant (developer) funds for the construction of homes. Calumet agreed to serve as the end lender upon Hil-Budd's agreement to subordinate its construction loan, allowing Calumet's loan to assume priority. Hil-Budd also agreed to maintain a savings balance with Calumet during the term of the loan. In return for this subordination, Calumet agreed to give 30 days written notice to Hil-Budd in the event a default existed prior to exercising its rights of foreclosure. The loan went into default and Calumet instituted foreclosure proceedings without giving Hil-Budd the required notice.

The Court rejected the borrowers' contention that they were entitled to a 30 day notice as well. The evidence, as well as reasonable business practice, supported Cal-

umet's argument that the borrowers were never part of the notice agreement. Likewise, the Court rejected the borrowers' other defenses: That Calumet wrongly applied payments made by them to the replenishment of the pledged accounts rather than against principal and interest; and that Calumet's charge for tax and insurance escrows bore no reasonable relationship to the actual sums required for the services.

The Court then turned to Hil-Budd's claim that notice of the foreclosure was not given. Calumet argued that Hil-Budd had waived notice when one of its agents had informed Calumet that Hil-Budd never conveyed its interest. Hil-Budd never actually made such a conveyance and consequently never waived its right to notice.

Hil-Budd then argued that its damages should be computed by the fair market value of the security as of foreclosure, less prior liens, but not to exceed the amount due in its note. The note, however, contained a 24% penalty interest rate. Calumet's computation, however, of damages was accepted by the Court. That formula established liability on the date it filed its action and not on the date of sale, thereby cutting off the interest computation. To hold otherwise, the Court said would be to place Hil-Budd in a better position than it would have been had the required notice been given. Calumet still had to pay the balance due Hil-Budd from the borrowers — only the interest was omitted. The Court held further that damages, rather than a re-arrangement of priority, was the proper remedy.

*Brown v. Lynn*, 392 F. Supp. 559 (Ill. 1975)

Mortgagors sued HUD and others for monetary damages and mortgagees for injunctive relief against pending foreclosure proceedings. Plaintiff's theory was that the mortgagee's quick foreclosure was contrary to the HUD Handbill and the violation thereof subjected the mortgagees to equitable sanction and the Government to monetary liability for its failure to police the



industry.

Held: The regulations contained in the Handbook carried no such effect because they were never published and never acquired the force of law. Further, neither the APA or HUD departmental regulations require publication. Note that in dicta Judge Will specifically noted the decision would not prevent the foreclosure court from applying the same HUD regulations as a defense to a "quick" foreclosure, nor would it prevent HUD from taking action against the mortgagees.

*Romito Bros. V. Frank A. Flannery Inc.*, 40 Ohio State 2d 79; 320 N.E.2d 294 (Ohio 1974)

Before one may have a mechanic's lien it must appear as a condition precedent that the labor and material were furnished pursuant to a contract and that the contract was made with the owner, part owner, or lessee of an interest in real estate or with the authorized agent thereof; and the lien thereby procured extends only to the right, title, and interest of him with whom the contract, express or implied, was entered into. In this case the contract was entered into only between the lessee and the contractor and only between these two was the relation of debtor and creditor created; the fact that the owner of the fee knew that the lessee was making improvements does not subject his interest to the lien, as he did not become a party to the contract. The lien attached only to the lessee's interest.

*United States of America v. Richard E. Brady*, 385 F. Supp. 1347 (Fla. 1974)

HEW disbursed over \$400,000 under the Hill-Burton Act to a church group for the construction of a non-profit nursing home. Subsequently the nursing home was transferred to a corporation for profit for a consideration of \$750,000. The United States sued to recover the amount of its disbursement from the transferees. Conceding that some notice of the Government's interest is necessary to impose liability of the transferee, the Court found such notice existed in the public records. A recital in a recorded mortgage, while not referring specifically to the Hill-Burton Act, did mention the possibility of a grant by the United States to the church group.

*Strickland v. Contractors, Inc.*, 22 N.C. App. 729, 207 S.E.2d 399 (N.C. 1974)

In this case, plaintiff filed a notice of claim of lien against defendant's property and then filed suit to perfect the lien. Plaintiff then moved to amend his complaint, on the grounds that the claim of lien and original complaint were incorrect, as he had actually completed furnishing materials to the premises on April 3, 1973, rather than March 28, 1973.

Defendant then moved to cancel and remove the lien on the grounds that the allegations of the claim of lien and the original complaint showed specifically that the plaintiff had not filed his lien within 120 days after the completion of his work, as required by GS 44A-12b.

The Court of Appeals held in defendant's

favor, and ordered the lien canceled. Even though plaintiff included in his claim of lien allegations and information not required specifically by our new mechanics' lien act (Ch. 44A NC GS), title examiners are entitled to rely on the record, as worded, irrespective of whether the record contains superfluous or incorrect information. Since the record showed that the claim of lien had not been filed in a timely manner, subsequent parties had a right to assume that the claim of lien was invalid under GS 44A-12b.

The Court of Appeals also stated by dictum that a claim of lien which cannot be amended under GS 44A-12(d) also cannot be changed by amending a complaint, as this would achieve the same result, which result is prohibited by the above statute.

*Canady v. Creech*, 23 N. C. App. 673, 209 S.E.2d 511 (N. C. 1974)

In this case, plaintiff filed a claim of lien in October, 1973, which stated that plaintiff had commenced work, December, 1973.

The Court of Appeals held this claim of lien to be invalid, as GS 44A-12(c) (5) requires that the date of commencement be specifically shown on the face of the claim of lien. If the correct date is not shown, the statute has not been complied with, and a title examiner could be misled under the holding of *Strickland v. Contractors, Inc.*, 22 N. C. App. 729 (1974).

The minority opinion stated that the error was so glaring and obvious that a title examiner could not reasonably be misled; thus, the lien should not be invalidated on an error such as this.

The significance of the *Strickland* and *Canady* cases, is that the Court of Appeals is requiring strict statutory compliance in the filing and perfecting of mechanics' and materialmen's liens. They are basing their opinions not only on the wording of the applicable statutes, but also on the general principle that a title examiner should be entitled to rely on the record, as worded, and should not be required to obtain additional information outside the record, to enable him to certify title to his client.

*Hepler v. Burnham*, 24 N. C. App. 362, 210 S.E.2d 509 (N.C. 1975)

Plaintiff, husband, and defendant, his wife, owned a home as tenants by the entirety. Plaintiff and Defendant executed a deed of separation, wherein Plaintiff agreed to give the defendant exclusive possession of the home, rent free, until their child became emancipated. Subsequently, Plaintiff and Defendant obtained an absolute divorce, and Plaintiff instituted a proceeding to have the property sold at partition sale. The wife, indefending, pleaded the deed of separation as a bar to the relief sought by Plaintiff.

The Court of Appeals held in favor of Defendant, and stated that the statutory remedy of partition could be effectively limited by contractual provisions contained in a deed of separation. The provision that the wife would have exclusive possession, rent free, during the child's minority, is an implied agreement not to partition, which is binding on the husband. See also *Kayann*

*Properties, Inc. v. Cox*, 268, N. C. 14 (1966).

The Court of Appeals goes on to hold that the parties may waive presently a contingent right which will vest in the future, only when the parties obtain an absolute divorce.

Under the holding of *Chadwick v. Bladen*, 210 N. C. 609, cited by the Court in the *Hepler* opinion, agreements never to partition are void, as unreasonable restraints on the use and enjoyment of the property; however, an implied agreement not to partition, reasonable in duration, is valid and enforceable.

This case is important, as it establishes a specific limitation on the statutory remedy of partition (Ch. 46 - N. C. GS). No mention is made of the fact that the terms and provisions of the deed of separation could be construed to be servitudes on the land to which a subsequent purchaser would take subject.

*Lane v. Scarborough*, 284 N. C. 407, 200 S.E.2d 622 (N. C. 1974)

This case holds that there has been an implied release of the right to claim an intestate share by the express release of the elective life estate and express release of the right to administer the spouse's estate, in a recorded deed of separation. In this case, property passed to the deceased spouse's parent, rather than to the surviving spouse who is deemed to have impliedly released all rights by executing the deed of separation.

*Sloop v. Sloop*, 24 N. C. App. 295, 210 S.E.2d 262 (N. C. 1974)

In this case, the Court of Appeals, citing *Lane v. Scarborough*, as precedent, held that the release of an intestate share will impliedly release any right of dissent from the spouse's will. Thus, the widow, by executing the separation agreement, is held to have impliedly waived her right of dissent.

For a more detailed discussion of the *Lane v. Scarborough* case, see 10 *Wake Forest Law Review* 273 (1974).

*Crowe v. Eastern Band of Cherokee Indians, Inc.*, 506 F.2d 1231 (N. C. 1974)

Holding that tribal lands belong to the Tribe as a community, the Court of Appeals for the Fourth Circuit declared that the claim of a particular member of the tribe to the eleven acres in controversy should be resolved "in the light of the traditions and customs of the Indian people" rather than by applying the "technical rules of common law." Although the appellant had sufficiently shown that she had been deprived of due process under the Indian Civil Rights Act, so as to justify setting aside the decision of the Tribal Council, the District Court had erred in substituting its judgment on the merits for that of the Tribe and restoring to her the possessory holding she claimed under a "land division agreement" she had previously entered into with her brothers and sisters. The Tribal Council must be directed to re-examine its decision after a hearing that affords all interested parties the rights of due process and equal protection of tribal law to which they are



entitled under the Indian Civil Rights Act. *Fidelity Bankers Life Insurance Co. v. Williams*, 506 F.2d 1242 (Va. 1974)

The Mortgagor had agreed that should default occur, the Mortgagee would have the right to take possession and collect the rents. A supplemental agreement directly assigned all rents to the Mortgagee. Mortgagee never took possession of the property after default, and did not petition for sequestration of the rents after the Mortgagor went bankrupt, but the Court of

Appeals, on the strength of the supplemental agreement, held that the Mortgagee was nevertheless entitled to all rents collected between the time of default and the time the property was sold.

*Equity Mortgage Corporation v. Loftus*, 504 F.2d 1071 (Va. 1974)

Appellant, Mortgage Corporation foreclosed its second deed of trust on the property in question and purchased the property for \$1,000.00. The principal balance unpaid on the second deed of trust at

the time of foreclosure was \$3,210.28. A federal tax lien for unpaid income taxes was junior to the second deed of trust, and the Government, attempting to exercise its right of redemption under applicable Federal Law, tendered \$1,000.00 to the Mortgage Corporation, plus \$19.27 statutory interest. Mortgage Corporation declined the tender, claiming that the amount of the tender should reflect the balance unpaid on the second deed of trust rather than the amount for which the property was bid in at the foreclosure sale.

The district court held for the Mortgage Corporation, but the Court of Appeals reversed. Under the applicable federal statute, the tender must reflect the amount of Mortgage Corporation's lien "to the extent satisfied by reason of such sale." This requires, in turn, an analysis of state law, in this case the law of Virginia. Under Virginia law, Mortgage Corporation's lien was satisfied only to the extent of the purchase price at the foreclosure sale (\$1,000.00), less the expenses of the sale. The Mortgage Corporation's only possible means of recovering the balance of the debt is to seek a deficiency judgment against the mortgagors, and the Court rejects the Mortgage Corporation's claim that this result is inconsistent with constitutional guarantees of due process.

The Mortgage Corporation had to make payments on a first deed of trust both before and after the foreclosure sale. The Court holds that the Government must reimburse the Mortgage Corporation for these payments, but need not pay the Mortgage Corporation interest on the amount of those payments.

*VNB Mortgage Corporation v. Lone Star Industries, Inc.*, 215 Va. 366, 209 S.E.2d 909 (Va. 1974)

In this case the Supreme Court of Virginia construed the effect of a lien waiver provision in a contract between an owner and a general contractor. The general contractor contended that the waiver language was an executory promise, a promise to waive liens in the future rather than a present waiver and that there was anticipatory breach by the owner which freed the general contractor from all its contractual obligations. In upholding the validity of the waiver the Court stated: "...lien waivers, by their very nature, are given in anticipation of the possibility of non-payment. Resort to mechanics' liens generally occurs only when there is a failure to pay, so that the requirement of a waiver of liens is intended to prohibit the contractor from asserting an otherwise available lien when he is not paid by the owner."

The Court further held that subcontractors were *not* deprived of their independent lien unless they expressly waived their lien rights or expressly accepted, or by clear implication, agreed to be bound by the provision in the general contract.

*Bellegarde Custom Kitchens v. Select-At-Home, Inc. et al, LaPointe Bros. Inc. v. Rodolphus J. Chabot et al*, 385 F. Supp. 318 (Maine 1974)



MICHIGAN LAND TITLE ASSOCIATION PRESIDENT WILLIAM M. QUINN recently participated in activity culminating in two official Land Title Insurance Centennial proclamations in his state. In the upper photograph, President Quinn (right) receives a proclamation from Governor William G. Milliken as State Senator Richard J. Allen watches. Below, President Quinn receives a Centennial proclamation from Mayor John R. Willertz of Bay City. Both proclamations also honored the seventy-fifth anniversary convention of the state association held in June in Bay City.



In consolidated actions, Plaintiffs sought to enforce mechanics' liens pursuant to State law and the U.S. sought dismissal. In dismissing the actions, the Court stated the well-settled rule that Federal Law governs in determining rights and obligations of the United States under security instruments such as Farmers Home Administration mortgages, and that in the absence of a federal statute the federal rule for determining relative priority of federal and state-created liens is "first in time, first in right." It held that the FHA mortgage liens had priority over subsequently filed state mechanics' liens even though they might have priority under state law. The Court further held that since the mechanics' liens were uncertain as to amount and were subject to dissolution if not perfected by filing of lien certificates and commencement of enforcement actions within the time prescribed by state law, they had not achieved the degree of choateness for priority over FHA mortgages.

*In the Matter of The Oronoka, alleged bankrupt*, 393 F. Supp. 1311 (Maine, 1975)

Appeal was filed from an order of the Bankruptcy Judge dismissing creditors' petition for an adjudication of involuntary bankruptcy. The Court held that although real estate attachment liens, obtained without notice and hearing, operated to deprive an insolvent debtor of his ability to convey clear title to property while liens remained outstanding, where liens in no way disturbed the right of the debtor to possession and enjoyment of property, and debtor was permitted to obtain a hearing within two days after notice of attachment, at which time the lienor had the burden of justifying its issuance, liens were not obtained in violation of due process clause of the Fourteenth Amendment, and therefore were not, as the Bankruptcy Judge held, subject to avoidance by the alleged bankruptcy. Thus, the order of the Bankruptcy Judge dismissing the Creditors' Petition on the grounds that the Oronoka did not commit the third act of bankruptcy by failing, while insolvent, to vacate the attachment liens

continued on page 13

LAND TITLE INSURANCE CENTENNIAL OBSERVANCES around the nation include these proclamations by public officials. At top, Indiana Governor Otis R. Bowen (center) is shown with Bruce L. Nelson (left) and Virgil A. Oglesby of Commonwealth Land Title Insurance Company. The governor holds an official state proclamation saluting the Centennial in 1976. In the middle photograph, Bowen and Oglesby are with Indianapolis Mayor William B. Hudnut, III, and a similar proclamation by the chief officer of that municipality. Below, Mayor Harvey Sloane of Louisville, Ky. (left) and Commonwealth's Harrison H. Jones are shown with a replica of the Philadelphia Liberty Bell presented by Jones in honor of the occasion; Mayor Sloane also issued a Centennial proclamation.





# Texans Honor Garst, Harris; Hear Report from Howlett

Presentation of Honorary Memberships to Drake McKee and William J. (Jimmy) Harris, and designation of James H. Garst as "Titleman of the

Year for 1976", were among highlights of the Texas Land Title Association Convention May 6-8 in Fort Worth.

Garst also was installed as new

TLTA president at the Convention. Other newly-installed officers of the association are Alex H. Halff, president-elect; William F. Pieper, vice president; Diane Dietert, secretary; George M. Ramsey, treasurer; William Oxford, Melvin Morgan, and William A. Towler, III, all directors; and Hughes Butterworth, immediate past president.

ALTA President Richard H. Howlett was among featured speakers at the Convention. He reported on developments regarding new federal regulations under the Real Estate Settlement Procedures Act, discussed activity of the recently-created ALTA Government Relations Committee, and commented on proposed amendments to the ALTA ByLaws that are designed to strengthen the national association (please see publication of the proposed amendments elsewhere in this issue).

Other speakers included Joe Christie, chairman of the Texas State Board of Insurance, who discussed his concern over excessive government spending and mentioned economy measures being taken by his office, and R. Joe Cantrell, who presented a talk on errors and omissions insurance. During a business session, Chairman Towler of the TLTA Education Committee reported that more than 1,600 members attended 1975-76 regional educational seminars of the state association.

Gerald L. Ippel, treasurer of the



RELAXING at a recreational activity of the 1976 New Mexico Land Title Association Convention, ALTA and state association dignitaries are shown with the winning dog of the tenth race, "The New Mexico Land Title Association Special", at the Juarez, Mexico, race track. Standing from left are ALTA President Richard H. Howlett, Mrs. Mary Morrato, Mrs. Betty Howlett, NMLTA President Frank J. Morrato, and NMLTA Executive Secretary Craig E. Dunbar. There was a record attendance at the convention, held May 13-15 at Las Cruces, N.M.



SCENES from the 1976 Texas Land Title Association Convention include (left) Honorary Member William J. (Jimmy) Harris, left, presenting the "Titleman of the Year for 1976" award to incoming TLTA President James H. Garst as Mrs. Carolyn Garst watches;



(center) ALTA President Richard H. Howlett saluting TLTA members after being presented a symbolic Texas stetson; and (right) President Garst receiving the gavel from Hughes Butterworth, who completed his term as association president at the convention.





Title Industry Political Action Committee, addressed the Convention and emphasized the importance of personal contributions to TIPAC for use in supporting the campaigns of Congressional candidates with views compatible to those of the land title industry.

Observance of the Centennial of Land Title Insurance added a thematic note to the Convention, with Fort Worth Mayor Clif Overcash declaring the week of May 2 as Centennial Week.

#### JUDICIARY REPORT— continued from page 11

within thirty days after they took effect, was reversed.

The Court stated that in *Mitchell v. W. T. Grant Co.*, 416 U.S. 600 (Maine, 1974) the Supreme Court had substantially modified the constitutional principles concerning the prejudgment seizure of property derived from *Fuentes v. Shevin* 407 U.S. 67 (1972) and that it is now clear that there may be a temporary taking of property without prior notice and opportunity for a hearing.

*Tucker v. Lassen Sav. & Loan Assn.*, 12 Cal. 3d 629 (Cal. 1974)

Plaintiffs purchased an improved parcel of property for the sum of \$11,400.00 and financed a portion of the purchase price by a loan from defendant lender, giving defendant their promissory note secured by a deed of trust on the property. Both the note and the deed of trust contained "due-on" clauses which substantially provided that if plaintiffs should "sell, convey, or alienate, or further encumber said property, or any part thereof, or any interest therein. . . the holder thereof may, at its option, declare any portion or the entire amount of principal and interest to be immediately due and payable." Soon after purchasing the property the plaintiffs rented it to the Nolls on a month-to-month tenancy. Defendant was apprised of this but made no effort to enforce the "due-on" clause on this basis. Thereafter, the plaintiffs entered into an installment land contract with the Nolls. This contract provided that the plaintiffs were to retain legal title to the property until the full purchase price had been paid. Upon learning of the installment land contract, the defendant decided to enforce the "due-on" provision and demanded that the plaintiffs pay the unpaid principal together with \$230.00 in prepayment charges. Plaintiffs were unable to pay this amount or to obtain substitute financing. Although the defendant recorded its notice of default and election to sell under the deed of trust, no trustee's sale was held, since the Nolls

eventually entered into an arrangement with the defendant pursuant to which the Nolls assumed the existing loan at an increased interest rate. As a prerequisite to this arrangement the plaintiffs were required to execute a quitclaim deed.

The Plaintiffs thereupon brought this action, claiming that the defendant's exercise of the "due-on" clause in these circumstances constituted an unreasonable restraint on alienation with the meaning of Civil Code Sec. 711, and that as a result they were damaged in the amount of the difference between what the Nolls owned to them under the installment land contract and what they in turn owed the defendant on the original loan.

The issue was whether a lender may automatically enforce a "due-on" clause when the trustor-obligor has entered into an installment land contract covering all or some of the property securing the loan. The Court concluded that such an executory contract does not necessarily, and in the circumstances of the case in fact did not, justify the enforcement of the clause.

The Court reasoned that the relationship between the justification for the lender enforcing a particular restraint and the quantum of restraint, i.e., the actual practical effect upon alienation which would result from enforcement of the restraint, must govern its consideration of the enforcement of a "due-on" clause in particular circumstances. To the degree that enforcement of the clause would result in an increased quantum of actual restraint on alienation in the particular case, a greater justification for such enforcement from the standpoint of the lender's legitimate interest will be required in order to warrant enforcement.

The Court observed that the execution of the contract of sale was clearly covered by the terms of the "due-on" clause inasmuch as one who executes an installment land contract thereby "sell(s), convey(s), or alienate(s)," an interest in the property, to-wit, his equitable interest in the property. Automatic enforcement of the clause, however, would amount to an unlawful restraint on alienation where the property to be conveyed was subject to a deed of trust and the obligation under the note remained substantial. Unlike an outright sale where the lender is usually paid off and therefore the trustor is not restrained from selling the property, in an installment land contract transaction the trustor-vendor normally receives a relatively small down payment upon execution of the contract, the remainder of the purchase price to be paid through monthly installments. This down payment does not often provide the trustor with the means to discharge the balance secured by the deed of trust and thus to allow the lender to enforce its "due-on" clause would unreasonably restrain the trustor from selling his property on the terms he wishes.

It is against this quantum of restraint that the factors advanced in justification must be measured. Possession of the property under the land sale contract is transferred to the

vendee and this poses some dangers of waste and depreciation of the lender's security. However, this does not justify a blanket restraint on alienation which the automatic enforcement of "due-on" clauses with respect to installment land contracts would involve. In the normal case the vendor, having received a small down payment and retaining legal title, has a considerable interest in maintaining the property until the total proceeds under the contract are received; in this he differs markedly from the vendor of property where there has been an outright sale. Under the installment land contract, the vendor's interest tends to decrease as the vendee's equity in the property increases through continued payments. But these factors do not in themselves justify the oppressive restraint on alienation which would result from automatic enforcement of the "due-on" clause whenever an installment land contract affecting the security is entered into. A "due-on" clause contained in a promissory note or deed of trust is not to be enforced simply because the trustor-obligor enters into an installment land contract for sale of the security. The clause can be validly enforced only when the beneficiary-obligee can demonstrate a threat to one of his legitimate interests sufficient to justify the restraint on alienation inherent in its enforcement. Such legitimate interests include not only that of preserving the security from waste or depreciation but also that of guarding against the risk of having to resort to the security upon default. Thus, if the beneficiary can show that the prospects of default on the part of the vendor are significantly enhanced in the particular situation, such as where his entire interest in the property has passed to the vendee by virtue of the latter's continued payments, thereby diminishing the trustor-vendor's incentive to prevent default and also damage or waste of the security, the propriety of enforcing the clause is clear. Sufficient justification exists for enforcement of the clause despite its restraining effect.

The Defendant sought automatic enforcement of the "due-on" clause and made no effort to demonstrate how the installment land contract entered into between the plaintiffs and the Nolls impinged upon their legitimate interests to an extent which would justify enforcement of the clause in the particular circumstances of the case. Nor did they attempt to show that the arrangement in any way endangered their primary recourse to the plaintiffs for payment of their note.

Next:  
Mortgages and Liens  
(continued)



names  
names  
names  
names in the news

counsel, Denver office; **Benjamin Henderson**, manager, Morristown, N.J., branch office; and **Myron C. Weinstein**, branch counsel, Toms River, N.J. office.

\* \* \*

American Title Insurance Company announces the election of **James A. Long** and **F. D. (Don) Slayton**, managers of the company offices at Jacksonville and Boynton Beach, Fla., to vice presidents.

\* \* \*

Title Insurance and Trust, and Pioneer National Title Insurance announce that the following individuals recently were elected to the board of directors: **Davre J. Davidson**, chairman of the board, ARA Services, Inc.; **Gwen Gates Erickson**; **Mariana R. Pfaelzer**, attorney; **William A. Simpson, Jr.**, chairman of the board, Booth & Simpson Insurance; and **Richard C. Van Dusen**, attorney.



PILSKALN



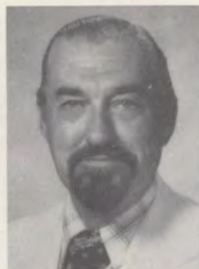
SEITZ

The Title Guarantee Company, New York, announces the election of **Harold Pilskaln, Jr.**, senior vice president and eastern regional manager of Pioneer National Title Insurance Company, to chairman of the board, and **William T. Seitz**, vice president and the New York Division Manager of Pioneer National Title Insurance Company, to president and director.

\* \* \*



STIERS



TAYLOR

Lawyers Title Insurance Corporation announces the election of the following: **Anna D. Stiers** and **James A. Taylor, III**, associate counsel, Richmond Office; **John D. Weber**, branch



WEBER



LONG



ERICKSON



PFAELZER

ALTA Judiciary Committee Chairman **Ray E. Sweat** has reported the following Wisconsin Supreme Court decision regarding mechanic's lien on condominium:

**Stevens Construction Corp., et al., vs. Draper Hall, Inc., et al.**, decided in Wisconsin Supreme Court, filed June 14, 1976.



SLAYTON



DAVIDSON



SIMPSON



VAN DUSEN

Plaintiff entered into a contract with defendant to construct Draper Hall in January, 1971, and commenced construction in July, 1971. In October, 1971, defendant complied with the Wisconsin Unit Ownership Act. Plaintiff completed the condominium in February, 1973, gave notice of intent to file a lien and filed a lien in March, 1973, and thereafter made an



amended filing in May, 1973 describing Draper Hall as a 35-unit condominium.

The lender recorded its mortgage in October, 1971 and released from its mortgage in accordance with its terms, eight units which were sold. Plaintiff commenced foreclosure of its mechanic lien in April, 1973, naming the lender, owners of the sold units and others. Lender cross-complained to foreclose its mortgage on the remaining 27 units alleging priority under the Wisconsin statute.

Can plaintiff look to the eight sold units for the full satisfaction of his claim?

No, the lien must be apportioned over the 35 units since the condominium declaration was filed prior to the filing of plaintiff's foreclosure action and *lis pendens* and under Wisconsin Unit Ownership Act, Section 703.09(2), a lien on two or more units must be apportioned.

(E. D. McGillicuddy Constr. Co. vs. Knoll Recreation Asso. (1973) 31 Cal App 3d 891, 107 Cal Rptr 899, decided in 1973 which refused to fraction the lien despite similar statutory provisions in Civil Code Sec. 1357.)

(See also 68 ALR 3d 1300 for related matters).

ACCOUNTS RECEIVABLE--  
continued from page 7

and how they are to be handled. He can delegate the action to be taken but he should call the shots.

Another very important party for input in these touchy situations is the sales representative or account executive. Before any action is taken, he should be consulted. He has direct contact with the customer and his advice is extremely helpful to the manager.

A good thing to remember is not to let the delinquent customer get too delinquent. If he is a high volume customer and suddenly starts to be dilatory in paying on his account, be on guard. Have a frank, friendly discussion with him. Ask him if he is having problems. Try to work it out with him. If he is outraged that you ask for payment of what is justly yours and threatens to quit you for a competitor, perhaps the better thing is to let him. He could be in big trouble financially and make your problem even worse.

In the case of a title insurance agent, his problem is twofold. He is making his monthly report of policies issued to his underwriter and is expected to pay his underwriter its share of the

title premiums. If the agent does not remit in accordance with his agency contract, he is subject to possible cancellation and loss of license.

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MESSAGE FROM CHAIRMAN,  
ABSTRACTER-AGENT SECTION—  
continued from inside front cover

The Educational Committee's primary responsibility is to provide assistance to the members of the section in educational matters. The majority of our inquiries have been from states asking for course material for their schools. We do have some of this information but it would be helpful to hear from any of you who have such material available.

As we mentioned at the Mid-Winter Conference, we are considering the establishment of an educational library and would appreciate your comments in this regard.

John R. Cathey, Chairman  
Educational Committee  
219 Park Avenue  
Oklahoma City, Oklahoma 73125

\* \* \*

The Errors and Omissions Liability Insurance Committee is certainly aware of the present confused and disordered state of errors and omissions coverage. The members of your committee have in the past several years served as a clearinghouse for problems when members have had difficulty obtaining coverage or problems concerning claims. With regard to coverage, we do know that St. Paul has withdrawn from certain areas and raised deductibles and premiums substantially in others. We may not, however, be aware of all such changes and ask that you keep the committee informed as to any such changes offered by our carrier.

We are not intervening in claims matters, but perhaps have a little more experience than some. The committee members continue to be willing to spend a few moments on the phone or in correspondence with members of the Association if they can be of help.

James J. Vance, Chairman  
Errors and Omissions Liability  
Insurance Committee  
79 North Main Street  
Fort Atkinson, Wisconsin 53538

\* \* \*

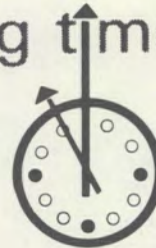
The Organization and Claims Committee makes biennial studies of the

organizational and financial characteristics of ALTA member abstracters and title insurance agents. The information gathered through this questionnaire is a very helpful resource tool to both abstracters and agents in comparing their operations to industry averages. If any members would like to have additional statistical information

included in the study, please contact myself or any committee member. We will consider such suggestions at our meeting during the ALTA Annual Convention.

Robert G. Frederick, Chairman  
Organization and Claims Committee  
115 South Seventh Street  
Salina, Kansas 67401

## meeting timetable



**August 5-12, 1976**  
American Bar Association  
Atlanta, Georgia

**August 12-14, 1976**  
Montana Land Title Association  
Colonial Inn  
Helena, Montana

**August 16-19**  
New York State  
Land Title Association  
Grossinger Hotel  
Grossinger, New York

**August 20-21, 1976**  
Kansas Land Title Association  
Ramada Inn  
Manhattan, Kansas

**September 9-11, 1976**  
Minnesota Land Title Association  
Maddens Lodge  
Gull Lake, Minnesota

**September 9-11, 1976**  
North Dakota Land Title Association  
Dickinson, North Dakota

**September 12-14, 1976**  
Ohio Land Title Association  
Salt Fork State Lodge  
Cambridge, Ohio

**September 17-19, 1976**  
Missouri Land Title Association  
Marriott  
St. Louis, Missouri

**September 18-21, 1976**  
Indiana Land Title Association  
Rodeway Inns-Airport  
Indianapolis, Indiana

**September 23-24, 1976**  
Nebraska Land Title Association  
Omaha, Nebraska

**September 23-24, 1976**  
Wisconsin Land Title  
Association, Inc.  
The Concourse  
Madison, Wisconsin

**October 2-4, 1976**  
Carolinas Land Title Association  
Mills Hyatt House  
Charleston, South Carolina

**October 16-20, 1976**  
ALTA Annual Convention  
Olympic Hotel  
Seattle, Washington

**October 25-27, 1976**  
Mortgage Bankers Association of America  
San Francisco Hilton  
San Francisco, California

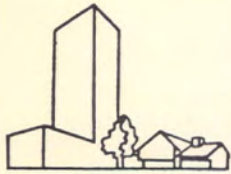
**November 14-18, 1976**  
National Association of Realtors  
Houston, Texas

**November 14-19, 1976**  
United States League of Savings Associations  
New York, New York

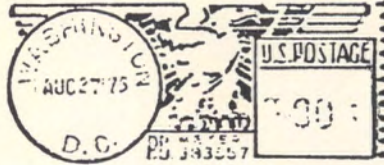


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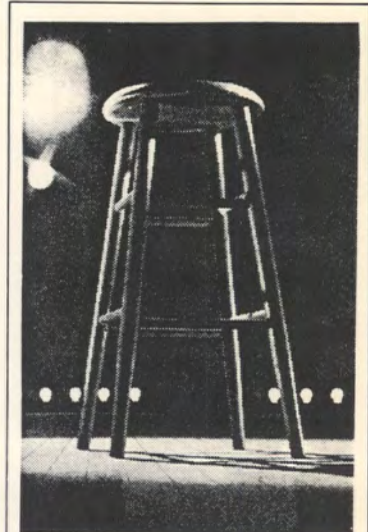
**CENTENNIAL FOLDER** — "Land Title Insurance, Consumer Protection Since 1876" — an informative brochure on the history of land title insurance. Priced at \$9.00 per hundred copies.



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**It's not easy to avoid  
the limelight  
for 100 years.**

For 100 years the people of the Land Title Insurance Industry have been working behind the scenes to serve the home-buying public to establish a good land title as the foundation for safe and secure ownership or investment.

Whenever you buy or invest in real estate *always* get land title insurance. It's one of the best policies of protection you can buy.







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