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# Title News

In this issue: A look at  
systems and equipment  
in the tile industry





## a message from the Chairman, Plants and Photography Committee

It is the intent of the ALTA Plants and Photography Committee that this special issue of *Title News* on systems and equipment will provide new information and food for thought in the inevitable fields of microfilm and automation as they affect all of our futures.

It would be impossible, based solely upon the limited amount of material contained in this issue, for you to feel confident in making a decision on automated equipment. It is our aim to provoke your thoughts, raise questions and provide some information on the equipment presently available and in use in the title industry in the United States as well as to shed light on the rationale which led to the use of this equipment.

In this age of consumerism, I am not sure that *caveat emptor* still applies. However, I am sure the one area where it should apply is in computer applications in the title insurance field. No hardware or software salesman should ever be guilty of inducing a customer to buy a given piece of equipment or set of programs based upon a future happening. All decisions to buy, lease or otherwise use must be made on present day systems and equipment with the hope that the machines will become faster and the

routines simpler, resulting in less expense and time in the processing of our daily work. The justification of any installation, however, is always done with present day dollars, technology and results.

You owe it to yourself (and your company) to become as well informed as possible in this field. We hope this issue of *Title News* will contribute to your knowledge and understanding of the complex world of computers. On the opposite side of this page you will find a questionnaire which we hope you will take the time to complete and return. This relatively small effort on your part will provide information to the ALTA Plants and Photography Committee which will be used to help *all* our industry by furnishing data not available from any other source.

Thomas A. Griffin Jr.



# Title News



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On the cover: Is this your title plant of the future? Vast amounts of information can be stored on data cartridges housed in the honeycomb storage compartments of the IBM 3851 mass storage facility. In a system with two 3851 mass storage facilities, a user can store up to 472 billion characters of on-line information, equivalent to 4,720 disk packs or to a typical library of approximately 47,300 reels of tape. (Photo courtesy of IBM.)

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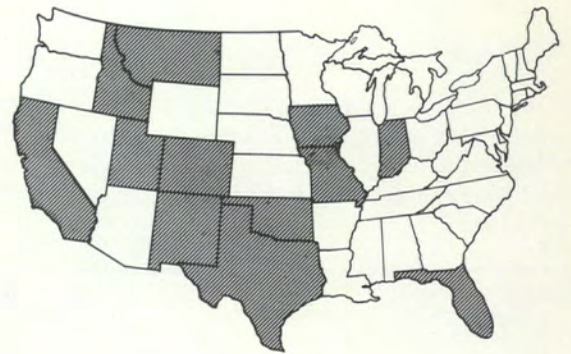
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# Services For The Title Insurance Industry

**Title Order Production System (TOPS)**  
**Title Online (TITON)**  
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Shaded areas represent states in which Title Data, Inc. or its products are serving the Title Insurance Industry



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## Bridling burgeoning manual plant growth

As a county's population grows, so does the volume of recordings and court proceedings. This poses significant problems with respect to the maintenance of constantly growing title company manual files.

When the scarcity of space becomes serious and the cost of clerical personnel too expensive, it may be time to consider automation within a title company.

Until recently, only large companies could afford computerization. Minicomputer and microcomputer technologies have changed all that. Medium size and even small companies can now afford automated plant systems.

### Justification

Hard input cost is the most obvious measure to use in determining whether or not automation is justified. Since the benefits of faster retrieval and better service are difficult to measure, it is better to regard the question in the light of, "If it takes six people to post my plant now and it would require four with an automated system, that's a savings of two people. Now, is the system going to cost me more than two people?"

Some who have justified automation do so on a volume basis. Others have justified it on a per instrument basis.

Whatever the justification, it is important to remember that automation increases fixed overhead. In good years and bad years, fixed expenses will be virtually the same while the equipment is being paid for. In a manual operation, the fixed expenses can be varied according to the number of people employed.

### Advantages

There is the possibility of reducing expenses by sharing automation costs with other companies. Rather than two or three companies maintaining separate staffs to post the same records, perhaps arrangements can be made allowing each to pay a share of expenses for a single staff to maintain the plant. (For points to examine when considering a joint/shared title plant, see the article on page 19.)

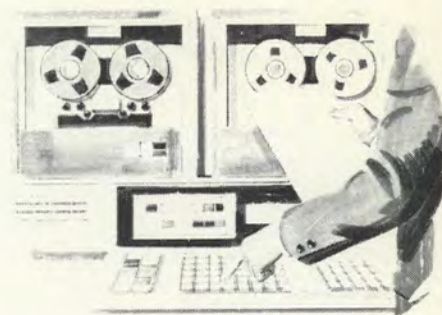
Another advantage of automation is benefits derived from by-products of the system, such as statistical reports reflecting mortgage activity and transfer of title activity. In addition, no plant lends itself more to security back-up than an automated plant.

### Choosing a System

Once the decision to automate has been made, it remains to decide which of a variety of systems is best to install.

IBM cards afford the advantage of rapid posting and utilize keypunch technology and the ability to maintain a semi-automated system while having the entire data base in computer readable form for future computerization.

Under the card system, all entries to the title plant (both property and name files) are keypunched onto an IBM card, rather than posted to a tract book. The card usually contains the lot, block and plat book and page of the subdivision, the section, township and range or an arb. Abbreviated names of the grantor/grantee, type of instrument, book and page, instrument number, etc., are also on the card. The card



containing the keypunched information is then manually filed in cabinets according to property description or by name for the name files. In some cases, these cards are periodically printed on the tract books in geographical order. An alternative would be to file the cards randomly and run them through a sorter when doing a search. Volume, however, would mandate a periodic printing and merging.

### Computer Booked Plant

Still another system of automation, the computer booked plant, has simplified plant maintenance and simultaneously reduced costs by eliminating the manual posting of lot books. A computer booked plant can be constructed in very short time at a cost of 18 to 24 cents per entry.

Another advantage of this system is that by using the computer to construct chain of title references, every entry is subjected to computer editing. This gives more assurance that the plant is as complete and accurate as possible.

In the computer booked plant, all entries to the title plant are created in computer readable form by keypunch or keytape equipment. The information or entries to the plant are sorted or filed geographically by property description and listed on a computer generated listing. Name files are usually sorted alphabetically and also listed on a computer generated listing.

Normally, a listing is created each day with that current day merged with the previous day's listings. The daily listings are merged into weekly, weekly into monthly and monthly into yearly, or any combination found desirable. Thus, to chain a



parcel of land, an employee would review the daily listings, then the weekly, monthly and yearly ones.

Several companies specialize in both building and maintaining computer booked plants. Their services range from simple booked plants to sophisticated on-line systems, depending on the client's need. (For a listing of vendors, see page 3.)

Since the resulting print-out consumes vast amounts of paper, many plants use Computer Output Microfilm (COM). Instead of generating hard copy listings, the computer prints the information directly onto microfilm rolls or

microfiche. This reduces both expense and storage space.

### On-Line/Microfilm

The combination on-line/microfilm system is probably the most cost-justified and efficient of all systems. In this system, the most recent data (usually within 10 years) is stored on-line with the remainder of the data on COM.

With the on-line system, all entries to the plant are created in computer readable form and entered into the mass storage memory of the computer. When a chain of title is

needed on a specific parcel, a computer terminal is accessed and the lot, block and subdivision number are entered. The computer searches all entries to the plant and automatically prints the chain of title.

In meshing the on-line and COM systems—with the computer being used for the most recent data—the plant can be instantly updated and the vast amount of orders run on the computer. If back data is necessary, the microfilm is inserted into the reader-printer and an entire back chain printed in approximately 10 seconds.

## Three possible automation levels explored

By Stanley Dunin  
President  
Title Data, Inc.

For purposes of discussing the question of when a title plant should automate, I will begin by defining automation as the use of computers to assist in the building, maintenance or retrieval of title plant indexes.

Given that definition, the decision to automate can be divided into three separate questions:

- Should one automate the historical records?
- Should one automate the ongoing activity of maintaining the title indexes?

- Should one use a computer to assist in the direct retrieval of title chains?

### Automation of Historical Records

Several studies I have conducted on the automation of historical records show that a title company which already has a reliable title plant whether tract index or slip plant, should not convert that plant to computer form. There are not sufficient savings in future plant searching to recover the cost of conversion. An exception is the general index which is searched very intensively and which generally

represents less than 15 percent of the title plant. If a title company is going to an automated retrieval system it should convert the general index.

If a title company is considering building a title plant from the original recordings, the use of computers is not only the most cost effective method but the most accurate if properly implemented. The per document cost of construction of such a plant based upon actual experience in about 30 counties in 15 states is illustrated in Table I. The principal factors in order of each's importance, which enter into cost computations for a booked plant are shown in Table II.

### Automation of Maintenance

The majority of the title companies in virtually all the major metropolitan areas (population over one million) in the western United States have gone to automated maintenance systems. For reasons of service and costs, certainly no new company entering a market of that size can afford to go into a manual plant system. Furthermore, since the costs of plant maintenance in such areas virtually force title companies to participate in shared arrangements, the question of automation is often secondary to shared plant savings. Thus, because of the ease of duplicating a computerized index, most shared plants are automated.

Table III shows typical costs associated with various types of title plants. Plants with arbing refer to the practice of posting sectional or

(continued on page 9)

**TABLE I**

**Automated Plant Construction Costs Per Document**

County Population	Less Than 20 Year Plant	More Than 20 Year Plant
Under 100,000	\$.30-.35	\$.30-.40
100,000-500,000	\$.25-.30	\$.25-.35
Over 500,000	\$.20-.30	\$.25-.35

**TABLE II**

**MAJOR FACTORS AFFECTING  
PLANT CONSTRUCTION COSTS**

1. Film Quality
2. Film Type *i.e.* roll and aperture cards
3. Type of Source Material (Various Types Are Forms, Typed Transcripts and Handwritten Transcripts.)
4. Percentage of Subdivided Land
5. Resolution of Problem Documents
6. Plant Depth



Levels—(concluded)

acreage descriptions to an artificial parcel identifier (often the assessor parcel number) in order to facilitate searching. The manual plants referred to in this table are generally the tract index or the slip plant.

### Automation of Index Retrieval

The greatest strength of the computer is index retrieval. Besides the obvious advantage of speed, it is possible to program into the computer rules to be followed in searching certain problem subdivisions, or to have the computer automatically perform a general index search on all vested owners in a chain of title. In general in order to realize any of the advantages of automated retrieval there should be at least several years of title plant indexes on the computer. With no back plant, the use of on-line retrieval will generally not be cost effective.

## Potential benefits of plant automation assessed

By Howard Ogasawara  
Manager, Technical Support  
and Operations  
SAFECO Title Insurance Co.

The question of when a title plant should be automated must have occurred to every plant manager at one time or another. For the vast majority who currently maintain a successful manual plant, this is indeed a difficult question. Perhaps an examination of what can be expected from a computer would help in simplifying this question.

A feasibility study is, of course, a prerequisite in determining the cost effectiveness of automation. Generally speaking, the cost of maintaining an automated plant will be higher than maintaining a lot book plant. However, savings in other areas in the form of direct savings, potential savings and other intangible benefits will more than likely outweigh the higher maintenance cost.

Direct savings can be expected in the searching area. The speed of the video terminals and printers are well known. Posting errors, resulting in claims, can be greatly reduced since all postings will be keyed and verified. Further security is possible by letting the computer check for missing postings in counties whose documents are assigned a

TABLE III  
AUTOMATED PLANT MAINTENANCE  
COSTS PER DOCUMENT

Method of Maintenance	Without Arbing	With Arbing
Manual	\$ .45-.75	\$ .60-.90
Automated Maintenance	\$ .50-.65	\$ .60-.90
Automated Maintenance with Automated Retrieval	*\$.90-1.25 **\$.70-1.00	*\$1.00-1.50 **\$.90-1.25

\*Less than 500,000 population  
\*\*More than 500,000 population

Another advantage is that the output of the search on paper becomes a permanent part of the order file establishing that all relevant documents have been examined and appropriately noted as exceptions or requirements on the commitments.

The last line of Table III shows the current operating costs of several

automated systems. County population and hence recording activity are important factors in considering conversion to such systems. However, smaller title companies (less than 500 orders per month) cite improved service as the major benefit, while larger companies more frequently mention the decreased searching costs.

sequential number. Floor space requirements will be arrested where an ever growing geographical plant is used. Additional savings can be realized by allowing the computer to perform the datedowns automatically on a daily basis.

A potential saving which should not be ignored is the possibility of sharing or selling the automated plant services. The cost for maintaining the plant will remain relatively static and therefore can be reduced by a factor of half on a shared basis.

Intangible benefits are difficult to assess but certainly merit consideration. Video terminals and printers now make it extremely feasible to open a branch office. Deeds and deeds of trust information that are posted to the plant can be readily used as a by-product to determine market activity and the quality of activity. Another intangible benefit is the ease in creating a duplicate magnetic tape copy of the entire plant.

The current state of computer technology is such that computers and the associated equipment have improved enormously in the area of price, performance and reliability. A disk storage unit, used to store the

on-line postings, costs one-fifth of what it was five years ago. A computer four times as powerful as its predecessor five years ago is now available for the same price. Costs for video terminals and printers have decreased despite additional enhancements such as self diagnostic capability. Low cost minicomputers now make it possible for lower volume counties to take advantage of automation.

When should a title plant be automated? I believe the time is now.



Howard Ogasawara



# Question of automation has no pat answers

By **Wendel Green**  
President  
The Orion Corp.

Asking "When should a title company automate?" to a cross section of the title industry will elicit responses ranging from a resounding "Now." to an emphatic "Never."

Both answers can be correct and the time to answer the question has arrived for a large number of title companies. Generally, any title company writing a minimum of five to seven orders a day should consider some form of automation.

The determination of when to automate requires the collection of data and the orderly analysis of that data with sound business judgment applied to that analysis. There is no stock answer applicable to all title companies. Therefore, the following is an outline of the procedure I use when assisting clients to answer the question.

## Collect and Organize Existing Real Costs

Go back five years and break down, by quarter, the cost per record to post and maintain your plant. Consider everything including valuable records insurance and the cost of space.

Compute what your costs in this area will be five years from now, assuming that costs will increase during the next five years at the same rate they have in the past five years. If the anticipated cost per record for plant maintenance five years from now exceeds 50 cents, then an automated plant is economically justifiable on the basis of plant maintenance costs alone.

## Growth Projection

Determine the anticipated growth in your county for the next five years, based on recordings for the last five years. Your best judgment of such factors as population shift, money availability and growth (or decline) of major industry should be included in your determination. Assume that rates will increase in the same manner as they have in the past and that your market share will remain consistent. You now have a fair

estimate of your profit and loss five years from now, without automation taken into account.

It has been shown that properly designed and implemented automation can reduce the time required from order to commitment,



Wendel Green

reduce posting errors and provide an overall reduction in manpower required. Automation tends to increase plant operation costs initially, but with the help of the investment tax credit and equipment depreciation, the cost of maintaining an automated plant increase much more slowly than do those of a manual plant.

Experience has shown that with an automated plant, plant posting and maintenance costs will increase only three to five percent per year (in after tax dollars).

You must also take into consideration what your competition is doing; how immune you are to disaster (fire, flood, tornado); what your long-range expansion plans are; what personnel turnover has been, and the possibilities and advantages of plant sharing. Lastly, you should consider what the initial costs of an automated system are.

If the cost can be justified, the operational advantages of an automated system can pay real dividends in terms of competitive position and management control.

# TITLE PAC

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# Computerized plants are not for all companies

By David Fogg  
President

Commonwealth Title Insurance Co.

**Editor's note: Commonwealth Title Insurance Co., Tacoma, Wash., does business in Pierce County, an area with an approximate population of 450,000. Total recording and filings are in excess of four million. The company maintains a conventional tract index plant with the index accounts arranged in such a manner that they would not be too complex to computerize. However, President David Fogg contends that computerization of the tract indices would not be economically justified. In the following article, he relates his rationale for this position and discusses application of minicomputers and word processing as they relate to his operation.**

Costs of computerizing our tract indices with an on-line system with retrieval capabilities at one or more terminals, would far outweigh the benefits that we would derive from such a system.



David Fogg

Reasons include the relatively small size of our plant and the fact that one-third of our tract book accounts are metes and bounds descriptions. Both of these aspects and the volume of orders combine to make computerization of our tract indices economically unjustifiable.

However, in a company this size, there are some areas of possible applications for minicomputers. A general index is a logical candidate

for a minicomputer as Soundex or similar coding is compatible with computers.

In our operation, we have not yet decided whether or not this general index application would be economically feasible. Occupancy costs would have to be astronomical to warrant computerization simply to save space.

We have used a minicomputer for several years for accounting purposes and recently installed more modern equipment. Our operation requires two terminals or work stations.

A company considering any phase of computerization would be well advised—in the absence of qualified computer experts on staff—to consult with an independent computer systems specialist who is or would be willing to become familiar with title operations. Many companies produce equipment with varying adaptability to our business.

*(continued on page 14)*

# Abstracter considers automation to improve service

By John Henderson, Vice President  
Black Hawk County Abstract Co.

**Editor's note: Black Hawk County Abstract Co., Waterloo, Iowa, employs 33 people, has been in business over 100 years and operates in a county with a population of 138,000 with an average daily volume of 90 postings.**

When the need to improve customer service mandated more efficient methods of entering, storing and retrieving information needed for compiling abstracts, we began to consider automation.

We currently are studying the possibility of computerizing both our Remington Rand Soundex System and tract card system. Since computers now are available that our company can afford to lease, the question of justification remains.

No one in our office possesses enough data processing expertise to make decisions about computerization, so we've asked a large title insurance company that uses a computer to assist us in defining the pros and cons of placing the information in our plant on a computer.

When we have all of the facts before us—including the study on improving systems of recording land information as required under Section 13 of RESPA—we will make a decision.

If we decide in favor of computerization, it will be the third major change in our plant operation that we've made in the last 30 years.



John Henderson

The first change was in the mid-1940's. Until that time—during most of our business existence—copies of instruments and proceedings affecting specific real estate were taken from the public records in the county courthouse and a reference to those instruments and proceedings was posted by hand to large and cumbersome tract books. References to the instruments and proceedings of a personal nature were placed in equally cumbersome loose leaf name indices in alphabetical order.

After examining the types of systems that were available at that time, we concluded that the Remington Rand Soundex System would be the best replacement for our loose leaf name indices. We also modified our tract book system by preparing maps showing each ownership parcel of real estate in the county.

Each map contained no more than one platted addition nor more than a quarter section. We arbitrarily assigned numbers to each ownership parcel on all of the maps

*(continued on page 28)*



# Proposal to automate requires advance study

By Don Henley, President  
and  
Roy Davison, Vice President  
Informata, Inc.

Assume that you are a plant manager in a title company. To automate your title plant, you'll need top management approval. That lengthens the decision process. But it clarifies the issues.

You should prepare your proposal to management when cost-benefit studies show that you'll gain by automating and when you've done your homework.

This means that you know what the system will do. You've tested the vendor's claims. Furthermore, you can justify your proposal in terms of your company's fiscal policies, operating goals and automation programs.

## Cost Benefit Studies

You should begin to acquaint yourself with the several kinds of plant automation that are available. Learn about the costs of each and about their advantages and disadvantages in relation to your needs. Look for potential benefits of three kinds:

- Immediate benefits. Your costs of plant maintenance and of the date-down of open orders will change as soon as you automate. When you have determined your present costs, you can easily measure the immediate effects of automating. Some people believe that short-range benefits—the only ones we can estimate with any certainty—are the only ones that count.



Don Henley

- Long range benefits. Systems that offer automated search and that reduce space requirements for plant data will give you additional savings. But the payoff may lie four or five (possibly more) years away. If automation will affect your costs of plant maintenance only marginally, then your decision may pivot on your projected savings in search and space cost.
- Intangible benefits. An automated system should help you manage your plant operations and provide better and faster customer service. Most systems will improve your control over plant maintenance. If search is automated, too, the system will speed your order processing. It also will tell you how it is being used. Some managers see a computer system as an aid to marketing—a sign of a forward-looking company that offers good service and controlled costs.

## Your Homework

You may possess unequivocal dollar evidence that you should automate now. You will still face questions when you seek top management approval. Some of these questions might include:

- Would a different system produce an even better result? Will the system serve your needs 10 years from now? What alternatives did you examine? What are their pros and cons?
- Is the system reliable? Who are the vendors? Have you seen the system in operation? Have you talked directly to title company users?
- Should we buy? Lease? Rent? What are the tax implications? Should we develop a system of our own? If so, can we control costs and risks?
- While we're talking about change, let's look at as many possibilities for saving money as we can. Should we think about sharing the plant? Or forming a joint plant? Can we use the system for other counties? Can we sell plant data?
- How does your proposed system fit with our corporate plans for automation?

Such plans may not exist—yet. But, many executives see their corporate



Roy Davison

operations being fragmented by the variety of automated systems and services available to the title industry. Several computer companies offer automated title plant services. HUD is helping counties to develop the ability to do the same. Banks offer automated accounting services. Vendors promote stand-alone accounting systems, closing systems, and word-processing systems for preparing title policies. Your company's in-house computer group may be anxious to extend its own services.

In this diversity, top-level executives see lost control and lost opportunities for a coordinated, integrated and most economical approach to data processing. Your request, whatever its merits, may be tabled until the company has decided its position on automation.

But note that your proposal illuminates this whole larger issue. It will help your company formulate a sound policy on computers.

## Eighth state meets TIPAC goal

Colorado has become the eighth state to exceed its Title Industry Political Action Committee (TIPAC) goal with \$1,980 in contributions.

Other previously announced states who have met or exceeded their TIPAC goal are Idaho, Kansas, Oklahoma, South Dakota, Tennessee, Utah and West Virginia.



**I**n deciding whether or not to build a title plant, it is important to first disregard the idea that any self-respecting title operation must have an in-house plant.

Instead, the following elements should be examined and assessed in the appropriate context:

- Availability and quality of government records
- Market share
- Access to other plants
- Volume of recording activity

### **Availability and Quality of Government Records**

Title people who work in jurisdiction where the local government records are good as well as readily accessible should still look ahead.

Many county offices, at some point, find they are short of room and a title person could find himself displaced by a growing government staff.

## **Pros and cons of building a title plant are numerous**

Disadvantages of working from courthouse records include the fact that it is time-consuming for title company staff to work in a location far removed from their own base of operations—many times inconvenienced by county employees and officials.

Secondly, courthouse hours pose limitations. This becomes an acute inconvenience, particularly during a period of heavy orders. With an in-house plant, the staff can keep the hours necessary to get the work out—something which is impossible to achieve when the courthouse closes at 5 p.m.

Many smaller operations have circumvented this problem by

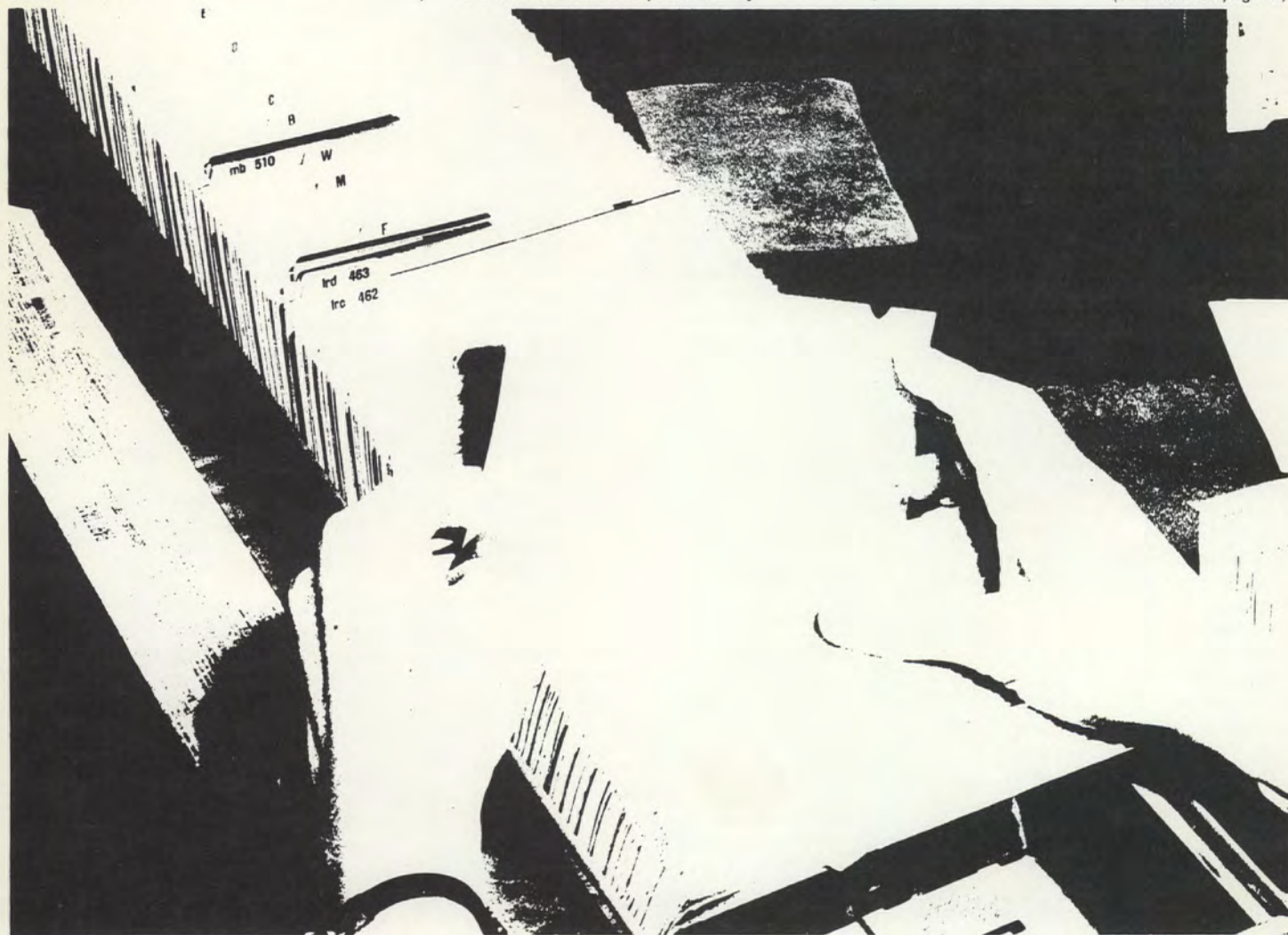
obtaining a key to the courthouse. However, this subjects the productivity of the title operation to the whim of local government officials since this privilege could be revoked at a moment's notice.

In addition, if the courthouse records are destroyed through a fire or other disaster and county officials have taken no prior security measures, the title operation which depended solely on those records is out of business.

Some counties have stored their rolls in salt mines but have not microfilmed the grantor-grantee or other indexes.

Title operations that rely totally on county indexes have no control over the quality of the input. They also are at the mercy of county employees with respect to service. If the county is two or three weeks behind on updating the indexes, the only choice is to hold up delivery of an order pending update or take a gamble.

*(continued on page 14)*





## Market Share

Another factor to be carefully weighed in the decision of whether or not to build a plant is the size of the title company's present and total potential share of the local market area. Since it obviously is impossible to know which properties title orders will be received on, the entire county must be covered and maintained in plant records. For a title company with 10 percent of the market, plant investment could be difficult to justify since roughly 90 percent of the plant data will not be used. It therefore may be desirable to incur title evidencing costs directly as orders are received. This precludes investing money in anticipation of making money.

In tandem with considering the share of the local market is consideration of the average property turnover rate. The figure most frequently used as a national average is once every seven years. This will vary in specific geographic areas. In most locales, the majority of orders—around 75-80 percent—can be searched with a 10-year plant. It could not be cost-justified, therefore, to spend another \$50,000 to build another 10-year plant in order to pick up an unknown percentage of the remaining market.

## Access to Other Plants

Obtaining access to existing plants might be an alternative to creating one's own. There are, however, some factors that should be weighed in considering this alternative.

In cases where the user pays for access during a contract period, there is always a possibility that the owner will not renew the agreement when the contract expires. In cases where the user has duplication rights at the end of this contract period, another problem may exist. The title evidence format with which the now ex-user is presented for duplication may not be compatible with the format his employees are accustomed to using, thus necessitating that they be retrained.

In addition, when using another company's plant, the user conforms to that company's hours and is totally reliant upon the quality of input from the host company's employees.

In the event a title person can buy all of or part of an existing plant, it is

important to compare the cost of chain information obtained in this manner against building his own plant.

As plant maintenance costs spiral, the alternative of joint or shared plants becomes even more attractive. Joint or shared operations have one big plus. In the servicing of several companies, a broader base or amount of plant data is utilized to make more extensive and complex indexing affordable.

## Volume of Recording Activity

Also to be considered is the volume of recording activity as well as future uses and volume projections. The following are questions to be answered:

- What are the possibilities for future sharing of the plant data with other companies?
- Is there a possibility for future computerization?
- What form will the source data be received in?
- What is the percentage of metes and bounds descriptions?
- Will a mapping system be necessary?
- What are the anticipated costs for each option?
- Will volume of recordings substantially increase?

Perhaps after all the pros and cons are weighed, the decision might be to postpone building a plant. The timing of building one must be carefully considered. This is especially true in small but rapidly growing areas of the country.

It might be advisable to wait until the need absolutely exists rather than to spend large sums of money in anticipation of the need. With today's state of automation, most any back plant can be built in three to nine months at a cost of 18 to 24 cents per record.

After deciding to construct a plant, a final decision must be made on whether to build on a go-forward or a go-back basis. If a back plant is the objective, then the number of years for such a plant to cover must be determined. An analysis of property turnover rate in a local county should be made to determine the number of years.

Probably the quickest way to build a plant once the decision has been made to enter a county is to make a computer booked plant.

Fogg—(concluded)

A systems specialist can be invaluable in evaluating equipment and the personnel of the companies supplying, maintaining and programming it. The specialist also can be a great help during the installation and start-up period. Any installation of this type will get into trouble in the absence of complete preliminary planning for the installation and operation.

One top management officer should be responsible for coordinating this preparation and installation. Mistakes and oversights can be very expensive in time and money. It has been said that people can foul things up, but the combination of people and computers can create the ultimate in chaos.

Word processing systems offer substantial efficiencies when the volume of orders so warrants. We consider a volume of 500 or more orders per month warrants investigating word processing. There are less sophisticated automatic typing systems that can be beneficial in operations of less than 500 orders per month.

Our company installed a word processing system in March. It appears to be operating successfully with the exception of a few bugs still to be worked out and has been well received by the operators.

Word processors are much faster than other types of automated typing as there is no waiting for preselection of standard paragraphs on the video screen. Corrections, additions and deletions can be made almost instantly. Second reports and policies also can be produced immediately and simply using these systems.

Word processing systems require that title examiners code the paragraphs on their instruction sheets to the word processing departments. Word processors, as they are applied to our business, require that the standard paragraphs be given a code number for identification by the operators and for selection on the terminal keyboard.

The total report and policy production operation must be adapted to the word processing system. Otherwise, it will not produce the desired efficiency.



Although many types of title plants are in use, for the title person contemplating building a plant for the first time, the list of viable choices is generally limited. These include the tract book—which is by far the most widely used and oldest, a geographic slip plant, microfilm jacket (chips), computer generated microfiche or an on-line computerized system. Any other should be considered only under very unusual circumstances.

Although the tract book system has been attacked recently as being archaic and cumbersome, it still offers the advantage of simplicity and security. Since the indexes are in books, they cannot be separated or lost.

The tract book system has the geographical index made up in a series of books which cover the ownership tracts in a particular county. Two basic posting page formats are utilized—one for subdivision lots, the other for acreage. The subdivision section usually provides a separate page for each block if it contains a sufficient number of lots, or sometimes lots are posted 10 to 50 per page. Sometimes the full lot number is put at the top of the page, while others will leave the first digits blank, to be added at posting.

Acreage is posted to pages usually identified to the section, township and range or U.S. Survey. In the original 13 colonies and in certain southern states, it is necessary that an arbitrary designation—called an arb—be conceived which will identify the acreage in a manner similar to a government section. This might be called the John Smith 500 acre grant or it could simply have a number designation with either the grant or number designation shown on a map whose primary purpose serves as an index to the arb number or name. The arbitrary designation and the sections are usually further broken down. General information regarding each instrument is posted, including the type of instrument, book and page, register or instrument number, parties and the land described and any special information. Policy information, such as the number, is easily added for future reference.

Approximately 120 to 140 postings per person, per day is considered the average level in a tract book plant.

## Plant types: A narrowing field

The ledger card system is a variation of the tract book. It has the same basic principle of the tract book system with the index or pages of a tract book filed in a ledger tray.

Like the tract book system, the ledger card offers the user simplicity but has the advantage of greater efficiency because it allows the plant to be used by more people simultaneously since each index is on a separate ledger rather than combined into several books. On the other hand, it is possible to misfile a ledger card and compromise a file's integrity.

As far as filming records for security goes, it is much more expensive and time-consuming to microfilm tract books than ledger cards.

One of the most expensive types of systems to maintain is the geographic slip file plant because the input resources are taxed considerably. In addition, vast amounts of space are needed since the system uses actual hard copies of the deeds which are inserted in file folders in geographical order. As time goes on, the need for space grows—thus increasing the pressure for larger quarters.

However this system affords the user the ability to rapidly post a title plant and offers the advantage of one source in retrieving both the chain of title and actual copies of the instruments affecting the chain.

An inherent problem with the slip file plant is that of security. The actual instruments filed in the folders can be separated or lost from the file with no audit trail. One way to combat this problem is to file the hard copy of the deed in the folder and also post a reference to such filing on the cover of the folder. This procedure allows the file covers bearing the index to be periodically microfilmed. This precludes the necessity of filming each instrument.

An evolution of the slip system is the geographical chip system, precipitated by the wide usage of microfilm. It affords the same basic retrieval advantages as the slip system but occupies an extremely small amount of space. The system allows filing of actual microfilm copies of the recorded instruments and court proceedings geographically.

A variation of the chip system is to insert the microfilm image into microfilm jackets or channel cards. These jackets are then filed geographically by subdivision and section. Usually, each jacket will contain a group of lots and/or blocks within a given subdivision and a quarter or quarter-quarter within a given section, township and range.

A separate jacket or card is used for inserting instruments which affect an entire block, subdivision or section—which is referred to as an "all" card.

Microthin jackets used in this system originally were designed to use in record-keeping systems that require frequent file updating by

(continued on page 35)

BLOCK 38 LOT 12

Book & Page	GRANTOR.	GRANTEE.	Instrument.	Its Date.	Record Date.	REMARKS.
72	Geo. H. M. M. M. M.	Cyrus Clarke	100	June 10, 1854	July 1, 1854	
84	Geo. H. M. M. M.	Geo. H. M. M.		Dec. 6, 1854	Dec. 31, 1854	X
19	Geo. H. M. M. M.	Geo. H. M. M.	260	Jan. 3, 1855	Jan. 1, 1855	X
	Geo. H. M. M. M.	Geo. H. M. M.		Jan. 22, 1855	Jan. 22, 1855	X
	Geo. H. M. M. M.	Geo. H. M. M.		Jan. 22, 1855	Jan. 22, 1855	X
	Geo. H. M. M. M.	Geo. H. M. M.		Jan. 22, 1855	Jan. 22, 1855	X
	Geo. H. M. M. M.	Geo. H. M. M.		Jan. 22, 1855	Jan. 22, 1855	X
310	Geo. H. M. M. M.	Geo. H. M. M.	X 23	Jan. 22, 1855	Jan. 22, 1855	X
	Geo. H. M. M. M.	Geo. H. M. M.	X 24	Jan. 22, 1855	Jan. 22, 1855	X
	Geo. H. M. M. M.	Geo. H. M. M.	X	Jan. 22, 1855	Jan. 22, 1855	X
	Geo. H. M. M. M.	Geo. H. M. M.	X	Jan. 22, 1855	Jan. 22, 1855	X
	Geo. H. M. M. M.	Geo. H. M. M.	X	Jan. 22, 1855	Jan. 22, 1855	X

1855



# There are 3 ways to automate

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If you have a lot of money to risk, you can try developing an on-line system from scratch. Many firms have so gambled. Few gained a usable result.

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Two executives wrote about their company's system in the August, 1975, issue of *Title News*. They stated that their development costs exceeded one million dollars. They told about the years that it took and about their specially trained staff of a dozen programmers.

Your programmers will have to do what theirs did. The authors didn't offer details, but we can fill in. To start with, they must study *and understand* your existing title-plant operations, write an initial set of design specifications for a computer system, and follow with a set of programming specifications that fulfill the design. Then they must examine, evaluate, and procure equipment. They must write, test, and rewrite programs. They must install the system in its field setting and begin a second round of tests and revisions to be sure that the system fits the application. They must train title-plant employees to operate the system. They must carry on a continuing plan of system modification and improvement.

That's why you'll need lots of money, specially trained people, and years of time, if you want to try developing your own system.

People who have given money and years to their on-line computer systems look for ways to recover the cost. You'll find that many of them are eager to maintain your plant for you. You install remote terminals to use your plant. It can be an economical way to automate.

## 2. Surrender control to somebody else.

The only problem is, it isn't your plant any more. It's theirs. You'll learn that their big computer has its own rules, its own schedules, and its own problems. It may also be doing other things for its owner, like accounting or planning. And so you and your title plant don't enjoy much priority.

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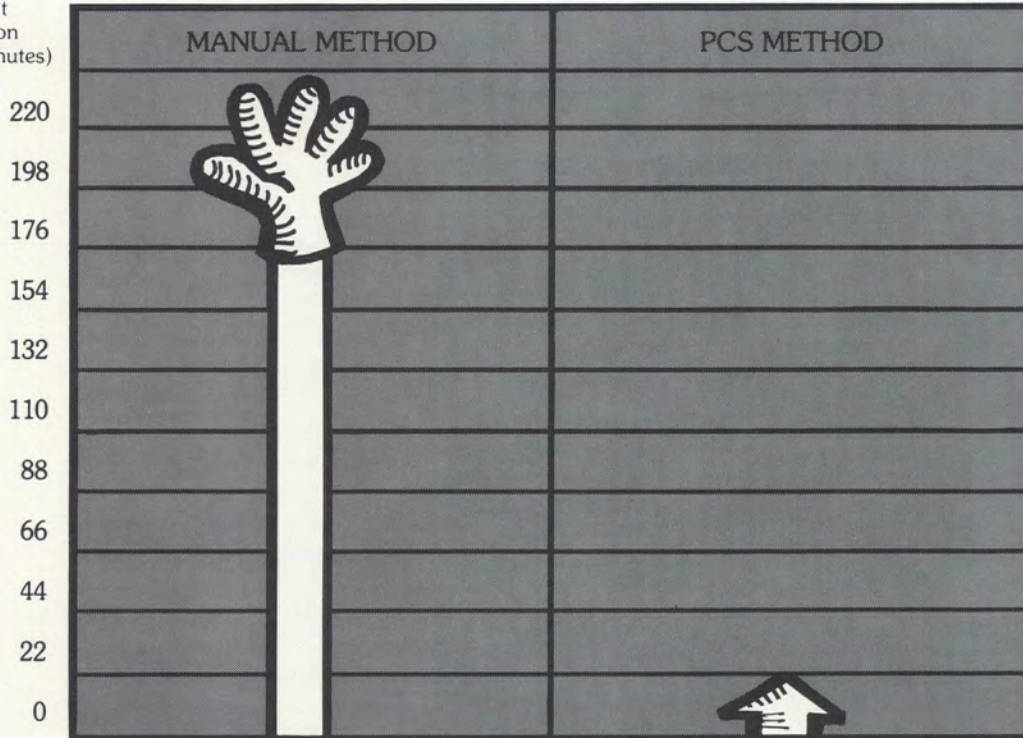
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## A check list of basic guidelines

**Chairman's note:** The ALTA Plants and Photography Committee has formulated a check-list of thought-provoking questions and has cataloged some of the major points to examine when considering a joint/shared title plant. Initially, the committee planned to separate the characteristics of each. But, while they are dissimilar in many ways, the similarities compelled us to combine the two for this article.

The following points represent some of the more important items which must be considered in any joint/shared plant venture. It is not intended to be all inclusive, nor is it intended to replace good sound legal advice. The committee will appreciate any comments, observations or criticisms of the thoughts presented in this article. These should be addressed to the chairman.

### Philosophy

Does the plant intend to operate at a profit?

Are the earnings to be retained or distributed?

Is the plant expected to operate so as to minimize investment and thus maximize profit or is the plant going to be improved by the adoption of more sophisticated (and more expensive) methods of providing its services?

Is the capital for these improvements to come from additional capital investments by the participants, from the plant operating profit or from admitting additional participants?

How are plant maintenance and/or operating costs divided? With the plant being available to all participants, the cost could be divided equally or prorated,

depending upon actual plant usage. At least one agreement exists where all expenses are equally divided, yet the plant usage of one participant is ten times greater than another.

What will be the philosophy of the company and its participants with regard to advertising and referring to "our title plant?" This subject becomes particularly crucial in the shared plant concept.

Are tours of the joint/shared plant or computer demonstrations allowed?

The joint plant agreement should contain a provision for binding arbitration in the event of disagreement as to intent. This cannot prevent litigation, but should discourage it.

The agreement also should contain language to the effect that this is a joint plant agreement only, not a partnership; neither does it, nor will it affect the participants' continuing competitive position in the community.

Another item which might be overlooked is the question of which state laws will govern in the event of a controversy. There must be agreement on the front end, particularly in a computerized plant as to the time required for maintenance and other down time and of the notice which will be given the participants in every circumstance of this nature except an emergency.

Assuming the plant is operated on a profitable basis, are the charges made on a per inquiry basis, on a per order basis or on a flat monthly rate?

If the charge is dependent on the number of inquiries, do you separate the normal customer service functions provided without charge from those made in connection with a title insurance order? If so, the



definition of an order must be specific.

### Capital, Term and Ownership

Most joint plants are equally owned but it is feasible that ownership could fluctuate on a yearly basis depending on the participants' shares of the available market. Restrictions should be placed against pledging or otherwise obligating stock. If restrictions cannot be imposed, in order to avoid problems arising from a participant who might pledge his stock and later default, the remaining stockholders according to the terms of the original agreement could be given the option of assuming the obligation, thus protecting the integrity of the group.

Most joint plant agreements specify "until terminated" but an agreement for a specific period of time with proper provisions for renegotiations could force the elimination of inequities resulting from the terms of the original agreement.

If participants contribute their respective plants with differing values, *i.e.* a plant with a complete set of registrar's or recorder's office microfilm versus a ten-year partial plant, the company with less plant to contribute could make a cash contribution in proportion to the agreed value of the other plants. These funds could be retained for plant improvement or distributed equally (or otherwise) to the participants.

### Management

Since it has become common for the first manager of a joint plant to be loaned from a participating company

*(continued on page 20)*



during the start-up period, it is advisable that there be an odd number of directors. One way to accomplish this if there is an even number of participants would be for the highest even number of directors to select the last person to be added to the board or to provide that one company—a different one each year—would not be represented on the board of directors for a one-year period.

A very important item which easily could be overlooked is the procedure for changing the bylaws. It would be wise to require a unanimous vote to accomplish this; however, in the event that the joint plant consists of a large number of participating companies (eight or above), an 80-percent vote would be a fair cutoff.

### Location

Is the plant located on neutral ground? Numerous problems have arisen where the new joint/shared plant remains in the immediate area of one of the participants subsequent to the joint plant agreement. Since the plant frequently is the prior plant of one or more of the participants, it is desirable to totally dissociate the term "the plant" from "the company." A neutral location with adequate space provided for all participants would be a possible approach.

### Use

Is there a limit on the number of employees from any one participant using the plant at any given time or on any given day? In the case of a computerized plant using remote terminals, this obviously is less of a problem unless the computer is overloaded.

How is working space allocated among the participants?

Are there provisions for the handling of an employee who physically abuses the plant?

Are there features built into the computerized plant which will guard against unauthorized use? More importantly, are there protections in the computerized plant which will prevent accidentally erasing data through the use of a remote terminal or at the computer site? In this area, the "back-up" or security files of data become extremely important.

Also to be addressed is the question of the company loyalty of employees in the plant, particularly if there was a highly competitive relationship prior to the establishment of the joint plant. A trade-off would be to have as many of the on-site employees working for the joint plant (as opposed to the individual companies) as possible. The most important key to this problem is the selection of an effective manager and the installation of proper working patterns and controls as well as definite job descriptions.

### Sale of Information

Will the participants allow the joint plant to sell information to an "off-the-street" customer?

Will the plant be accessible for information now supplied by the participants to attorneys, Realtors, appraisers, etc.? Will it be available by phone? What charges, if any, will be made? This might be an opportune time to charge for information previously given without charge.

Can a participant or the joint plant sell information such as a chain of title to a nonparticipating company?

### Future Admissions

Will unanimous agreement of the directors be required for a future admission? Should the same percentages apply here as would apply to an amendment to the bylaws?

Should the original joint plant agreement provide a formula for determining the cost for future admissions?

Will the money the new participant contributes be kept by the existing participants as a return on investment or should part of the proceeds be retained by the joint plant group for systems development and improvement? If so, does this require an additional contribution by the new participant? Along these same lines, the new standards proposed with regard to depreciation of title plants undoubtedly will cause problems.

### Rights to Prior Plants

Are starters—which must be defined, abstracts, base opinions, etc. contributed or made available to the

joint plant participants at the time of the start of the joint plant or the respective participant's entry into the joint plant?

Are future policies, etc. automatically made a part of the plant or are they also simply available? In the event these items are simply made available, provision should be made for those occasions where it is desirable for the employee of one participant to review the file of another (as opposed to reviewing a copy of a policy) because of some problem with the title.

### Participant Merger and Other Situations

What rights are provided the remaining participants in the event of a sale, bankruptcy or merger of a participating company? The rights of the remaining participants probably will differ, depending upon the circumstances. Your corporate counsel can advise you in this area. You may desire to modify his suggestions based on your experience in the title business; however, proper attention to this subject can prevent, or at least control, the results of the events mentioned above.

### Withdrawal

Some agreements provide for a withdrawal notice of 50 days. What rights of duplication exist to the withdrawing participant?

Does this duplication privilege include enough of the contributed prior plants so as to afford the withdrawing participant an adequate plant to comply with the state law?

What form does this duplicated data take, particularly in a computerized plant?

Is this form provided for in the original agreement or does the withdrawing participant decide?

Does withdrawal require payment of any sums of money to the remaining participants?

Are there limitations on the resale of information by a former participant once he has withdrawn?

What provision is made for Company A to sell its rights in the joint plant to Company B?

Can a participant sell an interest—

(continued on page 28)



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Built-in error checks for all legal descriptions	YES	
Automatic date-down processing	YES	
Management reports on order activity	YES	
Accounting capability with ability to perform accounting functions from the same terminals and at the same time as title activities	YES	
Reliable maintenance with option to acquire all hardware from a single manufacturer	YES	
Rapid installation with assistance if required in preparing the legal description edit data	YES	
Lease or purchase options	YES	

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*\*There Are Some Important Things You Need to Know.*



## Microfilm—an answer to record-keeping woes?

**A** company may decide to microfilm certain records for many reasons. Among them are faster retrieval, protecting valuable or classified records from theft, space savings and additional security reasons.

A major selling point is the fact that a microfilm file occupies only 2 percent of the space that would be occupied by the comparable paper file.

However, before buying a camera, processor and all the other equipment necessary for a microfilm system—which can be an expensive investment—a thorough analysis should be made and costs investigated with respect to the following questions.

- Should you do the filming yourself or should you use a microfilm service company? Also, should you do the microfilm processing and duplicating yourself or should you use a microfilm service company?
- If you are going to do the microfilming yourself, camera selection—not only the make of the camera but the type, e.g. rotary or

### New Jersey elects Lasseter president

Elected to serve as New Jersey Land Title Insurance Association president for the 1978-79 term was H. David Lasseter, Stewart Title Guaranty Co., Belle Mead. Eugene J. Whitaker, Commonwealth Land Title Insurance Co., and John W. Nolen Jr., Lawyers Title Insurance Corp., Morristown were elected first and second vice presidents, respectively. Joseph Santosuosso, Chicago Title Insurance Co., East Orange, was elected treasurer.

planetary (overhead)—becomes very important. The pros and cons of each should be analyzed according to company needs.

A big advantage of a rotary camera is that it is very portable and documents can be filmed very quickly, particularly if it has the automatic feed feature. On the other hand, with the planetary camera, documents may be filmed without first removing staples and clips.

- Keeping in mind that the quality of the end product is extremely important in a microfilm system, which brand of microfilm used can be crucial. Top quality film may be slightly more expensive but it is well worth the added expense.

It should also be decided at the beginning whether or not film with archival quality is needed. This means that the film will last almost indefinitely when stored under ideal conditions.

- What microform is best for your operation, i.e. 16mm roll, 35mm roll, microfilm jacket, microfiche, aperture card, roll film housed in cartridges or magazines, etc.? Decide which form you feel is easiest to work with and be sure the system you select will meet all of your requirements.
- What equipment is available to view microfilm and what are the costs? Will you ever need paper prints of what you are viewing on the screen? If so, you should consider a microfilm reader/printer rather than a microfilm reader.
- Should the film be in CINE MODE with one image following another from top to bottom, or in COMIC MODE with images next to each other as in the comic strips?
- Should you work with positive film (black image on white background)

or negative film (white image on dark background)? In the title industry, negative film is generally preferred as the working copy since it is easier on the eyes to view. When negative film is used in making a reader/printer copy, it reverses its polarity and produces a black on white copy. The positive film also reverses its polarity and gives you a white on black copy—similar to a photostat.

- A decision should be made whether or not duplicate microfilm copies will be needed for security purposes. If so, then storage facilities should be identified. There are numerous facilities around the country specializing in microfilm storage.

- After deciding to proceed with a system, concentration should be focused on developing a good index to the records. The index should be designed to facilitate easy retrieval of the records.

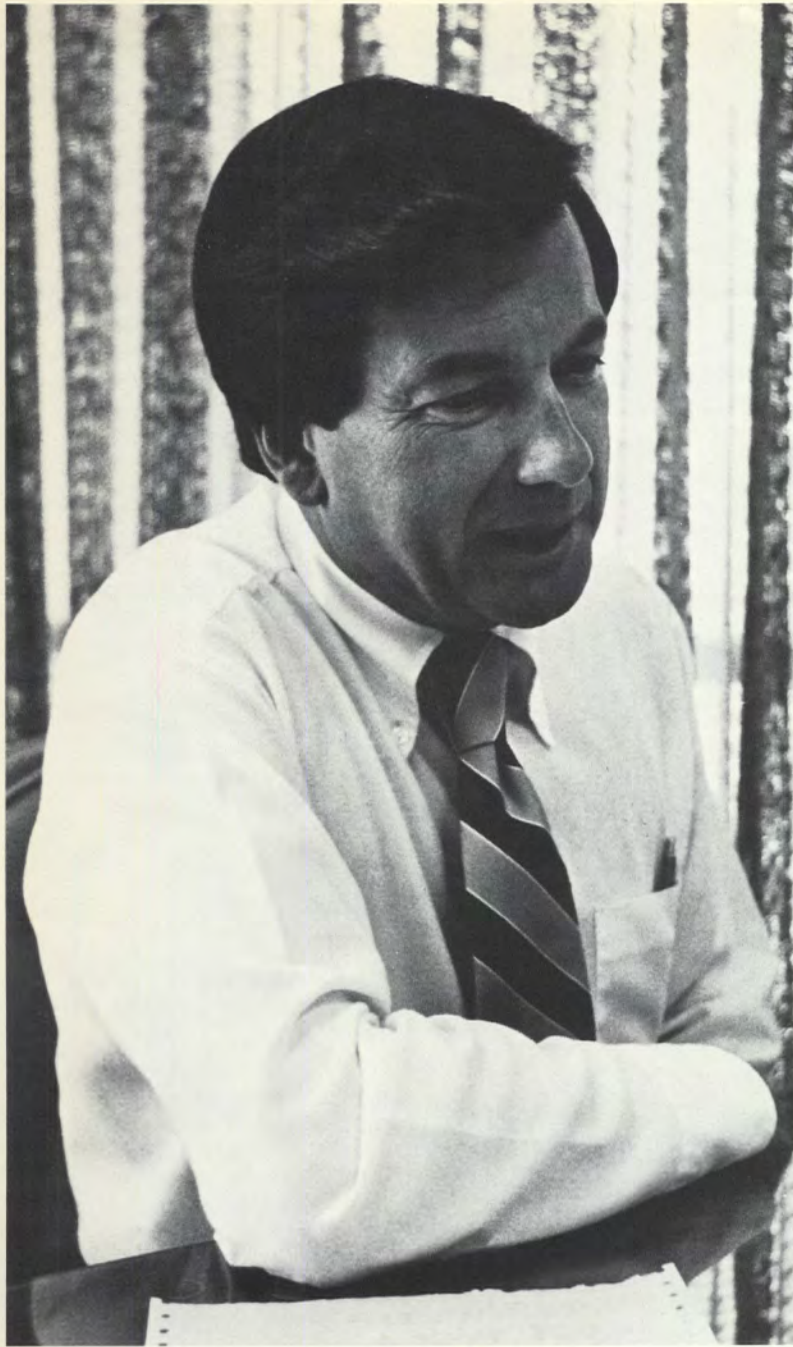
### New Developments

The most important new development in microfilm is the facility to convert 35mm roll film to 16mm roll film without sacrificing quality or resolution. Not only is 16mm film much easier to work with but all of the enhancements and new developments of microfilm viewing and printing equipment have been geared toward 16mm film.

Computer Output Microfilm (COM) is being more widely used. This is the process which goes directly from a computer tape to 16mm roll microfilm or to 105mm microfiche.

In addition, updatable microfilm is now available.





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**President of Rio Grande Title**  
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## A look at the big picture

In considering the current and future role of computers in preparing the documents for a residential loan closing transaction, it is important to look beyond the current system design which prepares the documents. There is a danger that, in selecting a system, one will look only at the cost benefits of the given system without considering the eventual impact on other facets of your business and the future directions that a given system can open up to your business.

There are probably two major trends that should be factored into any selection of a computer system. First, at the minicomputer level, the technology is evolving at a rapid pace because many companies are beginning to exploit this high growth market and they are competing in terms of who can provide better technology. Secondly, and somewhat related to the first, is the trend toward increasing performance at reduced cost. This trend is somewhat like the recent history of the hand-held computers. One should not, however, expect the cost to decrease or the performance to increase at a rate that would cause a purchase decision to be delayed.

The implications of these two trends are rather clear. Your choice should place a premium on a computer system that has modular components that attach to any of the various models that are available from the given company. In this way, if one component becomes technologically obsolete, it can be replaced without disturbing the rest of the system. This transferability should include the computer programming languages.

This modular transferability is also of critical importance if you choose to upgrade your equipment to increase computing speed, core storage, disk storage, printing speed, or speed of data access. With upgrading the

computer hardware and the computer programming should remain relatively intact beyond the given component that is being upgraded.

So, if one considers that a computer may begin to permeate other aspects of your business, then this upgrading capability is a critical consideration.

The obvious considerations here are accounting, payroll, forms filling, record keeping and word processing capabilities. However, a word of caution is warranted. Do not try to implement more than one application at a time. This minimizes the disruption of your system and you learn more about the capabilities of the computer system and thus your staff will be better prepared to select and digest the next application.

Besides permeating your current environment the computer will open up new opportunities. Those of you that are in the real estate closing business can judge the new opportunities better than anyone else. But, from the computer side of the picture, we can say that years of experience have shown that, when the computer is introduced, the area of application begins a slow revolution. The economics begin to change. Your capabilities change. Different specializations develop. So, even if your firm does not choose to utilize the computer, you should still attempt to analyze how the computer will impact in the manner in which you manage and plan your business.

As a final note, we should point out a major consideration that is beginning to emerge. As we move from the large centralized mainframe computers to the small decentralized minicomputers, the manager of the decentralized environment may find it advantageous to utilize computer programming assistance that has a broader base than a minimum level

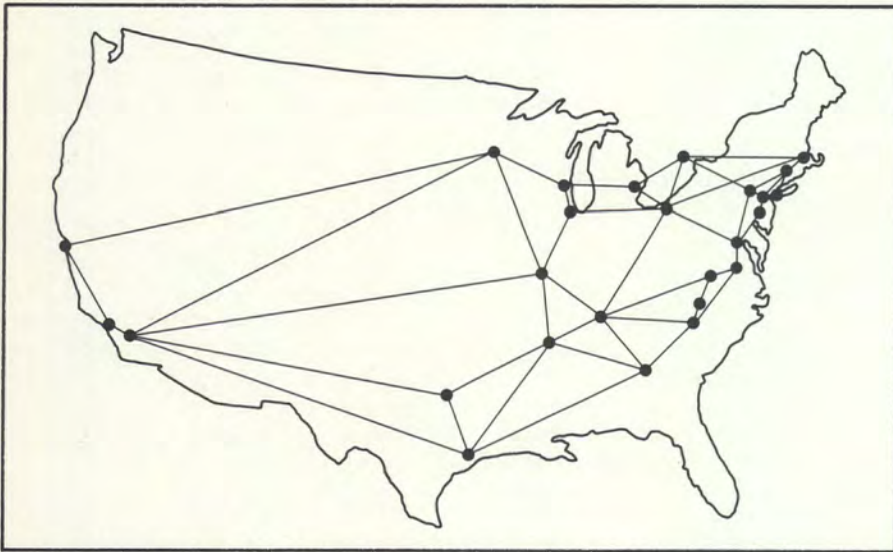
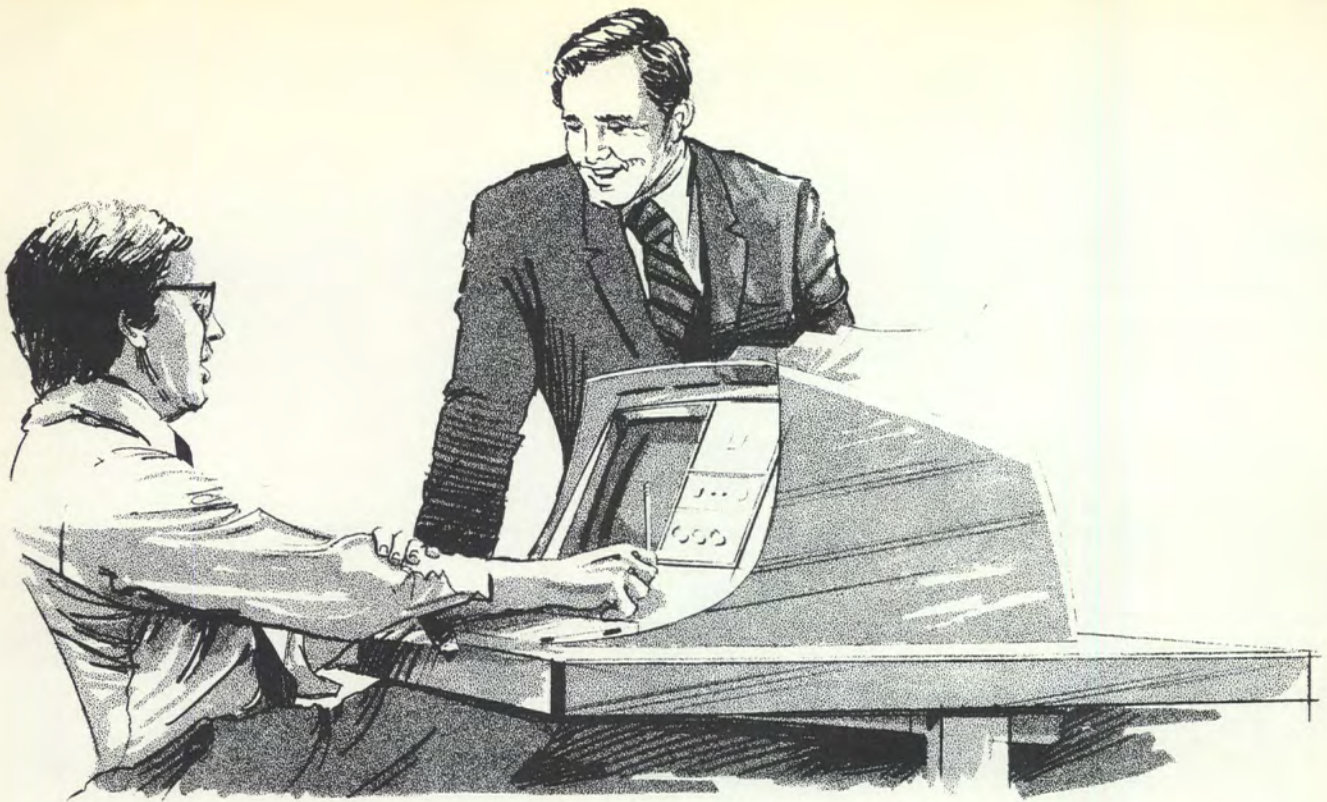
By  
**Marvin Berhold, Ph.D.**  
 Systems Consultant  
 Computer Closing Systems, Inc. and  
 Professor, Georgia State University  
**Frank K. Haley**  
 President and Counsel  
 Computer Closing Systems, Inc.

of computer knowledge. This broader base relies on skills relating to the total activity of the environment. There is a need to understand how people interact with the computer, how to efficiently train personnel, how to organize paper flow, how to design forms, how to exploit various uses of the computer and how to identify and exploit competitive advantages that the computer can open up. This merely points out the idea that your entry into computerization should be accompanied by someone who can give you guidance in all phases of your business. Thus your purchase of a computer, and its attendant real estate closing system with the idea of doing just that one job, may be the cheapest initial cost. By taking an extended view of your future needs regarding an integrated plan for utilizing all of the capabilities of the computer for various multiple uses, you may choose a somewhat more expensive computer initially, but in the long run this choice will be the cheapest.

## Anthrop heads NELTA officer roster

The New England Land Title Association elected Walter H. Anthrop of Lawyers Title Insurance Corp., Boston, president at its convention in Kerhonkson, N.Y. Frank J. Sheehy, Lawyers Title, Waterbury, Conn., and Stephen C. Wilson, Pioneer National Title Insurance Co., Boston, were elected first and second vice presidents, respectively. John B. Keegan, Commonwealth Land Title Insurance Co., Stamford, Conn., will serve as secretary. Thomas M. Ferraro, Chicago Title Insurance Co., Stamford, Conn., was voted treasurer.





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Henderson—(concluded)

and then created a tract card that corresponded to each map.

This system simplified posting and searching the chain of title because we were posting a number rather than a lengthy metes and bounds description. After implementing the two changes in our tract card and name search systems, we were able to provide much better service to our customers and felt the conversion costs were justified because we had met our objective.

Then, in 1961, with a view toward again improving service, we made another change in our tract book procedure. We began using what is now the 3M 2000D camera to microfilm the instruments that were being recorded in the recorder's office.

The film we use in this camera is already mounted in a camera card measuring 3¼" x 7¼" and the 35mm film is developed in the camera in less than one minute after exposure.

The camera card containing the image of the recorded instrument is

then taken to a 3M 500 reader printer and a print is made which is used by the person who posts the information to the tract cards.

After a determination is made regarding which tract card a recorded instrument should be posted to, the tract card is placed in an IBM 826 key punch and the necessary information is typed on the 5" x 8" tract card. While the information is being typed on the tract card, the 826 also is storing the information so that when we're finished entering the data on the tract card, the 3¼ x 7¼ camera card is placed in the 826 and the information that was entered on the tract card is automatically keypunched into the camera card.

When searching titles, we make a visual search of the tract cards for items that affect the property being abstracted and then the camera cards containing images of instruments which affect the property are sorted by an IBM 82 sorter. A print then is made in the 3M reader printer and the instrument is abstracted from the print.

Joint/Shared—(continued)

such as a one-half interest—in its rights?

If the plant is computerized, all software source packs and similar software material as well as all arbing material must be available to the withdrawing participant.

### Searching

Are the searching clerks on the joint plant payroll? If so, does the "first in-first out" principle apply?

Are there exceptions allowed for rushes? Are they limited to a certain number per day or a certain percentage of orders? If so, how are they controlled?

Must all searches be done using the joint plant? The assumption here is that when the cost per search is relatively high, it might be cheaper to do a simple search at the courthouse. An agreement in one joint plant provides access for "approved attorneys and their employees." Unless the definition of

(continued on page 34)

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(Editor's note: Last year, ALTA President-Elect Roger N. Bell installed a minicomputer loan closing system at his company that has enabled handling more volume without increasing staff. Here is his account of this improvement.)

Last year in early March, we received an invitation from the Burroughs Corp. to attend a demonstration of a loan closing system using one of their minicomputers. At that time our company was averaging three and one-half closings per day.

Our closing staff consisted of two employees. Jacqueline Wassall, a vice president with a background of mortgage loan and real estate closing experience, had pioneered our closing department. She, at this time, was closing all our transactions plus preparing the pencil drafts of the settlement statements. Ruth Konek did all the preliminary gathering of information and typed all the closing documents. With such a volume of work, they felt, understandably, that a little help was needed.

After seeing the demonstration of Burroughs equipment conducted by Program Closing Services, Inc., who had developed the program, Jackie was sold. I should say at this time, that we had only looked at one other closing program. We certainly were not well informed on all the various systems available. We subsequently did see one other demonstration of a program developed by a title insurance company. Neither one seemed right for us. Jackie, through careful and reasoned arguments, followed by threats to life and limb, convinced my brother, John, and me that this was the program we needed and that we needed it now.

Here are some of the features of the PCS program and equipment that appealed to us:

- Speed
- Simplicity of operation
- Front loading of forms into the computer
- Machine could be programmed to use our closing forms.
- Forms generator. We could change the layout of forms without having to bring in a programmer.
- PCS seemed to be closers first and

## Minicomputer loan closing: A case study in efficiency

software people second. They understood closings.

- Burroughs equipment. We had a mechanical Burroughs bookkeeping machine and had been pleased with their service.
- Their program would write checks and prepare a receipts and disbursement statement.
- They had a program for trust account reconciliation. We thought this would be a big help. As it turned out, we found the program didn't fit our operation.
- The computer would save enough time that we could handle additional closings without increasing the staff.

Obviously the cost of the package is a major consideration. The computer was \$20,990. The basic closing package was \$6,000. The check writing program ran \$500 and the trust account reconciliation was \$1,000. One of the systems we had seen previously was considerably cheaper, but it did not perform all the functions we felt we needed. It was the old case of "you get what you pay for."

One of the great problems in this



Roger Bell

field is that new and better equipment and programs are coming onto the market continually. If you try to wait for the perfect product you will never place an order, as something better is always just on the horizon.

Finally, we bit the bullet and placed an order for the three programs and computer. It was delivered the latter part of July. No special installation was required other than providing a separate electrical circuit.

The programmer arrived in our office Aug. 8 to train Jackie and Ruth. The loan closing program was perfect from the start. Unfortunately, the bulk of our closings is assumption or cash deals, and this did require some modifications in the program. The programmer spent four days with us. Many of the changes were made as the training progressed. Some modifications had to be made on special equipment in their home office. By the end of the four days, our people were running the program with confidence.

We did have additional programming problems for the next few weeks. We also were experiencing difficulties with the equipment. Finally, after locating the trouble as a short in the keyboard, it performed without further problems. The programmer paid us a second visit to straighten out a few problems and by Oct. 5 everything was running smoothly. It was two months of no little frustration, but the results certainly have made the effort worthwhile.

One mistake we made was trying to keep the closing department running in the morning with training sessions in the afternoon and evening. It would have been much better to have done the training work out of the office or at least incommunicado.

We are delighted with the operation. In the past, to manually prepare an assumption transaction—including buyer and seller statements, deed, mechanic's lien affidavit, assignment of reserves, 3 x 5 cross reference index cards, drawing checks and a receipts and disbursement statement—a closing would take an average of 45 minutes. Now we do the whole thing in 15 minutes.

Loan packages, including RESPA statements, truth-in-lending, mortgage insurance documents,

(continued on page 30)



deed, note, mortgage, checks, ledger sheet, required 90 minutes and now take 30 minutes.

The papers are more accurate because the machine has an audit feature so that you can check each entry for accuracy and know that it will be correct on every document.

The closing information is stored on tape. In the event of a last-minute change, such as the seller stopping to pay his real estate taxes on the way to the closing, the file is recalled; the new information put in the appropriate field, and the documents affected by the change rerun. Usually this takes about five minutes. Customers are not kept waiting; scheduled closings are not jamming up reception areas, and closers are not feeling that sinking sensation when appointments are running overtime.

And, speaking of closers, the person operating the computer does not have to be a trained closer. The information necessary for the closing, *i.e.*, sales price, earnest money, taxes, closing date, etc., is entered in the selected fields of memory, and the computer produces the settlement statements and related documents. You do not have to understand the settlement statement in order to produce one. Your closers can spend their time working with customers and actually closing transactions, while someone with less experience can produce the closing documents.

In addition to closings, most of the software companies have programs for commitment and policy writing, accounts receivable, payroll, general ledger—just about any office operation.

Here are some elements not necessarily in the order of their importance, that we believe should be considered when looking into the purchase of such equipment:

- See a demonstration of every program you think you might purchase. One we bought sight unseen didn't work the way we assumed. This certainly was not the vendor's fault; we should have investigated further.
- Be sure that good maintenance for the computer is available.
- You have to have at least one employee who likes to work with this type of equipment—someone

who's willing to kick the machine to get its attention and doesn't feel intimidated by it.

- Obtain from the computer firm a list of users. Talk with the people who already use the program and visit their office if possible. Find out what kind of back-up support the vendors are giving.
- Check out any special requirements for air conditioning, humidity controls, floor loading, electricity, and so forth with the computer manufacturer.
- You should satisfy yourself that the source codes for the program you intend to buy will always be available. Otherwise, a change, in

RESPA requirements for example, could put you out of business.

There are all shapes and sizes of minicomputers. They come with a wide assortment of bells, whistles and corresponding prices. You may be able to solve a real service or personnel problem with the right one. Not only that, but your vocabulary will grow to include such esoteric terms as discs, floppy discs, bytes and bit, daisy wheels and matrix printers, software and hardware, cps and crt and probably a couple of forgotten cuss words too. We feel it was all worth it and after eight months "on-line," we wouldn't be without ours.

## Knowing one's operation is first rule in settlement automation

By John P. Cooney  
Resident Vice President  
Chicago Title Insurance Co.,  
Washington, D.C.

The continuing development of minicomputer hardware, the steady increase in all operating costs and the increasing complexity of settlement and conveyancing documentation are combining to assure that title industry executives who are responsible for escrow and settlement operations will inevitably face the automation decision at some time during the next few years.

As one who has coped with the automation decision during the past year, I have found that neither the decision nor its implementation is an easy task, but that the operational benefits gained through proper automation far outweigh any managerial headaches involved in the process. Unfortunately, the mathematical precision of hardware and programs cannot be reflected in the mechanics of the automation decision, but it is possible to suggest some guidelines and broad generalities to assist the decision process.

In my experience, the first and most basic guideline should be *know your operation*. Automation explores the details of your operation and the success of your programming effort will relate directly to the operational expertise involved in the program specifications and test runs.

When automation first became economically and technically feasible for us, our operation presented several technical problems which made it unique from the automation standpoint.

The operation consisted of six escrow offices in the District of Columbia and suburban Maryland counties—three in each jurisdiction. All escrow accounting—including posting—was done by the central office as was all title examination and commitment and policy production.

Settlement volume averaged 12-15 cases a day, with individual offices averaging over one to five cases daily. Bookkeeping posting volume was 2400 checks per month drawn on six separate escrow accounts and increasing steadily. We had developed an excellent hand posting system, but found that the system had reached a saturation point whose only solution was continued additions of posting clerks to our staff at a continually increasing cost.

In addition, the time needed to prepare the average purchase and loan closing was steadily growing, as the required instruments and documentation became steadily more numerous and more complicated. Our operational problems were exacerbated by the typical peaks and valleys of escrow volume

(continued on page 31)



(Cooney— continued)

which resulted in an occasional day on which individual offices were handling 10-15 cases each.

Our first focus on the problem was directed at escrow bookkeeping. We had determined that some automation was necessary. We began making inquiries into bookkeeping machines. To our surprise, we found that mechanical bookkeeping machines had been replaced by bookkeeping minicomputers and were no longer manufactured.

After some shopping, during which we saw two systems demonstrations not suitable to our needs, we were better able to see what we really needed. We decided we needed a computerized system with multi-program capacity capable of local and remote terminal operation, combined with at least three programs at a cost which was economically feasible. The three programs that we required were title, escrow and bookkeeping.

In the fall of 1977, Sam Kroll of our systems department regional liaison wrote to tell me that a programming company in Murfreesboro, Tenn., Universal Systems (USI), had developed a program for use with Datapoint hardware which might fill our local needs.

The program already had been demonstrated to representatives of our systems department and a demonstration was arranged for John Underwood, CTIC Capitol Division vice president; Sol Koppel, manager of our Philadelphia escrow operations; Kroll and myself.

As a result of the demonstration, contracts were signed and our program progressed. The demonstration was given by a programmer with title and escrow experience who had supervised its installation at the escrow offices of a competitor in the Southwest. Both he and the program were impressive.

After the contracts were signed, the first step was a series of meetings with programmers over a three-day period in which program specifications were drafted. The conference involved a detailed examination of USI's existing programs, comparison with our method of operation and compilation of a list of program changes and additions to accommodate local and company practices and policies, as well as a review of the instruments and documents to be programmed

and drafting programming instructions for them. It was at this stage that detailed operational knowledge became essential since each subsequent specification change would cost programming time and therefore money.

Installation of hardware and program occupied approximately six weeks in the spring of this year. All local escrow offices are now operating the system.

During the hardware installation, we discovered that the telephone company installers and the manufacturer's installers did not speak the same language and great care had to be taken in dealing with both types to avoid the miscommunication which seems to be par for the course.

Fortunately, USI's program is a "prompt" type of program in which the operator answers displayed questions and responds to displayed instructions. This feature allows an operator to become trained in one to one and one-half days. It also allows the trained operator to perform tasks which would be beyond his competence, were it not for the program.

The program data base contains all standard codified commitment requirements and exceptions, all codified policy exceptions, standard description formats, FNMA-HLMC, VA and FHA deed of trust and note forms, forms for deeds, transfer and recordation tax returns and certifications, standard CTIC settlement forms, deferred purchase money deed of trust and note forms, and standard transmittal, payoff request and utility reading request forms. In addition the data base contains the formulae for computation of all CTIC charges, recordation and transfer taxes and all standard and some non-standard prorations. It also contains ledger transactions in each open case and all bank transaction records.

Although our system has not been operating for sufficient time to completely evaluate it, we can draw the following conclusions at this time:

- Case preparation time is reduced to 20 minutes in the average case. This includes correction time—a savings of 67-75 per cent.
- Commitment and policy typing time have been reduced by at least 50 per cent.

- Incidence of typing error in commitments, policies and settlement documents has been reduced by 90 per cent and the incidence of re-recordings is almost nil.

- Settlement disbursement time has been cut in half and disbursement errors significantly reduced.
- Hand posting to individual ledgers, which was almost a full time operation for two posting clerks, has disappeared entirely.

The result of these advantages is that a system which was beginning to stagger from overload now has increased its capacity, at present staffing levels, by at least one-third. This allows business expansion without stress. Further, the proportion of highly proficient staff members necessary to our operation has been reduced which will allow staff expansion when necessary at a lower cost than anticipated.

Disadvantages also should be noted. They are:

- With the best system available, immediate, direct savings in staff costs may not be attainable. The staff cost saving will come later as volume increases.
- A sophisticated program such as ours requires the full time attention of an employee, who is thoroughly familiar both with the programs and operational procedures, to provide training and problem solving assistance for individual operators.
- Some back-up systems are necessary to guard against hardware breakdown and power failure.

For those considering automating their escrow and settlement operations, I would offer the following:

- Know your operation, or involve in the decision-making process those who do know it in detail.
- In a remote terminal operation, consider telephone cost in the decision process.
- When you find the system that fits your needs, don't look any farther. This field will continue to develop and grow and there will always be a better system "just around the corner."
- Don't be impressed by the computer experience and expertise of programmers. Look for their title and escrow expertise as the determining factor.

(continued on page 35)



**Editor's note: The following is adapted from a speech presented at the 1978 ALTA Mid-Winter Conference in Phoenix, Ariz., by Frank J. Ruck Jr., vice president, Chicago Title and Trust Co.**

**W**hat is word processing? What is this process that has ballooned into the glamour products of today's office equipment market?

As best as I can discover, the term word processing was coined by IBM sometime during the early 1960's. IBM marketed the first hardware under this banner in 1964—the MT/ST, a typewriter with a memory.

Obviously the business of processing words either manually or through mechanical, electro-mechanical, photographic or electronic means has been around for varying lengths of time—the quill, ink, and paper systems go back many thousands of years. When God handed Moses the tablet with the 10 commandments, He was employing what may have been the first word processing devices. The scribes employed by the ancient Sumerians and Egyptians were certainly word processors and the Romans had well developed word processing centers.

The best definition that I found covering all facets of word processing is that it relates to functions that transform ideas into printed communications via the interaction of people, procedures and equipment. It is no coincidence that equipment is mentioned last. In the total picture, I'm sure equipment is the least important part of the equation. Nevertheless, since our minds usually turn to equipment, I will discuss hardware first.

The evolution of equipment (excluding the printing press) was about like this:

- The first practical mechanical typewriter modernized the office in the first decade of this century.
- The first automatic typewriter using punched paper roller storage (similar to the player piano) came into modest use in the 1930's, followed by punched paper tape (the famous flexowriter) which came into much wider use in the 1950's.
- IBM combined elements of computer technology with the equally important Selectric typewriter in 1964 in the MT/ST

## A look at word processing & productivity

and created a typewriter system with a memory.

IBM's subsequent success, because of its finely tuned marketing and service capabilities, has allowed it to dominate the market with about 75 percent of sales dollar volume. Estimates of the total market for word processing machines are so optimistic that something like 50 firms are now vying for their place in the spectrum. This suggests that we can expect a big shakeout before this industry comes of age, with only the best managed and financed companies emerging as survivors.

The word processing equipment that all of these hardware manufacturing and marketing organizations are really selling consists of either a small, stand-alone, special purpose computer or a larger shared-logic computer with multi-terminal access.

All of the hardware features input keyboards, an output printer (and sometimes an intermediate video screen output) and a magnetic storage capacity usually on tape, floppy discs, or magnetic cards.

After all the technology and the word processing jargon is swept aside, you may ask, "What can this



Frank Ruck Jr.

hardware do for the title and abstract business?"

Basically it can do two things for us efficiently, if our volume of usage is sufficiently large.

First, it can store phrases, paragraphs, legals, restrictions, etc., that are used repeatedly and it can play back such canned information on request. It can do this in predetermined sequential pattern or will allow human interaction to insert variable data. Furthermore, the information played back automatically will be error free provided it was entered error free to begin with.

Secondly, most word processing hardware incorporates a very efficient text editing capability that requires only changes to be inserted and ultimately provides an error free copy, assuming no errors are entered. If the volume of work requiring text editing is large enough, such hardware can save considerable repeat typing of unchanged text and avoids reproofing of material already determined to be acceptable.

These may be very helpful characteristics, provided an operation has enough volume so the added cost of the equipment can be offset by savings in labor cost. Let's face it, the majority of efforts at automation, *i.e.* using machines to replace labor, are intended to replace or reduce higher existing labor costs with expected lower costs of machines. However, in some cases, automation is attempted solely to enhance quality by reducing the variability of the human element or to expedite workflow, *i.e.* turnaround, beyond the level attainable by manual effort.

Therefore, it is fairly safe to conclude the potential for the type of automated word processing equipment we are discussing here today has fairly narrow limits of applicability in the typical small title or abstract office.

As you will recall, our definition of word processing states that it relies on an interaction of people, procedures and equipment. Having touched on equipment, I will now turn to procedures. In reviewing procedures to enhance the use of people and equipment, we need to be aware of a much wider range of equipment potential beyond the so-called word processors we've discussed so far.



In the input area, besides the typewriter keyboard there are a number of other possibilities such as microfilm, punch cards, optical character recognition, dictating equipment and magnetically stored data from other systems. Many of these inputs may be used with or without the so-called word processors. Some are undoubtedly already in use in your own operations in one form or another.

As for output, besides the printed output and magnetic storage of the word processors, a number of other forms of output are available. They are carbon copies, those magnificent copying machines, duplicating equipment for high volume copying, facsimile processors, and microfilm.

For example, many in the title industry already use combinations of keyboards, *i.e.* typewriters, to produce master copies that subsequently duplicate large quantities of standard data for abstracts. Many use microfilm copies of recordings. Many of your secretaries use copiers to eliminate messy carbon copies. Some of you piece together or sort standard and variable data to make new copies on copiers or duplicators and you use copiers to provide extra copies of all sorts of "stored" hard copy data.

Thus, there is a great variety of hardware available, much of which can be used in combination, including the so-called word processors. The procedures to accommodate these various word processing systems, of course, are many.

The first portion of our definition of word processing that relies on an interaction of people, procedures and equipment has to do with people. People make the whole thing work. Some of the proposed applications for the new word processing hardware and procedures raise some serious drawbacks on the most important part of the equation—its impact on people.

As I mentioned earlier, one of the principal disadvantages of automated word processing equipment is that it requires considerable volume to be economically viable. For most efficient and optimum utilization, word processing hardware usually requires centralization of work and a fairly high degree of work specialization to achieve the necessary volume. Until a few years

ago, with the assembly line as a favorite model, opportunities for greater specialization were considered to be an advantage. However, in the last decade, increasing evidence suggests that we may have gone too far down the specialization route, in both the factory and in the office. A growing body of knowledge suggests that specialization not only creates dull, frustrating and frequently counterproductive jobs, but it also creates production or procedural bottlenecks. This is especially true in office operations, because by specializing tasks we increase transportation, waiting, queuing delays at each work station in the sequence of specialized tasks.

An example of this is the suggestion by word processing specialists that typing pools be reactivated to transcribe volume dictation in a central location. The new euphemism is "word processing centers." Shakespeare had it right when he said, "A rose by any other name . . ."

In these new word processing centers, dictation may be transported over telephone type input devices and recorded in a central location. The transcribers use new modern word processing hardware that allows the magnetic storage of data which can be edited or inter-mingled with previously stored standard phrases or information. But, the job of typing input all day in that central location is just as bad as before. It is still a dull, repetitive, frustrating sweat-shop type of work. And the transportation, waiting, and queuing problems experienced by the users of this service remain. The hidden costs of these bottleneck problems plus the generally poor working environment of most centralized word processing centers can easily retard rather than enhance productivity.

The conventional wisdom of today suggests that to substantially increase productivity, we need to enlarge and enrich jobs so that more of the whole job remains within a single work area. Such an environment affords employees the opportunity to understand the full context of what they are doing, to have greater opportunity to plan part of their own work and to be allowed responsibility for their contribution. More and more today's employees want to see the effect of their

contribution to the whole. In my opinion, they are entitled to it.

One of the startling examples of what can be accomplished by moving away from specialization and the assembly line technique is the experience of the back office operation of CITIBANK at their Park Avenue operation in New York City. Before they began this endeavor in 1970, they employed about 10,000 people at this location, plus two large computer centers and a high degree of clerical specialization. They moved mountains of paper from one station to another with the attendant transportation, waiting and queuing delays at each stop. But then the biggest bottleneck of all was the huge computer through which much of this data needed to be processed. Today, about 4,000 people and approximately 90 mini-type computers (which incidentally cost less than the large computer centers) are handling more than twice the work load of 1970. That means that 4,000 people are doing more than twice what 10,000 people did seven years ago.

This brings me to the second question I posed, which is, "What is productivity?" Productivity is an economic concept. Simply stated, it is a ratio of output to input. Implicit is the desire to improve this ratio. To get more output with less input. While this sounds simple enough, the subjectivity involved in defining output and input, both quantitatively and qualitatively, presents major problems when dealing with the subject of productivity. In addition, we need to decide what aspect of productivity we are talking about: labor productivity, machine productivity or total productivity.

Productivity is not necessarily getting people to work harder, although that's what most people perceive when they hear the word productivity. People represent input considerations only.

Productivity is not production. Production is concerned with physical outputs only. Certainly what we charge for our service, or the monetary part of the equation, is just as important to the question of productivity as physical outputs.

From the input perspective, enhancing productivity is more a question of working smarter, not harder. Productivity gains must benefit everyone—employees,

(continued on page 34)



management and ownership. And to achieve improvement requires constant change. We cannot affect the ratio of output to input without changing either the numerator or the denominator of the ratio, or both.

The manner with which we approach change is our key challenge. Creating an environment for change is a people, not a machine challenge. So we find ourselves back to our basic definition of word processing which relies on an interaction of people, procedures and equipment with the heavy emphasis on the people part of the equation.

Word processing can only be useful if it aids in the process of enhancing or increasing productivity.

To enhance productivity requires change:

- in how people think and approach their work with present systems, procedures and equipment;
- to new or alternate systems and procedures and since people make systems work they must participate in orchestrating the new or altered system;
- in equipment or hardware, such as word processing equipment, necessarily involves new systems and procedures. Since it is people who must implement change and make it work, employees should participate in the selection of appropriate hardware and the development of the revised systems and procedures.

In this process of change to increase productivity, word processing can undoubtedly be useful where the need is clear and where the people and systems involved can be effectively accommodated to the new equipment. But we should not start with word processing equipment. If, in pursuing our quest for constantly improved productivity, a problem or opportunity presents itself, and word processing can assist in solving that problem, then obviously it should be considered.

But, I personally see too many word processing machines idle or underused. Many of the installations are the result of an impulse purchase or an attempt to keep up with the Joneses. IBM with its gigantic marketing effort, sells to fill quotas—not to satisfy need. The rest of the entries into this market are so hungry for market share that their

very existence may hang on each sale.

Having said that, I hasten to add that experimentation with word processing hardware and concepts can be a healthy way to approach change. But in doing so, we should look for real, not illusionary gains in productivity and we should call on our employees to participate fully. People not only make systems and hardware like word processing work, people themselves represent the single largest potential for really quantum leaps in productivity. We would all be better advised if we concentrate our energies in this area where we have the potential for the really big payoffs.

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Joint/Shared—(concluded)

approved attorneys is different from the generally accepted definition, the wisdom of this language is questionable.

### Liability

Is the liability for its product with the joint plant or with the individual participating company?

Can liability be divided among the participants in the joint plant on a "share of market" basis?

Is insurance coverage available to the joint plant as opposed to the individual participants?

### Type of Plant

Have the original participants contributed all of their prior plants to the joint plant or have they simply allowed access to these?

What did their contributed plant consist of? Does it include any microfilm of the recorder's or registrar's office records? Hundreds of thousands of dollars can be represented in this particular item alone.

See pages 13 and 15 for a discussion of plant need and plant types.

### Defaults

What remedies exist for the remaining partners?

What time period will be allowed the

partner in default to correct his problem?

Does default automatically waive his withdrawal rights, if any, or his right to sell, if any?

Who is responsible for notice in the event of default? More particularly, who is responsible for determining default? We suggest the responsibility should rest in the hands of the board of directors.

### Liquidation

We recommend the same percentage of the directors' vote affirmatively for liquidation as must be required to amend the bylaws. We also strongly recommend that a procedure for determining the division of the physical assets of the plant be included in the original agreement. Throughout this article we have cautioned with regard to the definition of "plant." It becomes extremely crucial now. (See also the subsection on withdrawal.)

## James Macneil, Ticor officer, dies at 58

Ticor Executive Vice President and Treasurer James D. Macneil is dead at the age of 58. Mr. Macneil, who was chairman of the board of two principal Ticor subsidiaries, Title Insurance and Trust Co. and Pioneer National Title Insurance Co., died July 12 in Carpenteria, Calif.

A former chairman of the Los Angeles Metro District of the National Alliance of Businessmen, Mr. Macneil served on the board of directors of Ticor Mortgage Insurance Co., the Ticor Printing Group, Newhall Land and Farming Co. and the San Gabriel River Improvement Co. He was a past officer of the Southern California Trust Officers Association and a director of the California Historical Society. Prior to joining Title Insurance and Trust Co. in 1946, Mr. Macneil worked in the mortgage loan and guarantee business.

He is survived by his wife, Lee Drummond Macneil, two sons, four grandchildren, a sister and a brother.



Plant types—(concluded)

adding more data to the file segment. Thus, jackets have been referred to as microfilm's answer to the paper file folder or slip plant. Microthin jackets are two thin sheets of plastic laminated together in such a way as to form a series of chambers (or channels) into which strips of the microfilm copies of recorded documentation may be inserted. These are available in a wide range of formats and sizes. The 4 x 6 format which accepts approximately 70-75 images has been the most widely used.

Still another version of the slip system involves attaching the microfilm image to a card the size of an IBM card. These cards containing the image of the recorded documentation are then filed geographically.

The tract book, ledger card, geographic slip and chip systems are all geared to handling the property file portion of a title plant operation. Since many items such as power of attorney, suits, liens and judgments do not contain property descriptions or filing to property is not appropriate, a separate index must be maintained.

This name file index is usually created on 3 x 5 index cards which contain the necessary information. These cards are filed alphabetically by the affected parties' last name, first name and middle initial. There are systems available which provide variations from the strict alphabetical in an attempt to cover the problem of similar sounding names. In some installations, the cards are color coded as to type of entry or date for future purging. The name file in some areas may be created in microfilm and filed in envelopes, jackets or cards as described in the microfilm chip plants.

Cooney—(concluded)

- No system can solve "people problems."

In summation, my automation decision was spread over two and one-half years and many hours of time and effort. Despite the hours and the effort, I believe that our new system can prove to be the most profitable decision I have made during my management career. At least, I am now much better qualified to make the automation decision than I was before I made it.

## Ohioans offer title technology

Title Association of Lorain County and the Ohio Land Title Association recently announced that a certificate program in real estate title technology will be offered at Lorain County Community College.

The program is the result of work by the Title Association of Lorain County Education Committee and will provide training in the history, purpose, principle and theory of the title industry in Ohio. It is designed both to serve the needs of title people and to educate the public about employment opportunities in the title industry.

Among the courses offered are "Title Evidencing and Contract Closing," "Title Examination I-Ownership and Interest," "Title Examination II-Encumbrances," and "Introduction to Real Estate Title Industry."

Lorain County Community College has appointed a program advisory

committee. Members of the committee are Donald C. Van Leeuwen, Dean T. Lemley and Robley J. Simpson of the Ohio Land Title Association; Richard Schmittgen, George Cervone, David Maynard, Warren Ries and Laura Y. Leister of the Title Association of Lorain County, and Dr. Robert L. Ferrar and Daniel J. Reiber of the college.

## Iowans Vote Hoyt president

The Iowa Land Title Association elected George W. Hoyt of Cherokee president. Walter G. Murphy, New Hampton, was elected to serve as president-elect.

Regional vice presidents elected are Gordon C. Hill, Bedford; E.W. Adams, Marshalltown, and Wencil T. Kadrlík, Garner.

## Land title institute incorporated



Marvin H. New, president of the Pennsylvania Land Title Association (right), and Moses K. Rosenberg, executive vice president, recently announced the incorporation of the Pennsylvania Land Title Institute.

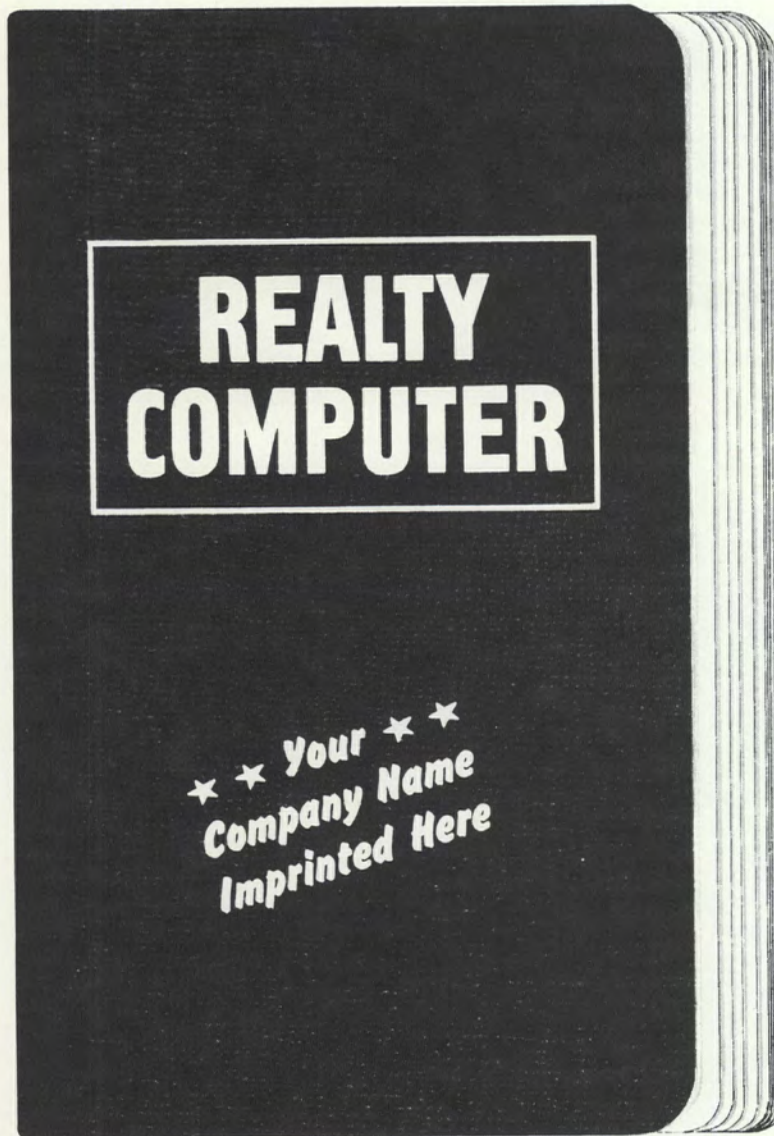
According to its bylaws, the Institute will "provide training, education, and ultimately, certification in . . . land title abstracting . . ." Recipients of the certification would be recognized as Certified Land Title Professionals.

Among the courses offered by the Institute will be searching and examination of title, review and evaluation of searches, issuance of insurance binders and title policies, conducting real estate closings, title plant record keeping and procedures and related real property sciences.

New and Rosenberg are pictured with the Institute's corporate charter.



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# Names in the News...

**Harold S. Schwartz** recently was appointed chairman of the board for the First American Title Insurance Company of New York, a subsidiary of First American Title, Santa Ana, Calif. Named president and chief executive officer was **Richard H. O'Brien** who also will serve as vice president and national sales director for the parent company.

Also announced was **Joseph N. Friedman's** appointment as regional vice president and counsel of the Northeastern states for the parent company.

**Samuel J. Giuliano** has been elected president and chief executive officer of USLIFE Title Insurance Company of New York. He has been with USLIFE since 1966 and most recently was executive vice president, financial services.

Giuliano replaces **Anthony J. Stilo**, who has retired after 28 years with USLIFE.

In another USLIFE announcement, **Dennis J. Burrell** was named vice president-sales manager for Kings County (Brooklyn).

**Guerino J. Turano** and **Richard J. Pozdol** have been elected vice presidents, Chicago Title Insurance Co. (CTI). Turano, tax and legislative counsel, has authored several books, including *Equitable Relief, Collateral Attack and the Illinois Tax Deed*. He joined CTI in 1956 as an examining attorney. Pozdol, who will continue as regional counsel, joined the company in 1966 as an attorney in customer units.

**Clarence Piehl**, resident vice president-sales, was named account executive for CTI's major customers in Cook Co. In his new post, Piehl will assist in coordinating market procedures in the Chicago metropolitan area and will work with major trade associations.

In addition, **Dennis Intrieri**, formerly assistant sales manager, has been



Harold Schwartz



Samuel Giuliano



Richard Pozdol



Ronald Gandrud



Richard O'Brien



Dennis Burrell



Richard Best



Stan Bornfreund



Joseph Friedman



Guerino Turano



John Pfister



Scott VanBuskirk

appointed national accounts representative. He will work with Chicago customers who do business nationally.

CTI also announced that nine sales representatives have been assigned to the company's branch offices in Oak Forest, Evergreen Park, Westchester Arlington Heights, Skokie, Ill., and Belmont-Central in Chicago. They are **Norbert Dudek, Patricia Prill, Robert Opyt, John Lambesis, William Berry, Stephen Peca, Edward Marocich, Karen Hayes, and Lyn Lindsay.**

Named as sales representatives for the Chicago Loop area were **Travis Jackson, Richard McRoberts, and Anthony Segvich.**

Chicago Title and Trust Co. (CT & T) has announced the election of two vice presidents. They are **Richard Best**, corporate communications officer who has been with CT & T since 1972 and **John Pfister**. Pfister joined the company in 1967 as a market research analyst.

**Ronald G. Gandrud** has been appointed regional vice president for Title Insurance Company of

Minnesota. In this position, Gandrud will oversee the operations and development of both company-owned and agency operations throughout Minnesota. He joined Minnesota Title in 1961 as an examining attorney.

Three assistant vice presidents have been elected at Commonwealth Land Title Insurance Co. They are **Robert P. Trudel**, Fairfield, Conn.; **James E. Berghammer**, Mequon, Wis., and **Benjamin F. Ridolfi Jr.**, Trenton, N.J.

Commonwealth also announced that **William J. Meier**, Affton, Mo., has been appointed title officer in the company's Clayton, Mo., office.

**Stan I. Bornfreund** has joined Lawyers Title Insurance Corp. as manager of the company's San Francisco branch office and **Scott A. VanBuskirk** has been named branch counsel for the Indianapolis office of Lawyers Title.

Also elected was **Don A. Wade** who will serve as assistant branch counsel for the Birmingham office.



**August 17-19, 1978**

Minnesota Land Title Association  
Normandy Hotel  
Duluth, Minnesota

**September 9-12, 1978**

Indiana Land Title Association  
Indianapolis Hilton—Downtown  
Indianapolis, Indiana

**September 10-12, 1978**

Ohio Land Title Association  
Stouffer's Dayton Plaza Hotel  
Dayton, Ohio

**September 10-13, 1978**

New York State Land Title Association  
Buck Hill Inn  
Buck Hill Farms, Pennsylvania

**September 14-15, 1978**

Wisconsin Land Title Association  
Midway Motor Lodge  
Green Bay, Wisconsin

**September 14-16, 1978**

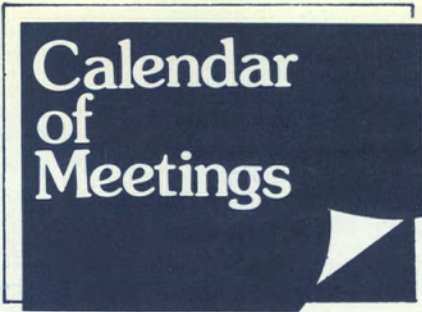
North Dakota Title Association  
Williston, North Dakota

**September 15-18, 1978**

Missouri Land Title Association  
Tan-Tara Resort  
Lake of the Ozarks  
Osage Beach, Missouri

**September 20-22, 1978**

Nebraska Land Title Association  
Lincoln Hilton  
Lincoln, Nebraska



**Calendar  
of  
Meetings**

**September 24-27, 1978**

ALTA Annual Convention  
Boca Raton Hotel & Club  
Boca Raton, Florida

**October 11-13, 1978**

Dixie Land Title Association  
Holiday Inn—Callaway Gardens  
Pine Mountain, Georgia

**October 11-14, 1978**

Florida Land Title Association  
Colony Beach & Tennis Resort  
Sarasota, Florida

**October 13-15, 1978**

Palmetto Land Title Association  
Palmetto Dunes Hyatt  
Hilton Head Island, South Carolina

**October 19-20, 1978**

Nevada Land Title Association  
Hyatt Lake Tahoe  
Incline Village, Nevada

**October 21-25, 1978**

American Bankers Association  
Annual Convention  
Honolulu, Hawaii

**October 25-27, 1978**

Land Title Association of Arizona  
Skyline Country Club  
Tucson, Arizona

**October 29-November 2, 1978**

U.S. League of Savings Associations  
Annual Convention  
Dallas, Texas

**October 29-November 1, 1978**

Mortgage Bankers Association  
Annual Convention  
Atlanta, Georgia

**November 10-16, 1978**

National Association of Realtors  
Annual Convention  
Honolulu, Hawaii

**December 6, 1978**

Louisiana Land Title Association  
Royal Orleans Hotel  
New Orleans, Louisiana

**American  
Land Title  
Association**

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