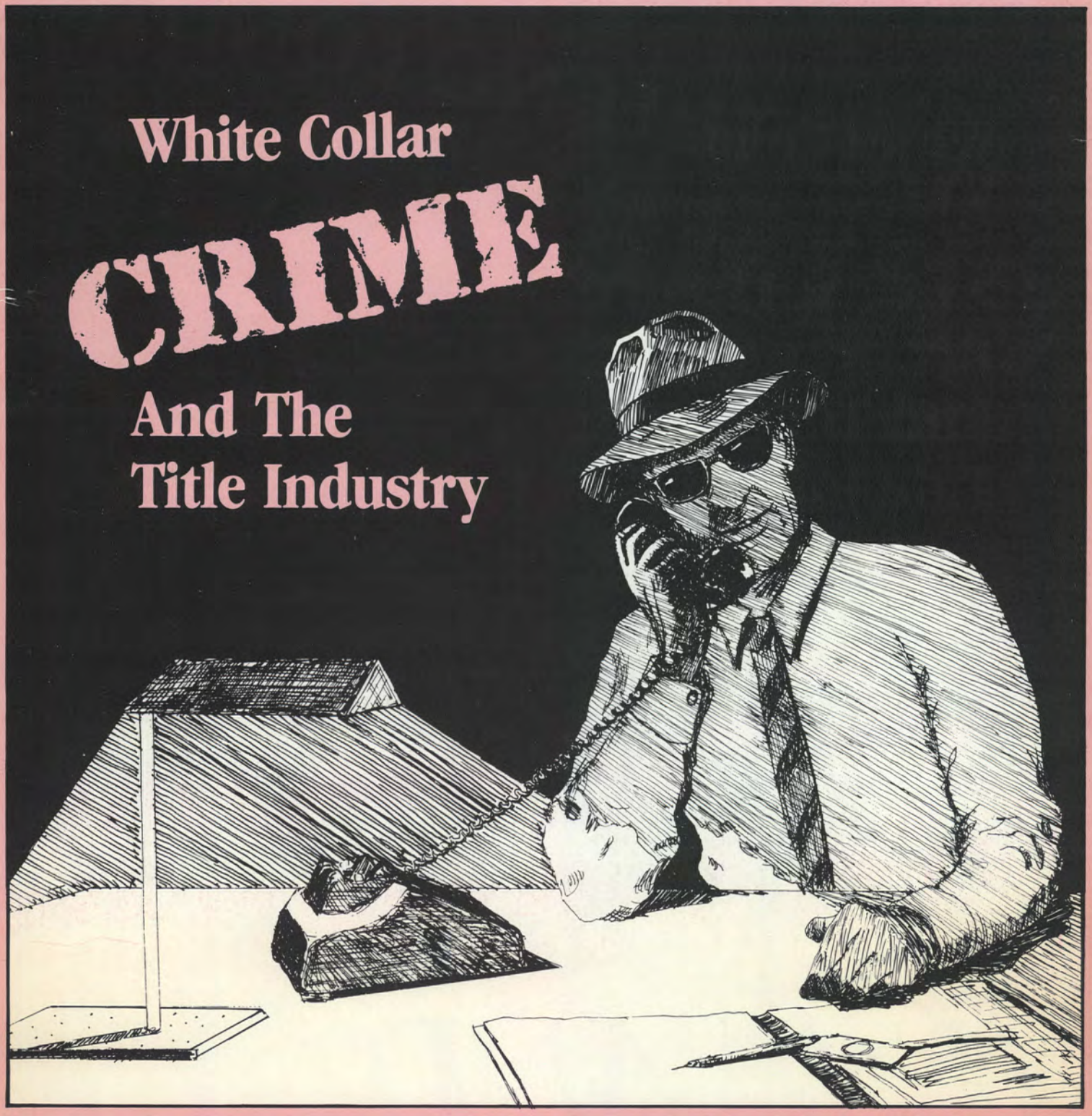
AUGUST-SEPTEMBER 1984

Title News

White Collar CRIME And The Title Industry



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Title News

Contents

Volume 63, Number 7

Front Cover

White collar crime includes familiar hazards for the title industry—fraud by mail and wire, and fraudulent land schemes. FBI Field Supervisor James C. Summerford discusses safeguards beginning on page 14.

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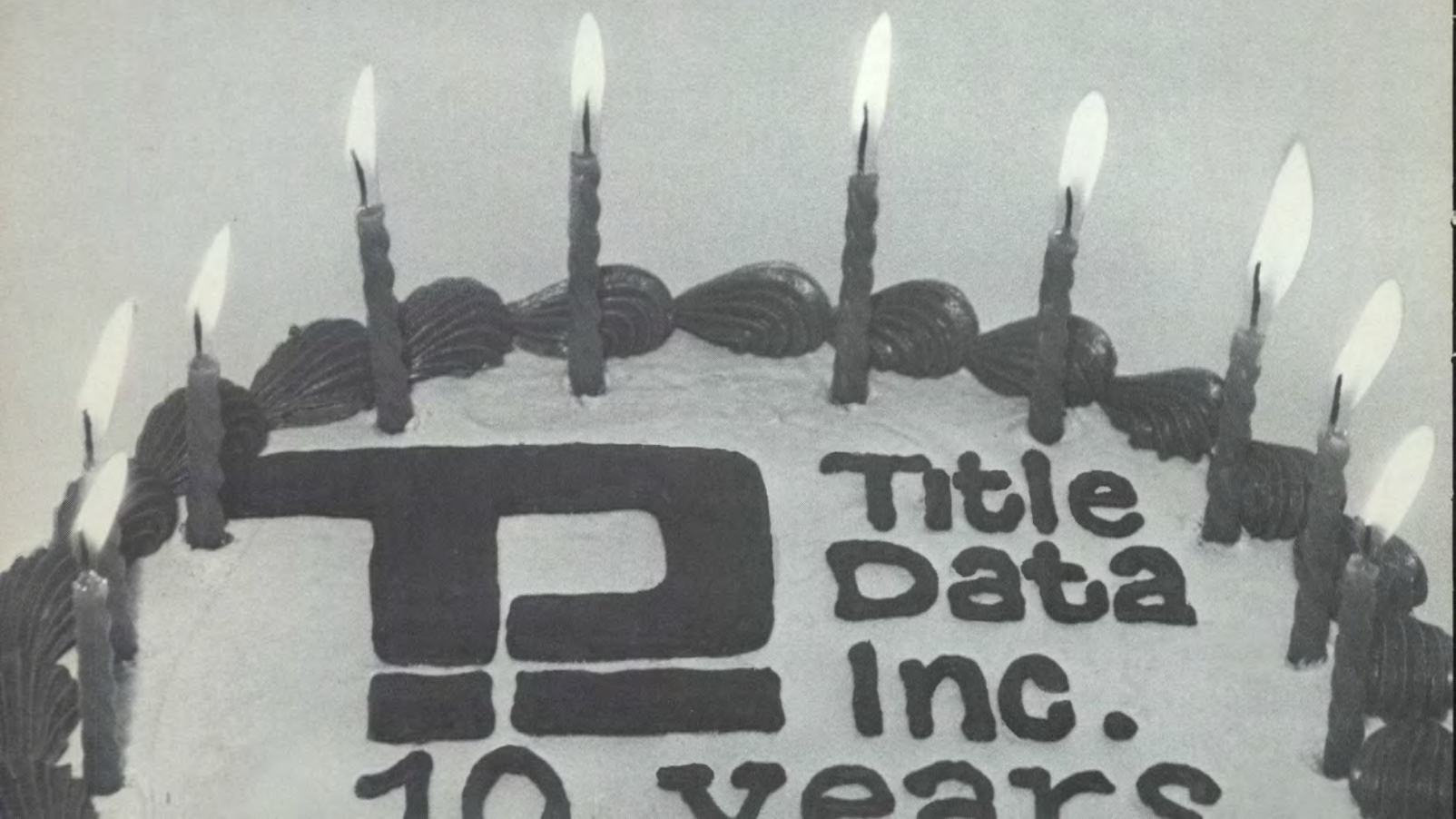

A Message from the President

As I understand it, this will be my last message to the members of the Association. It has been a most interesting year, to say the least, and I have enjoyed all of the ALTA activities although, I must admit, some more than others. The most rewarding aspect of the job was the opportunity to meet with, and sometimes call by name, the many wonderful and hard-working title people throughout the country. It is a fine group, as many before me have said, and my fondest memories will be the friendships made during the course of my travels. In that Dodo has joined me on most of these trips, it has also offered us an opportunity to become reacquainted.

The deregulation of financial institutions at the federal level continues to cause concern within the industry. It is obvious that the near future will see competitive changes and a whole set of new customers and competitors. During the year, the Federal Trade Commission initiated an investigation of the operation of the title industry while at the same time the Internal Revenue Service is attempting to change the method by which title insurers account for certain of their reserves. During this period, a number of states have initiated legislation which will vitally affect the future of the title industry.

To enable the American Land Title Association to respond more effectively to these rapidly changing situations, the Board of Governors, as previously indicated, has instituted certain staff changes. These changes, to the credit of the staff, have been accomplished smoothly, and it appears that the shift in responsibilities has been fully implemented. We hope that these changes will result in a closer relationship between the regional/state and national associations as well as improving services available for all members.

The 1984 ALTA convention in Reno has as its theme, "The New Frontiers." Plans are now being finalized for the program. It is my hope that there will be matters of material interest, both to the underwriters and to the agents and abstracters. The staff is to be commended for their diligence and efficiency in completing the arrangements for the convention.

There have been a number of additional meetings this year, and I must thank all of the members of the Association, especially those who have taken part in committee deliberations, for their hard work and cooperation. It's amazing how responsive and cooperative the general membership is.

To end on a personal note, I express my appreciation to all of you who sent notes during my recent unpleasantry in the local hospital. While I am not certain that my respect for doctors has improved, I must admit that they seem to remember where all the tubes should be placed. As a non-profit chicken grower, I would particularly like to thank the two friends who delivered the mangy chickens which in fact lay blue eggs. It is a great comfort to know that there are those who care.

D. P. Kennedy

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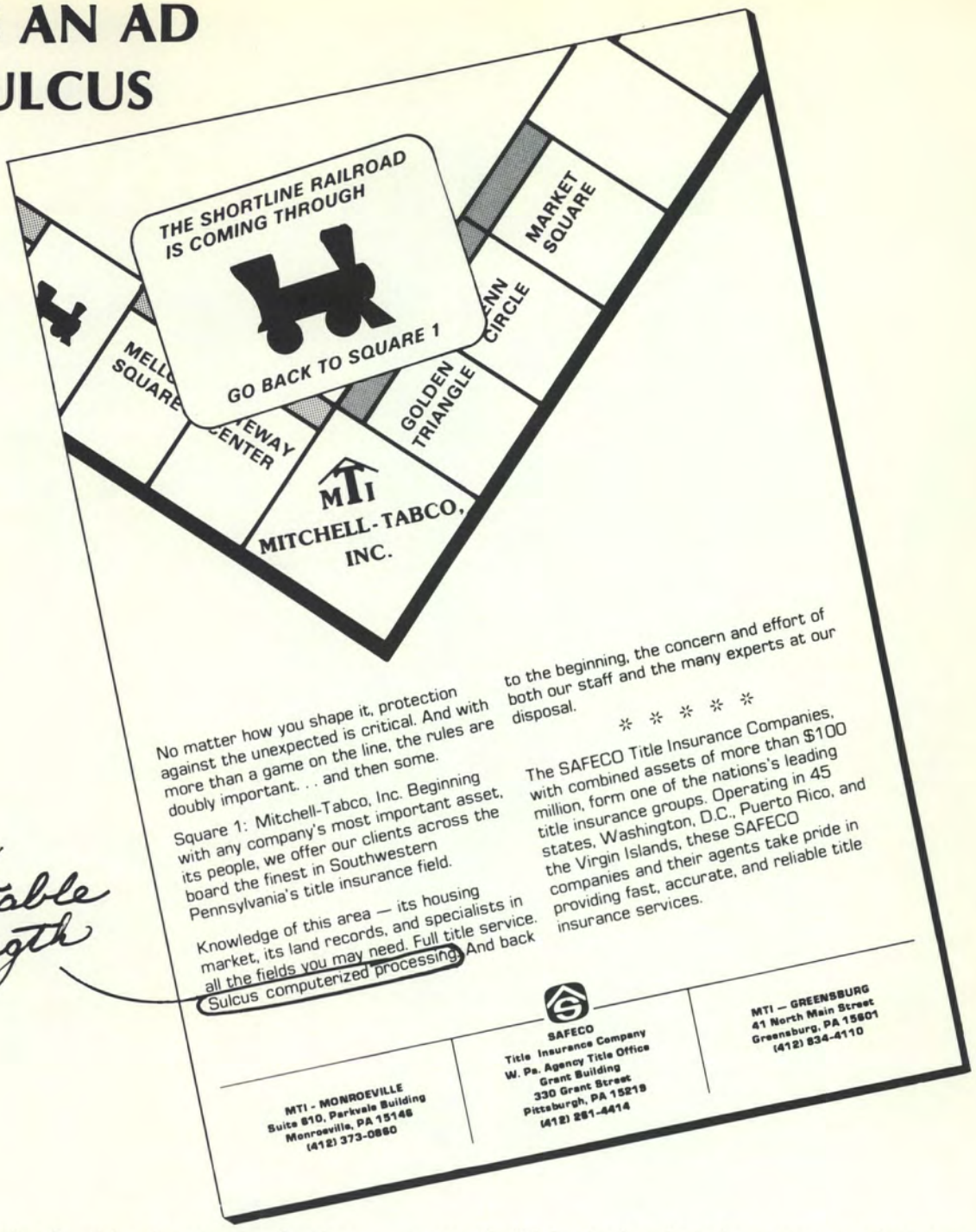

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Portland Site for Next ALTA Seminar

The ALTA Abstracter-Agent Section Education Committee has scheduled the Association's second Regional Seminar of the year—a title owner-manager event October 26-27 at the Red Lion Motor Inn, Jantzen Beach, Oregon, near the Portland airport.

Following up on the successful ALTA St. Louis Regional Seminar held early in April, the committee under Chairman Carleton L. Hubbard, Jr., Stewart Title of Glenwood Springs, Colorado, has developed an exceptionally attractive program for the Oregon meeting that is tailored to the interests of title people in the northwest. Emphasis will be on attendee participation in the discussion. As was the case in April, the Oregon program will be held Friday afternoon and Saturday morning to facilitate travel.

After opening remarks by Section Chairman John R. Cathey, The Bryan County Abstract Company, and Chairman Hubbard, the program will begin with a workshop discussion on working more effectively with customers and the changing nature of customers. Chairman Hubbard will serve as moderator and discussion leaders will be the title industry leaders serving as presidents of the Oregon, Idaho and Washington land title associations at the time the seminar is held. They are, respectively, Charles T. Hemphill, Jr., Bend Title Company; Kelly W. Mann, American Land Title Co., Inc.; and Joseph F. Seabeck, Land Title Company of Chelan-Douglas County, Inc.

Thomas G. Stapleton, vice president and senior associate title counsel for Ticor Title Insurance Company, will follow with a commentary on claims. The final two hours of the first day will be devoted to "Escrow Clinic," moderated by Fred Macy, Ticor Title assistant vice president. Serving as discussion leaders during the escrow presentation will be Michael G. Magnus, Oregon Title Insurance Company secretary and general counsel; and George N. Peters, SAFECO Title Insurance Company vice president.

Leading off the Saturday morning agenda will be a discussion on "Improving Employee Productivity," featuring SAFECO Title Vice President and Director of Administration Darrel C. Truby. Next will be, "Title Insurance Management Forum," with ALTA Title Insurance Forms Committee Member Oscar H. Beasley, senior vice president and senior title counsel for First Ameican Title Insurance Company, serving as discussion leader.

Wrapping up the Saturday morning program will be a mini-seminar, "Automation in the Local Title Office," featuring ALTA Abstracter-Agent Section Land Title Systems Committee Chairman John D. Haviland, South Ridge Abstract & Title Co., and Systems Committee Member Dennis R. Johnson, an attorney and automated conveyancing consultant. After an initial overview discussion led by the aforementioned, there will be separate, concurrent breakout sessions—one on single vs. multiple station systems featuring Chairman Haviland and one on software parameters featuring Johnson. Attendees then will reassemble for a combined discussion recap before Chairman Cathey moderates the closing seminar feedback session.

ALTA has reserved a block of sleeping rooms ($67 for singles and $77 for doubles) at the hotel. Reservations may be confirmed by calling toll free at 1-800-547-8010 and identifying as part of the ALTA room group. *All rooms not reserved by Friday, October 5, will be released by the Red Lion.*

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ALTA Northwest Regional Title Industry Seminar

Friday, October 26

1:00 p.m.	Welcome (John R. Cathey, Carleton L. Hubbard, Jr.)
1:15 p.m.	Working More Effectively with Customers (Workshop Discussion)
2:15 p.m.	Claims—The Battle Continues
2:45 p.m.	Break
3:00 p.m.	Escrow Clinic
5:00 p.m.	Adjourn for Cash Bar Cocktail Reception

Saturday, October 27

8:30 a.m.	Improving Employee Productivity
9:30 a.m.	Title Insurance Mangement Forum
10:30 a.m.	Break
10:45 a.m.	Automation in the Local Title Office
12:15 p.m.	Seminar Feedback
12:30 p.m.	Adjournment

Perspective: Financial Supermarkets

By C. Jackson Ritchie

I've decided to approach the subjects of "deregulation" and "financial supermarkets" from the standpoint of a general and calming discussion, and from the standpoint of what I would call inevitability.

Now what do I mean by inevitability? First of all I mean that so-called deregulation and so-called supermarkets, with everyone now participating in everyone else's business, are already with us! Let me just cite a few examples of what I mean. E.F. Hutton and Merrill Lynch have both received approval for charters for "non-bank banks." And what sort of a charter is that . . . That is one that permits the taking of deposits, the making of consumer loans, the provision of financial transfer services, in short, everything but the business of what is known as commercial lending. And this type of approval is just the last in a very very long line of the non-regulated industry entries into what has traditionally been the purview of commercial banking.

Continuing to refer to developments of just the last few days, I see that Sears Roebuck has opened 23 more in-store financial centers, bringing their national total to 168. And what do we mean by financial centers for Sears? We're talking about brokerage and money-market-mutual and cash management services provided through their acquired subsidiary, Dean Witter; we're talking about full spectrum real estate services provided through their subsidiary, Coldwell Banker; and of course we're talking about the broad range of insurance services that they have provided for years through their Allstate Group. So much for restrictions on banking services and interstate locations, particularly when you consider that Sears has more stores coast to coast than the combined total of offices of the top four bank holding companies!

But let's not confine these observations to the arena of non-bank competition. The Federal Reserve has now approved the application of the U.S. Trust Corporation of New York to take demand deposits and make consumer loans through their Palm Beach, Florida, affiliate. U.S. Trust is a bank holding company, and this approval is predicated upon the fact that they don't plan to offer commercial loans in a location that obviously is somewhat removed from their home base of New York City.

"... I am utterly convinced that most commercial banks have no intention of taking a supermarket approach to financial services, regardless of the regulatory climate."

Homogenized Financial Services

And all of this activity is occurring under the umbrella of federal government oversight. But you should really take a look at what the individual states are doing in answer to the demands on the parts of consumers, banks, thrifts, and non-banks for homogenization of financial services organizations. As I just mentioned, it is obvious that Florida lets bank subsidiaries do any activities other than certain insurance functions; on the other hand, Indiana and Wisconsin statutes permit banks to engage in certain types of insurance agency activities. South Dakota allows both brokerage and underwriting of insurance, and effective July 1, 1984, California banks will be authorized to underwrite and sponsor mutual funds.

Two states seem to have laws that allow banks to invest all or a share of capital or assets in any activities that they choose, and California banks again are authorized to invest without limit in the securities of any kind of firm except an insurance company, and to engage in any activities not prohibited by law. At least seven states allow banks to operate travel agencies, and eight states have statutes that permit banks to engage in all sorts of data processing activities. And, in a recent article, the general counsel of the Treasury Department predicts that banks, if rebuffed by Congress, will turn their full lobbying attentions to state legislatures in order to achieve a flood of new, non-uniform powers. Talk about confusion!

So, like it or not, we are here in the era of "supermarkets." And the questions are how to smooth out the transitions of all of these industries that are involved in financial services; how to provide market equity for all of the businesses that are being affected; and, lastly, what does it mean for you and me as individuals and businesses engaged in our economic system?

President and Chief Administrative Officer Ritchie heads First American Bank, Washington, D.C.

Commercial Banking Directions

On this Conference program, you will have heard or will hear from Senator Garn and Mr. Hovde, both of whom, as players in the legislative and regulatory aspects of our broad theme topic, are eminently more qualified to provide observations on where we are and where we are going, and why. So, with their presentations as backdrop, along with my observations about the inevitability of the process, let me just try to give you a few of my thoughts about commercial banking—what has happened to us, what we are presently trying to do and why, and where I think we will be in a general sort of way as we get through the next few years.

Since Ronald Reagan took the oath of office, his administration has heralded a consistent theme: get government off the back of business! President Reagan has an enduring belief in the entrepreneurial spirit that spawned the commercial development of this great nation. And why not? As an article in the *New York Times* pointed out, America has long been the land of the entrepreneur. It was born of an entrepreneur—Christopher Columbus, who, with venture capital from Queen Isabella, developed a strategic plan to exploit business opportunities in distant lands. From the ships of Columbus to the halls of IBM, Du Pont, and General Motors, America's economic engine has for centuries been fueled by the efforts of entrepreneurs in all areas of commerce. Ronald Reagan's recognition of this fact and his commitment to deregulation is a welcome and perhaps long overdue shot in the arm for our free enterprise system.

Commercial banks have always played an important entrepreneurial role in U.S. business. Until recently, however, we have been greatly restrained by a convoluted mass of rules and regulations that have prevented us from exercising the full range of our creative abilities. As you are hearing this morning, the regulatory times are finally changing. And I'm here to tell you that American banks—and bankers—look forward to exploring the many profit opportunities offered by the present financial marketplace.

When talking about banking deregulation, I'm reminded of a sports veteran who said he once coached the most inept team in all of football. One day, while his team was in the middle of a game, a train ran through town tooting its whistle. The opposing team thought it was half time and ran off the field. Four plays later, the coach's team finally scored!

A few year's ago, the banking industry was a little like that football team: we were confused; we couldn't get our act together! Our opposing team—the non-regulated financial institutions such as the money market mutual funds and the big conglomerates like Sears and J.C. Penney—were running off the playing field with all of our profits. At the time, banks were hampered by interest rate regulations, and we had to waste a lot of plays before we managed to catch up with the opposition! Help finally came in the form of the landmark legislation of December, 1982, which brought about the supernow account. Commercial banks then were able to recapture lost deposits and score on the balance sheet! And yet, despite recent progress, we're still not positioned for optimum competitiveness.

Let me share another sports story. Here in the nation's capital, we have an institution that's even more popular among the local residents than the formidable Smithsonian. It's called the Washington Redskins. One year on a rainy Sunday after the Skins lost a particularly close game, a young fan turned to his devastated father and said, "I don't know what you're so upset about, Dad! They *almost* won!"

I would go so far as to say that, at this point in the deregulation process, the commercial banks of America are the "almost winners" in the big stakes game of financial services.

It is true that we now have the capacity to pay money market interest rates on our deposits. And the operative word here is pay, since those deposits were formerly known in our business as "free money."

What banks do *not* yet have is the power to expand our product lines to include such services as insurance sales, securities underwriting and brokerage, real estate investment and development, and other such far-reaching activities. Our non-bank opponents, however, offer all these services and some traditional banking services as well! Until the rules are the same for all players operating in the financial arena, banks will remain as hamstrung as that first unfortunate football team I told you about a moment ago: we will be competing fundamentally against ourselves while the real opposition is already off the field, planning bigger and more damaging offensives. We'll remain the "almost winners" in a game we can't afford to lose.

Financial Supermarket Approach

All of this said, I would like to turn my thoughts to our discussion of the supermarket approach to financial services. Just what exactly is this amorphous creation of the 1980's known as the financial supermarket?

When it comes to Sears, Merrill Lynch, and Shearson/American Express, the term means a non-regulated institution that offers a range of options to meet the client's financial needs—from stocks and bonds, to life insurance, to money market mutual funds, to demand accounts attached to asset-based cash management services. Through broad product diversification, these companies are able to provide one-stop shopping for their customers.

When it comes to banks, however, I would like to suggest that the term, "financial supermarket," is largely a misnomer. Or it will be as our industry continues to evolve.

I recall a passage from the best-selling book, "Megatrends," in which author John Naisbett comments, "There are cities and companies, unions and political parties, in this

Continued on page 33

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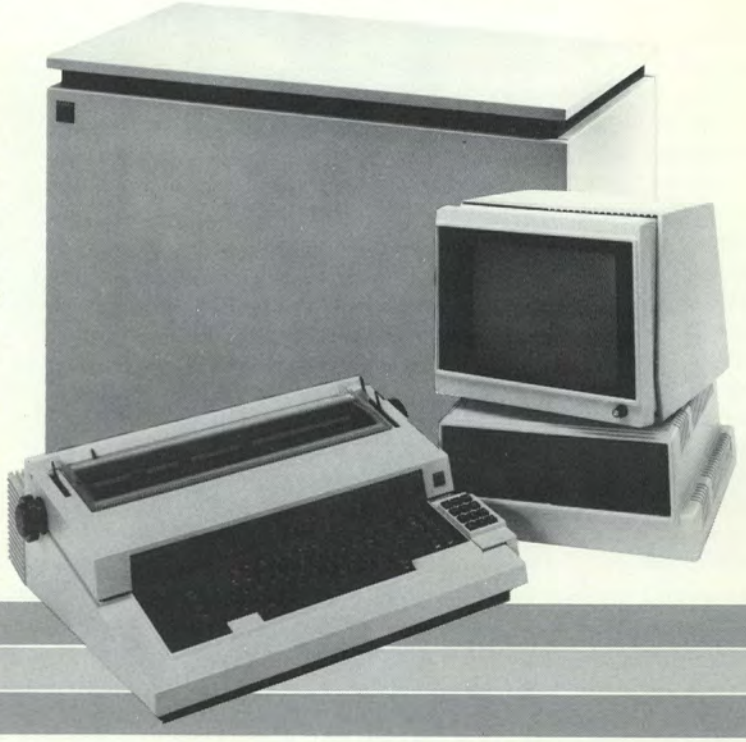

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Bad Faith Claims; Punitive Damages

By Kenneth S. Abraham

The problem of bad faith claims and punitive damages is one that is increasingly on the insurance industry's mind. It is appropriate for all of us to be thinking carefully about exactly how to deal with the problem, and about the proper approach to reducing it.

Bad faith claims began to be brought against insurance companies about 15 years ago, mainly in California, and mainly in fields other than title insurance. But the phenomenon soon spread to other states, and soon spread in small numbers to the title industry. The problem now can be characterized as nationwide. While it has begun to afflict the title industry, happily, at this stage, the number of claims is not as large, nor the severity of claims as great as in other lines of insurance.

I'd like to talk about several things. First, what exactly are these claims? Second, where, if at all, do they find support in the law? And third, what can title insurers do to prevent the claims and to prepare for them if they are brought? We want an understanding of what the law is up to in allowing such claims, because a problem can't be effectively resolved if it isn't well understood; and we want to recognize how to prevent claims. In short, I hope that we can practice a little bit of preventive law, just as the medical profession often practices preventive medicine.

A bad faith action in the title insurance context is a claim by an insured that, upon presentation of a claim or a demand for a defense, the insurer wrongfully refused to comply with its obligations under the policy. The insured then brings a lawsuit, and claims not only whatever is due under the policy, but additional damages for consequential losses, pecuniary or emotional, and often, punitive damages as well.

I don't want to distinguish here, for most purposes, between consequential emotional losses and punitive damages, although obviously in law there is a great deal of difference. The reason is that it has been my observation upon reading the cases that the courts don't draw much of a distinction between consequential emotional damages and punitive damages. Therefore, what we ought to talk about are "extra contractual" damages, that is, damages awarded above and beyond the amount of the policy, without drawing unnecessary divisions within that category.

Traditionally, no action for extra contractual damages could be brought against an insurer, whether a title insurer or any other kind of insurer. An action for breach of contract was for breach of contract, and what the insurer owed in the event of breach was the amount due under the policy. The insured recovered damages only under *contract* law. But, beginning about 15 years ago—in California, of course, where many things, good and bad, begin—the courts began to allow *tort* recoveries of extra contractual damages for losses above the amount available under the policy.

Such claims have been allowed in health insurance, in fire insurance, in other lines of insurance and a very few in title insurance. Many of the decisions have awarded damages above and beyond the policy amount in sums

Professor Abraham, right, a member of the University of Virginia Law School faculty, talks with ALTA Title Insurance and Underwriters Section Chairman Gerald L. Ippel, Ticor Title Insurance Company.

"Bad faith liability . . . constitutes a threat to impose an occasional severe loss upon an insurance company . . . to give it the incentive to pay very close attention to its claims."

as great as $100,000 or $200,000. In at least half a dozen cases, punitive damages or compensatory emotional damages have been awarded in amounts in excess of $1 million. There have been so few title insurance cases, however, that I think we need to look at what the courts have done in other insurance fields, in order to understand exactly what the threat to the title insurance industry is. Why do the courts allow such claims?

Courts View Relationship

I want to try briefly to explain, since it's very hard to avoid liability for something until you have a sense of exactly what it is, what lies behind the imposition of liability. At least part of the explanation is this: The courts have started to look at insurance companies as having a very special relationship to their insureds. Of course, for many years courts have been saying that insurance companies have a very special relationship to their insureds but bad faith cases, it seems to me, are part of the judiciary's effort to put teeth into that point of view.

Insurers are not yet thought to be fiduciaries or trustees, but they do have special obligations, different from an ordinary contracting party acting and bargaining at arm's length. One consistently finds a particular kind of statement in the bad faith cases: "Insureds depend on coverage for security." Therefore, the courts say, when a claim is wrongfully denied, the insured not only loses the amount of his claim, but the security that he has depended on his insurance to provide. Moreover, the courts say, either expressly or by implication, only the company's good will and concern with its reputation gives it an incentive to process a claim expeditiously and fairly.

In short, the courts see that insurers hold the stakes. It's not as though some third party holds the money that has been paid into the risk pool, and pays it out whenever a claim turns out to be valid. Rather, the courts see insurers as being judges in their own cases, sitting on top of a fund of money which in a certain sense belongs to the policyholder, but judging on their own whether or not to make a payment in the event of a claim.

If you find you are feeling a little bit uncomfortable, I phrase my point that way on purpose. It seems to me that, as insurance executives, you've got to feel a little bit uncomfortable in order to understand exactly what the courts are saying here. The traditional notion of an insurance company and an insured having struck a bargain, which will then be followed to the letter, is not quite what is being implemented. That notion is not what underlies the decisions. Rather, a modified view of the relationship between an insurance company and policyholder stands at the heart of the development of this body of rules.

At least that, I think, is how the courts have started to look at it. So they have begun to realign the balance of advantages between insurer and insured in the claims process, by threatening insurers not only with liability for what they are obligated to do under the policy, but also for additional liability. The idea, I suppose, is that this threat of additional liability creates a greater incentive to perform the obligations provided for under the policy.

I should stress that the liability we're talking about isn't imposed simply for failure to pay a valid claim. If there is reasonable doubt about the claim, then bad faith liability—for extra contractural damages—is not imposed. But when the courts do impose liability, or allow juries to do it, they have characterized the insurer's behavior in very negative terms. They have called it "malicious" or "vexatious" or "oppressive." The term that has been used to summarize that string of adjectives is "bad faith."

What I want to suggest, after having read about 100 cases involving various forms of bad faith insurance claims, is the following. I don't think that bad faith has anything to do with an insurance company's state of mind, even assuming that a company could have a state of mind. Nor does bad faith have anything in particular to do with the state of mind of any claims personnel. Bad faith is not a "subjective" notion. Bad faith is simply a term that's used to apply to the situation in which an obviously valid claim is denied. It's used whenever, in retrospect, the insured appears to have deserved the special security that insurers are paid to provide and has been deprived of it.

Bad faith, then, is conduct that is inappropriate in a particular insurance setting. It's not necessarily desire to do harm. Therefore, if you look at the legal doctrine that's developing and you compare that doctrine to the ordinary meaning of the term, "bad faith," there will be a real gap. The phrase, "bad faith," seems to represent the insurer's failure to act the way it objectively should have acted, given all the circumstances, and in a situation where almost everyone would say that it has acted in the wrong way.

Implementation the Problem

Now all that may be well and good to state. I realize that it is easy to make a rule like that sound reasonable. But the problem is how to implement it, how to distinguish between a case in which an insurance company has a reasonable doubt about the validity of the claim, and therefore is entitled to contest it, and a case in which the doubt is not reasonable, and which subjects the company which contests the claim to liability.

Compounding that difficulty is the fact that there are now decisions at the appellate level in a variety of jurisdictions holding that certain claims of bad faith are not valid. But in some of these cases decisions have been issued without permission to publish them. The result is that there is even more difficulty determining what counts as bad faith, because judicial standards are only semi-public.

All of this suggests that there is a sense in which it is not of excessive concern to the courts in which cases they impose liability, so

Continued on page 34

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Defending Against White Collar Crime

By James C. Summerford

We live in a period of rapidly changing technology. The use of computers in the business community has escalated greatly over the past decade. Computer technology plays a dominant role in processing information and carrying out financial transactions.

I recently visited a major bank in New York City and watched its electronic funds transfer system process a daily total of almost $60 billion.

The total net worth of that bank was only $12 billion. Utilization of these rapidly changing technologies have many benefits for business and consumers, but a fraudulent transaction could prove extremely detrimental to a business such as yours, which offers various services such as title insurance, acting as escrow agents, and conducting settlements, in some cases.

At one time, the business community only had to worry about counterfeit currency, bad checks and other fraudulent financial instruments. Those days are long past. However, the primary difference between a paper transaction and the structure of electronic funds transfer is the medium of communication.

Both are subject to criminal abuse. Electronic funds transfer involves money, represented by electronic signals, rather than paper financial instruments, which many of you deal with on a regular basis.

This communication requires an electronic network to connect business with financial institutions, and financial institutions with other financial institutions. Computers are needed to manage this high speed electronic network.

I'll talk more about financial instruments and computer related fraud in a minute. But first, I would like to provide a little general information about the FBI. We are an organization of approximately 8,500 special agents. This amounts to about one third the size of the New York City police department.

We have approximately 11,500 support employees, and most of them are assigned at FBI headquarters in Washington, D.C. The FBI is the primary investigatory agency of the United States Department of Justice.

The head of the FBI is known as the director, and the current director is William H. Webster. Our employees are stationed, as I said, at FBI headquarters in Washington, D.C., in 59 field offices, in over 400 small satellite agencies and 13 small outposts in foreign countries.

These foreign outposts assist us in covering leads on investigations in those countries and we reciprocate, assisting foreign police agencies in conducting investigations in this country when they have an investigative interest.

The FBI has responsibility for over 200 programs, involving investigation of organized crime, drug trafficking, bank robbery, kidnapping, terrorism, espionage, public corruption and many other criminal acts.

FBI special agents are highly educated and from diverse backgrounds. Counter to myth, only about a quarter are lawyers or accountants. Over 70 have PhDs and approximately 1,300 have master of arts degrees. We have over 500 women special agents at this time.

Let's move on, and talk a little about white collar crime, and those criminal violations that would most likely impact on your business.

White Collar Crime Defined

White collar crime is a widely inclusive term. The FBI defines white collar crime as illegal acts that use deceit and concealment, rather than the application of physical force or violence, to obtain money, property or services, to avoid the payment of loss of money, or to secure personal advantage.

In 1977, the American Management Association estimated that white collar crime cost the business community approximately $44 billion per year, that it accounted for as much as 13 percent of the retail cost of goods, and that it was responsible for one of every five business failures.

Although I can't attest to these figures, they give you an idea of the magnitude of the problem. These crimes haven't been as highly publicized as some violent street crimes that

you read about, yet they have become one of the deeply felt concerns of the business community as well as the American people.

Computer crime is one form of white collar crime that has come to our attention more and more in recent years. Modern businesses such as yours rely on the computer for budgeting, for accounting and inventory functions, indeed, for all management of assets and information.

It's only in the last several years that law enforcement has recognized the problem of computer assisted crime, and the FBI has begun training its agents to investigate these matters.

But no matter how well prepared, law enforcement cannot deal with this problem alone. The burden for detecting many computer crimes must be shared by the business world. Without detection, and just as important, reporting, there can be no investigation.

The best defense against the computer intruder, or the dishonest employee, is a good security system and tight administrative controls. But what if your business is victimized by someone perpetrating a fraud? What should you do?

You should immediately bring the criminal activity to the attention of the local law enforcement agency or federal authorities. If the criminal activity involves use of interstate communication, such as a telephone, or use of the U.S. mails, you should notify the nearest office of the FBI.

Most federal jurisdiction is tied to the interstate commerce clauses in the constitution. Most telephone companies, as a public service, print the FBI's telephone number, the local number, on the inside cover of your local telephone directory.

Once recorded, either the local or federal authorities will most likely request your company's assistance, and require that assistance in the collection of pertinent evidence of the crime.

It is important that the victim company take steps to insure that no evidence of the crime is destroyed purposefully or through error.

Minimizing Chance of Fraud

Now that you know how to report crimes, let's talk about some frauds the FBI has investigated that could well be perpetrated against your company, and some steps that might be taken to reduce the chances of such crimes occurring.

The following are not isolated incidents. Similar incidents occur and reoccur with alarming frequency. Recently, a convicted felon serving time in a federal prison was charged with defrauding a national stock brokerage firm of several thousand dollars.

He was subsequently indicted by a federal grand jury for mail fraud, and fraud by wire,

Federal Bureau of Investigation Field Supervisor Summerford is assigned to the Kansas City office, where his responsibilities include public corruption, government fraud and financial crime.

because the mail and the telephone were used in furtherance of a scheme to defraud. These are two modes of communication that are frequently used in your industry.

The scheme was carried out by the prisoner through impersonating bank officers, and by using fictitious names, something quite common when someone wants to perpetrate a fraud.

The prisoner contacted the national stock brokerage firm, telephonically, and opened an account under a fictitious name. He also told the brokerage firm that he would transfer a large sum of money to the brokerage house's account, to open this account.

An address of an acquaintance of the prisoner was given to the brokerage firm as the prisoner's point of contact. A few days later, the subject impersonated a bank officer at the brokerage house's bank.

In a telephone call to the brokerage firm, the prisoner said that a large sum of money had been received by the bank, to be deposited into the account of the person impersonated by the prisoner.

Later, the prisoner, using a fictitious name, asked the brokerage firm to wire transfer several thousand dollars from his fictitious account to a bank in New Jersey, where it was subsequently withdrawn.

Only later did the management of the brokerage firm learn there was a swindle, and no funds had actually been received by the bank. This fraud may have been discovered earlier, and prevented, had the brokerage firm used a telephone callback system to its bank, in order to verify the authenticity of the telephone call from its bank, and the fact that funds were on deposit for the prisoner using the fictitious name.

Recently, a similar incident occurred at a title insurance company. An individual opened an escrow account with a title insurance company in branch city B. The title insurance company main office, in city A, wire transferred a large sum of money to branch office B, presumably, as a minor routine, to correct a previous accounting action.

On the same date, the individual opening the escrow account called branch B and said that the same amount of money that was being wire transferred for corrective action was being wire transferred to his escrow account.

When the money arrived, branch B office employees erroneously believed the money was for the escrow account. The money was deposited into the escrow account and, shortly thereafter, the escrow was cancelled and the money was wire transferred to a distant bank, where it was withdrawn.

Shortly thereafter, a similar incident occurred at the same company, but another branch. Again, the money was wire transferred to a distant bank, where it was withdrawn.

In both instances, the internal documents that were used to generate the wire transfer at the main office were missing, thus suggesting that an employee of the title insurance company was involved.

To perpetrate such a fraud, the subject must follow certain steps in order to conceal his scheme. First, he must introduce a fraudulent transfer request into the office system, or he must alter a valid wire transfer request.

Then, he must destroy the transfer records, in order to conceal his identity and activities. There must also be an error on the part of other employees for this scheme to have a chance of success.

There are some controls that may preclude such occurrences from taking place. One is having a limited number of people who may authorize such transfers. Others are having a secure system for initiating the transfer request, to preclude tampering or the introduction of a fraudulent request; and having a secure system to prevent destruction or delay of records by the dishonest employee after the wire transfer request has been initiated.

Individuals who perpetrate schemes by establishing their credibility, and by gaining the confidence of unsuspecting individuals, are known as confidence men or "con men" in law enforcement circles. There are perhaps less than 100 big-time con men who travel throughout the United States and abroad,

Continued on page 35

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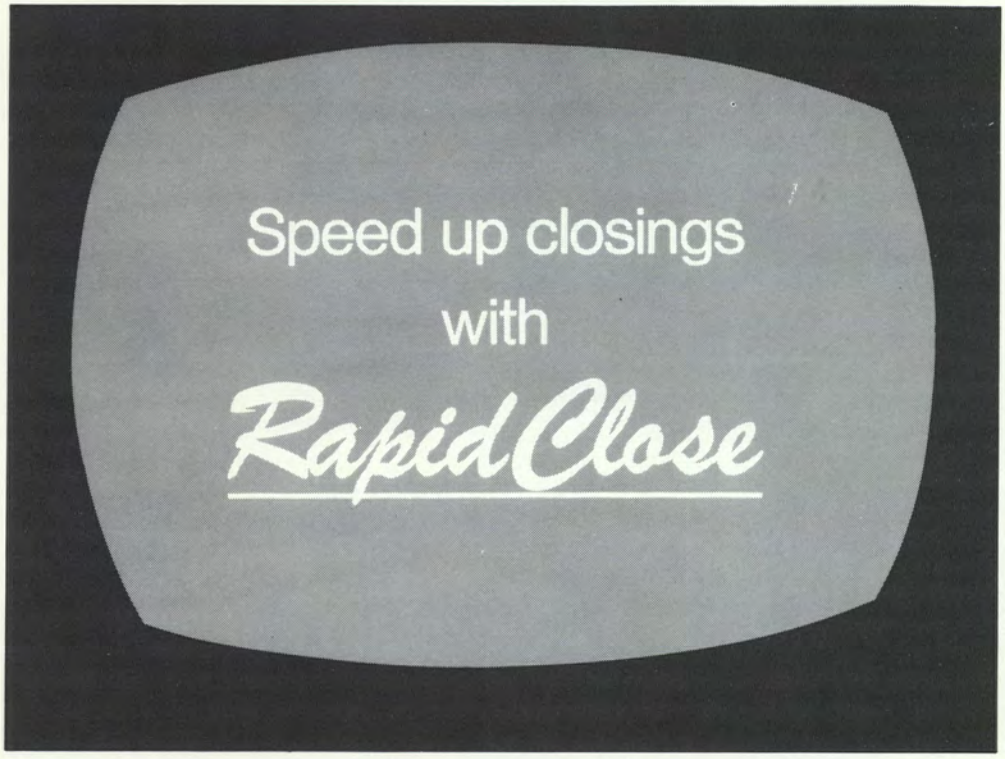

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Effective State and Local Lobbying

By William R. Bruce

What I have to say is applicable, in principle, at the local, state, and even the national level. We're talking about how to talk to a legislator, what is important and what may not be so important to him. The same things are involved in talking with a U.S. Congressman or a state senator or a city council person.

The first question that you need to think about is why have lobbying at a state level?

You're called upon to contribute to all kinds of federal appeals, to come up and talk to your Senators and Congressmen, to maintain an office here in Washington because here's where a lot of activity is going on, such as on controlled business and antitrust.

Why bother about the state level? There are 50 different ones, and it's just too much trouble. Well, let me run through just a few of the matters or issues which are determined at a state level, and which, with your state involvement and your state lobbyist, can have a direct impact on your business and your pocketbook.

First, there are taxes. General taxes, such as corporate franchise and excise levies, concern every business person, including you. In addition, you have some special ones that affect you, such as premium taxes and privilege taxes.

Second, the regulation and control of your industry is, I suspect in every state, I know in Tennessee, directly controlled by authority given by the state legislature to a state commissioner. That includes such things as the reverses you're required to maintain, the rates which you can charge, how those rates are filed, or in fact, if those rates are filed; the kinds of variations there might be in the rates; or whether you can operate through a rating bureau.

And even, at times, matters that impact on the federal antitrust considerations. As an example of that, if your state says that you have to file rates through some sort of bureau concept, and that you must do it collectively, that puts you in a stronger position not to be subject to federal antitrust problems than it would be if the state did not have a law with such a requirement.

Another example of the importance of state regulation is in the area of the encroachment on your business by other businesses. Financial institutions getting into the title business is one example.

An attorney, Bruce serves as chairman of Bruce, Southern & Brandon P. C., Memphis, Tennessee, and is state lobbyist for the Tennessee Land Title Association.

The state legislature is involved in that. We have a bill before the Tennessee legislature right now which will allow our state banks to go into the title insurance and title agency business, as a subsidiary to their banking operation. We're resisting that, and, so far, we've been successful.

Virtually all real estate law is a matter of state, rather than federal law, and it's a matter that directly concerns you and your business. Liens, such as mechanic liens, are an example. When do they attach? How do you define such terms as "completion" or "substantial completion," which directly affect your liability and your title insurance policy? It's a matter of state law.

But maybe even more important than that, because you can put your finger on that kind of question, are some of the liens which can preempt existing liens, and which may not be that obvious.

We're all familiar with liens for real estate taxes. Those liens come before a mortgage that you may have insured. There are other "super liens" that are not as obvious. For example, if your state adopts a program to correct hazardous waste disposal, a careful reading of that legislation may reveal a hidden lien in favor of the state, to help fund that program, and that could affect your liability under a title insurance policy. You and your lobbyist need to be aware of this kind of thing.

Laws affecting the redemption of mortgaged property: state law. Laws affecting recording procedures, charges and requirements: state law. Even the forms of instruments often are affected by state law: many will prescribe forms for deeds, mortgages, or the deeds of trust, perhaps allowing for variations.

Continued on page 19

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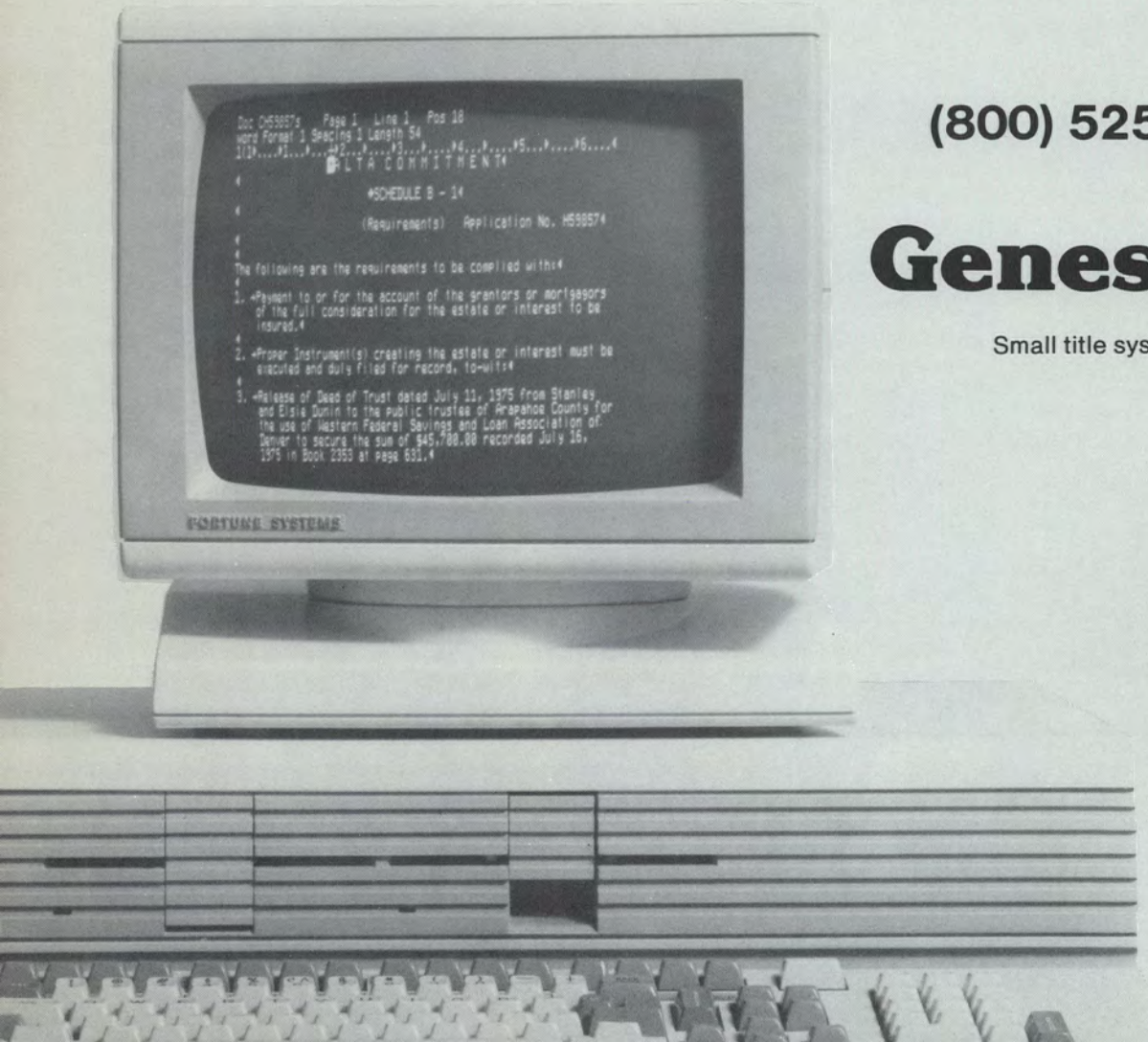

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BRUCE—continued from page 17

Dealing With Elected Officials

Now, what makes for an effective relationship with a state legislature, or in fact with any elected body? In other words, how do you deal with an elected official?

First of all, I suggest that you need to put yourself in the shoes of the person you're dealing with. That's good business advice any time. It's particularly true in a political setting.

When I say, "politician," how many of you almost automatically think "greedy," "petty," "incompetent," maybe "dishonest?" I suspect you're in the majority.

That's the perception that most of us have, and our friends in the media tend to promote it, sometimes with justification. But I suggest to you that the legislative group as a whole is just about as competent and conscientious and honest about their jobs as most title personnel are about theirs.

You're going to find some who are superlative. You're going to find many who are mediocre. You're going to find all are somewhat selfish, just like you and me, and you are going to find a few who are crooked. But they are a direct reflection of the people who elected them, and the people who elected them are all of us and all our neighbors back home. I suggest that it's a mistake to prejudge them, by putting them in this kind of mold that we think of when we say "politician." Instead, we need to think of them as individuals who are as human as you and I.

Understand that the legislator has scores of problems, like water pollution, education, highways, mental health, you name it, in which hundreds or thousands of people are interested, and most of those people think that their problem is the only problem.

They want his time, and they want his attention, and they want his commitment. He's got to deal with all of that, and when you come to him, especially with a business-type problem, and most especially if it's one that involves some type of competitive advantage you want to get defense against, it's not surprising that he might think, if he doesn't say it to you, that your problem is not the biggest one he's facing. In fact, he may look at it as a little greedy and selfish.

Also understand that he operates in a fish bowl. Everything he does, every vote he makes, every statement he makes, is subject to being in his home town newspaper the next day.

That leads to the final point: he has to be elected every two years, or four years, or whatever his term is, in order to keep his job. He has to be responsible to a group of constituents. He has to defend against somebody who is trying to take his job.

"You need to have an organization which can communicate . . . to the people back home . . ."

Everything he does, every statement he makes, has a potential impact on that. So, with that in mind, after getting yourself in his shoes, how do you deal with him, how do you talk with him?

I think, first of all, you need to make sure that your requests are reasonable. That sounds easy, but there are a lot of legislative requests which are impossible and impractical.

Next, do your homework, have your facts and figures correct. Make sure that the information you give him can be used as a basis to take a position or as part of his argument on your behalf. The last thing you want to do is get him in a position of being embarrassed on your account.

Try to take a minimum of his time. Organize what you have to say. Get him at a convenient time, say it, and get out. I always try to make a rule for myself, when I'm writing something for a legislator, to try to get it on one page.

Be willing to take no for an answer. I don't mean every time, but you have to establish priority on what you're asking for. There are times that he's got to tell you no, and it may be on some basis you think is completely unreasonable.

He may say, "Look, I really understand what you need, and it's right, but I can't do it because of political problems." You think, "That's terrible, the government can't work like that"—but that is how it works, and you've got to be able to accept it, for the very pragmatic reason that you're going to be back in his office tomorrow or next week asking for something else.

Finally, you need to support him. You're asking him for favors. That's his job, to give you consideration. But you're asking him to give you time and commitment that he could be using for something else.

You're requesting his support, and where you can you need to support him on a personal friendship basis, and also financially. It is very expensive to maintain a public office, and it's unfortunately true that money is the mother's milk of politics, and you need to be involved from that standpoint.

Visibility and Credibility

Now, what I think this national association ought to do, what each of your state associations ought to do, what your lobbyists ought to do, and what I try to do on behalf of the Tennessee Land Title Association, is this: Try to establish with the legislature a visibility and an awareness and a concern for the title industry. Our friends in the financial institutions have been pretty good at this. Many legislators have been "trained" to think, "How does this affect our banking industry?"

Well, this same kind of thing needs to be done for the title industry. This is a two-part matter.

First, the legislators need to accept, as a given, that you are a legitimate and valuable part of the state's economy, that you are here serving a legitimate function, that you deserve to have your day in court, that you deserve to have as much protection as the next guy.

Second, they need to be educated as to the types of things that can affect you, such as lien claims that may not be right on the face of a particular bill or proposal. The ideal, if you can establish the right relationship, is to have the committee chairman calling your lobbyist, or calling the president of your association, and saying, "Hey, Joe, is this going to be a problem for you?" That's invaluable.

Establishing visibility and awareness and concern is number one. Number two, establish credibility for yourself, by things like making reasonable requests, by providing accurate information, by following through and doing what you say that you're going to do, by being willing to take his "no" answer, all those things that we just talked about.

And, finally, establish a degree of commitment between the state legislator and yourself. It is a great advantage to your industry if legislator A is going to feel a personal concern and a personal commitment to you as an individual when a matter comes before him that is going to affect you, and is therefore going to want to know how it affects you, and is going to want to have your views on it.

How do you achieve what I've just talked about? Well, one way, and I certainly don't want to low rate this because it's my bread and butter, is to have a good lobbyist who can communicate and who knows the technical

Continued on page 36

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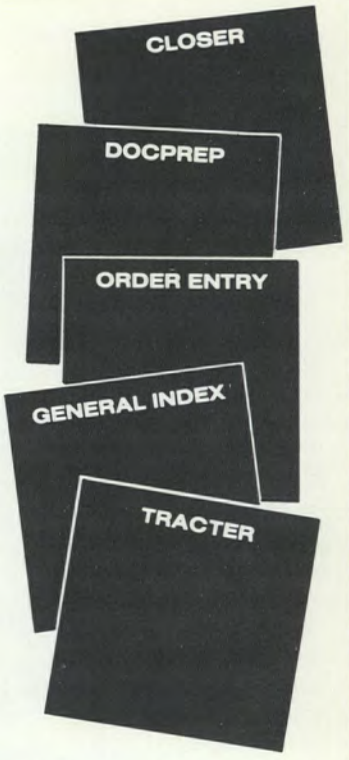

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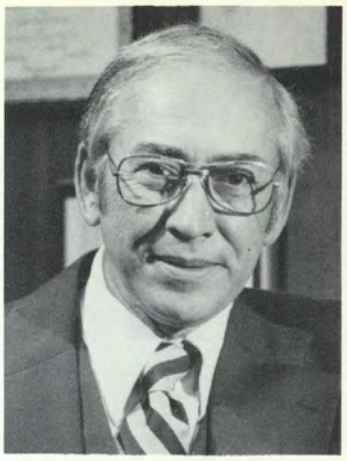

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ALTA Accelerates Research Activity

Statistical information has become an important asset to every sector of the economy, including the title industry. ALTA leaders have indicated there is a growing need for data concerning the title business for dissemination to legislators and regulators, the real estate and banking communities, and to title companies. To meet this demand, Richard McCarthy, formerly part-time ALTA research director, recently has been named a full-time member of the Association staff in that capacity. Correspondingly, the ALTA research department is committed to an expanded program of services and activity.

Moving toward an earlier completion date as a result is the new ALTA title industry loss study. The results of this study will provide members with previously unavailable information in the area of claims and losses through collection and analysis of data on types of claims, policy originations, types of properties, losses and sources of policies. Data gathered from this study can be used by members as a management tool in that it will enable them to pinpoint areas of improvement and locate potential problems. Included in the survey will be an analysis of losses by state.

As part of the loss study, the research department will publish its findings in annual reports with breakdowns by claims received, losses by state, losses by policy year, losses by policy year relative to liability in the policy year, and losses per policy issued by state and liability range.

Participating member companies will have computer access to this data. By using individual passwords, the confidentiality of each company's statistics will be maintained.

The loss study is a leading example of the direction ALTA Executive Vice President Michael B. Goodin envisions for the expanded research activity.

"In order to plan for the future of any industry, it is important to build upon the past," he said. "It is important to know oneself to help oneself. ALTA research department work can be the vehicle that the title industry uses as a basis to drive forward."

IRS Ruling Major Issue

Among current major issues, the department is assisting the ALTA Accounting Committee in economic research aspects of activity concerning IRS Revenue Ruling 83-174, which presents the possibility of a disastrous reduction in "surplus as regards policyholders," which would diminish title underwriter ability to write insurance.

Also, the department is working in ALTA liaison with the National Association of Insurance Commissioners on matters of interest to the title industry.

In addition, the research department has been assigned analysis of the current survey of ALTA members for their evaluation of the Association. The survey is designed to allow all members to describe their needs and expectations regarding ALTA services and activity. Compiled results of the survey will be available to the Association membership.

The research department also will be undertaking a study with the ALTA Abstracter-Agent Section Organization and Claims Committee. McCarthy is exploring an expansion of the committee's role through development of basic questions to determine why potential members would be interested in joining ALTA and in remaining members. Along these lines, the research department also plans to use data collected from the

Continued on page 46

ALTA Director of Research Richard W. McCarthy and Research Assistant Deborah C. Wallower check data compiled in the Association's title industry loss study.

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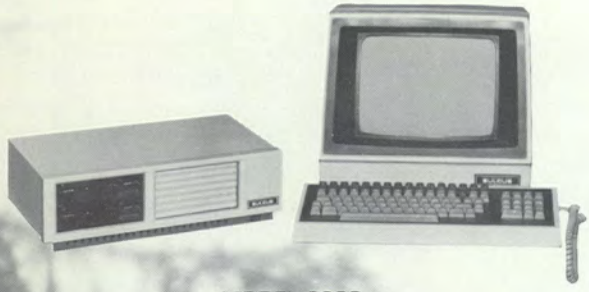

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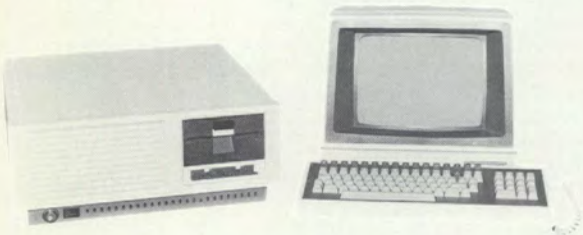

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ALTA Judiciary Committee Report: Part I

Bankruptcy—Cure of Mortgage Default

In re Ivory, 32 BR 788, U.S. Bankruptcy Court, District of Oregon (1983).

Objection to confirmation of debtor's Chapter 13 plan was made by the Department of Veterans' Affairs, which was mortgagee under the residential mortgage prior to foreclosure judgment and sale. The bankruptcy court held that (1) debtors could cure default on residential mortgage even though the final decree of foreclosure had been entered and sale made prior to the filing of Chapter 13 petition; (2) such post sale cure could be effected by paying arrearages which triggered default and paying the mortgage debt in full within life of the plan.

The opinion cites 11 USC 1322(b) which provides that a Chapter 13 plan may "(3) provide for the curing or waiver of any default."

After summarizing the various decisions construing this portion of the statute, and also sub-paragraph (5) of the same statute, the court followed the most liberal decisions. The court reasoned that, under Oregon law, the debtor retains an interest in real property during statutory redemption period (one year). Upon filing a petition under the Bankruptcy Code, all legal and equitable interests held by the debtor as of the commencement of the case become property of the estate. The debtor's right of redemption therefore became part of the estate at the time of the debtor's filing. The fact that the debtors still retain an interest in sold property gives them the right to effect a cure under USC 1322(b)(5).

The court, in dicta, suggests that the same reasoning would apply to proceedings brought under Chapters 7 and 11 (see page 792).

The court said that Section 1322(b)(5) does not in any way limit when a default may be cured. Instead, it provides for "curing of any default" as long as the proposed cure occurs within a reasonable time. The court concluded that the cure need not be effected by paying the redemption amount. Instead, the debtor could cure the arrearages which triggered the default, and reinstate the installment payments due under the terms of the original mortgage. The plan in this case provided for a lump-sum payment upon confirmation of the plan, and payment of the entire amount within the plan's three-year term.

Access, Eminent Domain

Merit Oil of N.H., Inc. v. State of New Hampshire,]23 N.H. 280 461A² 96 (1983)

Facts: Plaintiff owned a gas station and the state constructed a median strip along the road in front of the station. One lane of traffic could no longer turn into the plaintiff's station.

Issue: Is creation of a median strip preventing east bound traffic from turning into plaintiff's gas station a restriction on plaintiff's right of access and therefore a "taking" from the plaintiff.

Analysis: (1) The vested right of access consists only of access to the system of public highways not to a particular means of access. (2) There is no property right to a continuation of the flow of traffic past one's land. (3) Median strip did not affect this access therefore no taking occurred.

Boundary—Abandoned Right-of-Way

Calvert v. Morgan, 436 So.2d 314 (Fla. 1st DCA 1983)

A declaratory relief action was brought in the circuit court by the owners of lots abutting an abandoned right-of-way seeking to establish their right to portions of the right-of-way. The land in question was noted as a 30-foot right of way on a plat, contiguous with and located to the north of both the plaintiffs' and the defendants' lots. Without reservation it had been dedicated to the city for drainage and utility purposes. Subsequently, the city passed an ordinance abandoning the right-of-way.

The plaintiffs contended that they owned all

Continued on page 29

Report Published in Installments

The accompanying cases and others published in additional issues of *Title News* constitute the most recent report of the ALTA Judiciary Committee. In addition to Chairman Ray E. Sweat, the following served as members of the committee during preparation.

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JUDICIARY—continued from page 26

the land up to the center line of the former right-of-way and the defendants claimed ownership of the entire strip. Judgment was entered by the circuit court finding that the boundary between two sets of lots abutting an abandoned right-of-way on either side should be set at the center line of the abandoned right-of-way. The defendants appealed.

The issue was whether the boundary between the two sets of lots was properly set at the center line of the abandoned right-of-way.

The First DCA affirmed the trial court's ruling, applying the rule of *Smith v. Horn, 70 So. 435 (Fla. 1915)*, which sets the boundary between abutting lots at the center line of the abandoned right-of-way.

Church Property

Babcock Memorial Presbyterian Church et al. and Merritt Boulevard Presbyterian Church of Dundalk, Inc. v. The Presbytery of Baltimore of the United Presbyterian Church in the United States of America et al. 464 A2d 1008 (Md. 1983)

Because of certain disputes that arose between Babcock Memorial Presbyterian Church (Babcock) and The United Presbyterian Church in the United States of America (United) the session of Babcock voted to recommend to the congregation that ties be severed with the Presbytery of Baltimore and United. On September 18, 1980, the Presbytery, at its regular monthly meeting, established an administrative commission to investigate the alleged disorders at Babcock and to recommend to the Presbytery whether Babcock's session should be dissolved and replaced with the administrative commission as provided in *The Book of Order*. Meetings were held without resolving the problem and on 3/14/81, the session made an "absolute and irrevocable gift" of church property to Merritt Boulevard Presbyterian Church of Dundalk, Inc., an unaffiliated Presbyterian church. On 3/16/81, after the deed had been recorded, a letter advising of the gift transfers was delivered to the Presbytery. On 3/23/81, the Babcock membership voted to withdraw from the United and ratified and adopted as their action, the acts of the session and board of trustees in conveying the property as gifts to the Merritt organization.

In late March, 1981, the administrative commission assumed possession of the Babcock property and prohibited the Babcock congregants as well as the Merritt members from entering the property. The Merritt members filed suit to regain possession and the Presbytery and members of the commission brought suit to have the deeds set aside.

Issue: Whether Babcock was a congregational church or was affiliated with the parent church whose by-laws would control the disposition of real property.

Based upon the facts presented and by statements in Babcock's own by-laws, its affiliation with United was recognized and thus, Babcock was subject to the constitution of United, as well as the Presbytery. *The Book of Order* of United requires the consent of the Presbytery to sell, mortgage or encumber church property. Such a requirement is equivalent to requiring consent to alienate property. Furthermore, looking at Babcock as a Maryland corporation, it lacked the power to dispose of its property by gift, since such power was not given by its charter.

Claims, Good Faith

Hoskins v. Aetna Life Insurance Co., 6 Ohio St 3d 272 (1983)

Facts: Carl Hoskins is a retired state of Ohio employee. One retirement benefit is a group hospitalization and medical policy issued by Aetna. Annalea Hoskins, wife, is covered as a dependent. Mrs. Hoskins, after suffering her third stroke, was placed in Hocking Valley Community Hospital. Her doctor ordered a room change to the skilled nursing unit to put her closer to a tilt table used in her physical therapy. Aetna then quit paying her bills, stating she was now in a "convalescent facility." By the clear language in Aetna's own policy, she was not in a convalescent facility at all; she had just been moved within the hospital to facilitate access to the "tilt table."

Major Issue: Whether the lawsuit against Aetna with these facts would support a claim for punitive damages.

Analysis: Mere refusal to pay insurance is not, in itself, conclusive of bad faith. But when an insurer insists that it was justified in refusing to pay a claim of its insured because it believed there was no coverage of a claim such belief may not be an arbitrary or capricious one. Based upon the relationship between an insurer and its insured, an insurer has the duty to act in good faith in the handling and payment of the claims of its insured. A breach of this duty will give rise to a cause of action in tort against the insurer.

Insight: Coverage questions must be studied with care. Punitive damages may be recovered against an insurer who breaches his duty of good faith in refusing to pay a claim of its insured upon proof of actual malice, fraud or insult on the part of the insurer. Actual malice may be inferred from conduct and surrounding circumstances.

Condominiums—Improper Alterations

Ladner v. Plaza Del Prado Condominium Association, Inc. 423 So. 2d 927 (Fla 3rd DCA 1982)

Facts: A condominium association brought an action to compel certain condominium unit owners to restore the terrace railing of their apartment to its original condition. The circuit court granted a temporary injunction which was later reversed and remanded by the appellate court. The circuit court then ordered the condominium unit owners to restore the terrace railing to its original condition. The owners appealed.

Issues: (1) Was the circuit court's order to restore the terrace railing prohibited by the appellate court's denial of a temporary mandatory injunction? (2) Did the association's attempts to compel compliance with the declaration and by-laws amount to selective enforcement of its rules?

Analysis: A preliminary injunction does not decide the merits of the case unless (1) the hearing is specially set for that purpose, and (2) the parties have had a full opportunity to present their cases. Because a party is not required to prove his case in full at a preliminary injunction hearing, the findings of fact and conclusions of law made by the court at that hearing are not binding on the trial on the merits. As to the second issue, the court stated that although the developer, prior to the association assuming control of the condominium, allowed alterations to be made, the association, once it took control, consistently precluded any further violations of the declaration. Therefore, the association's actions did not constitute selective and arbitrary enforcement of the declaration and by-laws.

Contract of Sale—Sellers' Obligations

Sachs v. Hirshom, 16 Mass.App.Ct. 704 (1983)

Facts: The seller refused to convey the property pursuant to a purchase and sale agreement when she was unable to obtain an inheritance tax waiver. The purchase and sale agreement provided that should the seller be unable to make conveyance of a good clear and marketable title, any payments made under the agreement should be refunded and all obligations of either party should cease. The seller indicated in answers to interrogatories and in an affidavit in opposition to the buyers' motion for summary judgment that she was unable to complete certain filings required to obtain a release from a Massachusetts inheritance tax lien and that, therefore, she could not convey good title and, accordingly, returned to the buyers their deposit of $2,000.00.

Issue: Should the court grant Summary Judgment for the buyer and require the seller to convey the property?

Holding: A superior court judge allowed the buyers motion for summary judgment and ordered specific performance by the seller. The appeals court, however, ruled that on the basis of the patchy documents offered by the various parties it was in error to enter summary judgment for the buyers, and reversed the case.

The court indicated that it was unclear as to whether the seller was in fact obligated to proceed with the sale. For example, the court noted the proposition that language in substantially the form included in the contract for purchase and sale does not require affirmative action by the seller to cure a title defect if the seller was not aware of the defect when the agreement was executed. If such were to be the case in this matter, the seller would not be obligated to perform and an order for summary judgment on behalf of the buyers would be improper.

Furthermore, the court noted that it was unclear as to whether the buyers would accept the title subject to the alleged inheritance tax lien, and whether they communicated this to the seller. The court said:

> We do not suppose, even in the absence of language to that effect in the agreement, that the seller can set up a title defect which the buyers are willing to overlook, without adjustment in the purchase price or other disadvantage to the seller, for the purpose

of avoiding the seller's obligations to deliver a deed to the property.

Contracts, Implied Warranty in Construction—Subsequent Purchasers of Home

Keys vs. Guy Bailey Homes, Inc., 439 So. 2d 670 (Miss. 1983)

Facts: Guy Bailey Homes, Inc., constructed a house which was first sold to Fulgram in 1975. In 1979, Fulgram sold the house to Keyes. After moving into the house, Keyes discovered the house had a cracked foundation. Keyes then filed a complaint against Guy Bailey Homes, Inc., alleging breach of implied warranty and negligence in the construction of the house. The trial court dismissed the complaint on the basis of lack of privity between the parties.

Issue: Whether privity is a defense to a builder when a subsequent purchaser alleges breach of implied warranties and negligence in the construction of a house. The rule of law is that a builder vendor of a home may be held liable on the basis of negligence or breach of an implied warranty to a second or subsequent purchaser of a home and that privity is not a defense.

On appeal, the Mississippi Supreme Court reversed the dismissal by the trial court, reasoning that since an innocent purchaser should not be forced to sustain a heavy financial loss when the builder, through his own negligence or his own failure to construct the house in a workmanlike manner, caused the defects. And, since there is no reasonable justification for distinction between first and second or subsequent purchaser, then the right to sue the builder should be extended to remote purchasers. The court relied on *Mississippi Code Anotated §11-7-20 (Supp. 1982)*, which is a statute of limitation section that allows an injured party 10 years in which to sue for injury to property.

Contracts—Implied Warranties to Residential Improvements other than the Home

Conklin v. Hurley, 428 So.2d 654 (Fla. 1983)

Facts: The petitioners purchased vacant waterfront lots from Carriage Hill Limited Partnership (Carriage), a subdivision developer. The managing general partner for Carriage, Hurley, entered into a contract with a seawall company, managed by Hurley, for the construction of the seawall abutting the lots which were purchased by petitioners. Subsequent to the purchase of these lots, 250 feet of the seawall abutting petitioners' lots collapsed following unusually heavy rain in January, 1974. The petitioners filed an action for breach of an implied warranty of fitness. The trial court found that implied warranty of fitness extended to petitioners and such warranty had been breached. The Fourth District Court of Appeals reversed the trial court holding that the doctrine of implied warranty of fitness, previously extended in this state to purchasers of new homes, should not be extended to protect purchasers of residential lots on which seawalls had been constructed. The Fourth District Court of Appeals certified to the supreme court that its decision passed upon a question of great public importance. The supreme court accepted jurisdiction.

Issue: Do implied warranties of fitness and merchantability extend to first purchasers of residential real estate for improvements to the land other than construction of a home and other improvements immediately supporting the residence thereon, such as water wells and septic tanks?

Analysis: The supreme court examined Florida case law leading up to Florida's adopting the theory of implied warranty of fitness and merchantability in a sale of new residences, culminating in the Fourth District Court of Appeal's decision in *Gable vs. Silver*, 258 So.2d 11. In the supreme court's examination of those cases and its application to the facts in this particular case, the supreme court attempts to make a distinction between "consumer" and "investor." In the facts of this case, there is no question that the purchasers were "investors" and not "consumers." Therefore, the majority held that the consumer protection which *Gable* affords the "consumer" home buyer should not be extended to the "investor" home buyer in this case. The court did not preclude the petition-

ers from recovering any losses they might be able to prove in an action for negligence.

Insights: There is a particularly strong dissent written by Justice Adkins, in which Chief Justice Alderman concurs. Justice Adkins attacks the distinction made by the majority between "consumer" and "investor." Justice Adkins desires to follow the line of cases that extended implied warranties to improvements supporting the house, including wells, septic tanks and drain fields.

(To be continued in the October 1984, *Title News*)

San Diego Acquisition Change for CTIC

William G. Blackstone, a 29-year veteran of the title insurance industry, and James S. Brown, chairman of the board of BSD Bancorp, Inc., multi-bank holding company, have purchased 80 per cent of the assets of the Chicago Title Insurance Company San Diego, California, office, and are now operating as Chicago Title Company of San Diego.

Blackstone is president and Brown is chairman of the board for the newly-licensed concern.

Chicago Title has retained a 20 per cent interest in the San Diego operation and its title insurance policies continue to be issued there through an underwriting agreement.

SEMINAR—continued from page 7

Registration for the seminar may be accomplished by sending a check made payable to American Land Title Association ($60 per person for ALTA members, $100 for nonmembers) to the attention of Vice President-Public Affairs Gary L. Garrity in the ALTA office, Suite 705, 1828 L Street, N.W., Washington, D.C. 20036.

Besides Chairman Hubbard, members of the Education Committee include Wallace E. Buchanan, Western States Title Company of Summit; Cara L. Detring, The St. Francois County Abstract Co.; Glenn Graff, Lawyers Title Insurance Corporation; Fred McMahon, Cascade Title Company; Connie Wimer, Iowa Title Company; and Phillip B. Wert, Johnson Abstract Company.

ALTA Abstracter-Agent Section Education Committee Chairman Carleton L. Hubbard, Jr., introduces a panel on automation at the 1984 ALTA Regional Seminar held in April at Bridgeton, Missouri, near the St. Louis airport. Seated from left are C. Wes Ashcroft; ALTA Land Title Systems Committee Member Alfred J. Holland; and ALTA Executive Committee Member-at-Large and Education Committee Member Phillip B. Wert.

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RITCHIE—continued from page 9

country that are like dinosaurs waiting for the weather to change. The weather is not going to change. The very ground is shifting beneath us. And what is called for is nothing less than all of us reconceptualizing our roles."

To my way of thinking, the current trend in banking is very much in line with Mr. Naisbett's wise perspective. In order to keep pace with the increasing demands of the sophisticated financial marketplace, commercial banks must fully reconceptualize their roles. And that's what most of us are doing!

Since the Bank of North America was established in Philadelphia on December 31, 1781, the commercial banking system has been the financial bedrock of the United States. Throughout the ensuing 203 years, banks have guarded the deposits of our citizens and supported local business growth through commercial lending. When the nation was young, these financial needs seemed simple and straightforward, and of course many people did their banking at home . . . not with computers—with their friendly mattress! Today, 80 per cent of the population has a relationship with a commercial bank, and the old-fashioned banking room has been replaced by the automatic teller machine.

As the technological explosion has revolutionized all industries, banks have moved forward confidently, implementing the newest delivery systems for maximum efficiency and convenience. Although we have shifted with the times, I like to think we have preserved the traditions of responsiveness and reliability that have been the hallmarks of our industry since the first.

Commercial Banks Shun 'Supermarketing'

Now, in mid-1984, we are taking an incisive look at the position of banks in American business. We are looking at what banks are and what they are not; what they can and cannot be in the future. My predictions on this subject may surprise you, but I am utterly convinced that most commercial banks have no intention of taking a supermarket approach to financial services, regardless of the regulatory climate. When the present period of transition is over, I believe that this concept will be largely the domain of the non-regulated conglomerates and the giant money center banks, like Citibank and Bank/America, whose assets are in the area of $100 billion. In my wildest imagination, I can't envision a burgeoning "all things to all people" banking movement! It doesn't seem feasible on any level.

At the same time, my colleagues and I know that consumers are more fiscally sophisticated than ever before. In fact, a recent survey in *Money Magazine* indicates that 34 per cent of the banking public is interested in multi-service financial packages. However, a study published this month in *Fortune* concludes that many savvy business executives are reluctant to use the services of the *non-regulated* financial institutions. The majority of the 1,015 respondents said that if they had to choose one place to invest their money, they would select a commercial bank over a brokerage house.

Now, with so much interest in diversified products and services, and the continuing confidence of the public in the traditional excellence of commercial banking, why, you might ask, wouldn't *every* bank want to become a financial supermarket—instantly—if regulations would allow?

Let's take a look at the facts. The smallest banks in this country obviously couldn't afford the vast outlay of funds and manpower needed to develop a staggering range of new products. In fact, out of the 14,500 commercial institutions in this country, fewer than 10,000 will survive into the 1990s. Many community banks will be merged, losing their identities altogether. Other small banks will concentrate their energies very shrewdly, taking the "boutique" approach. They will carve out specific, controlled segments of their local marketplace, emphasizing the personalized nature of their service. And they will succeed, despite market and competitive pressures! And these are the vast majority of the thousands of commercial banks.

The very largest banks in this country are already operating with enormous latitude. Through interstate mergers and acquisitions, they will continue to pose a significant challenge to the non-regulated financial providers. With Chase Manhattan, Security Pacific National Bank and Citibank, among others, using subsidiaries to expand into brokerage and insurance activities, it seems certain that consumers can pursue a supermarket array of state-of-the-art options at these institutions and still benefit from the underlying soundness and security of doing business with a bank! But these, in numbers, are only a few.

Which leaves us to consider the plight of the other banks in this country—middle-sized institutions that have the most to gain—or lose—while making new product decisions.

Just such an institution is my own bank, First American Bank, N.A., of Washington. At close to $1 billion in assets, we are ranked 291st largest in the country (Citibank is over $100 billion). Headquartered in the nation's capital, we are part of a multi-state holding company whose six banks reach from Tennessee to the heart of Manhattan in New York City. In size and attitude, we are probably typical of the kind of bank that most Americans depend upon directly or indirectly for their financial services. I think it's safe to say that it will be a long time before we ever approach being a "supermarket"! When and if the product lines I mentioned earlier become available to First American, our resources will dictate that we pick and choose very carefully before we embark on many major new initiatives.

We are going to compete with the giant members of our industry, and certainly with the non-regulated competitors that I've alluded to. But we are going to do it selectively and slowly. And we're also going to compete with the smaller members of our industry, who will offer highly specialized financial services because we still believe that banking is a personal business. Ours is obviously the greatest challenge; how to be both big and small at the same time, while still deserving your confidence and your patronage.

And how are we going to do this? First of all, by concentrating on the personal development of the members of our staff by affording them excellent training and incentives so that they will be confident and comfortable in their roles; enthusiastic, timely, courteous, and accurate in the services that they provide in solving the financial problems of clients; and knowledgeable enough and alert enough to know how to sell and cross-sell all of the various products that we will be developing as we move slowly into our new business environment.

Secondly, we are going to employ the latest state of the art in automated support systems. And I don't mean automating the customer contact process, other than the obvious of the automatic teller machine designed to provide repetitive and rapid transaction services. But I do mean automation to eliminate paper; automation to eliminate boring, tedious clerical chores that tend to cause people to become disenchanted with their jobs.

Resources Limit Product Departures

Yes, we're still old fashioned enough to believe in happy people in a service industry such as banking; happy people now supported by highly sophisticated electronic systems. We have assembled a staff of superior professionals, and we're proud of our leadership role in both consumer and corporate banking services. However, we don't have a crew of savvy insurance salesmen standing by in case of further deregulation; and we don't have a team of crack real estate brokers sharpening pencils in the back room until the rules shift again.

Neither do most other middle-sized banks have the systems and the personnel in place for such dramatic product departures. For most of us to become financial supermarkets that can compete with Merrill Lynch, American Express, Citibank, and Chemical, we would have to change the way we view our

customer relationships: In short, the personal touch might have to go by the board. Most of the medium-level institutions in this country are striving to achieve the *opposite* effect: despite the imminent arrival of the so-called paperless society, we are hoping to stay in close contact with our customers. We'd rather be a middle-of-the-road kind of store that's known for quality and consistency, rather than the largest supermarket in town that sacrifices excellent service for rapid turnover.

This is not to say that banks such as First American won't begin to launch innovative products that correspond to each successive deregulatory ruling. I think we will. But we will also be extremely selective when we choose the new directions that will affect our future profitability!

It is my belief that there is plenty of business for all the players on the financial field! Competition is a strong motivation for improving performance, and I believe that the so-called deregulation will be an equally strong motivation for all of us to again pick up the standards of creativity, management innovation, and pride of workmanship and service that have been the hallmarks of our economic system.

In conclusion, I would like to leave you with two thoughts. First, the traditional banking system as you have known it is not going to fade away; it will not be replaced by a stream of depersonalized financial supermarkets that lose sight of the needs of the individual consumer.

And, second, when banks are allowed to choose among the vast array of services now under consideration for deregulation, the banking system will be mightily strengthened, because all-size banks will have to exercise their creative talents and energies to develop new ways to serve the customer.

The current environment offers more opportunity for entrepreneurship in financial services than ever before in our 203-year history. And the opportunities are for *all* of us. I say let's not fear these challenges; let's not question what has already begun to occur through the marketplace; but, rather, let's get on with the process with professionalism, knowledge and flair.

Adapted from a commentary presented during the 1984 ALTA Mid-Winter Conference.

ABRAHAM—continued from page 12

long as the threat exists that, on occasion, failing to pay a doubtful claim may result in extra contractual liability.

In light of this problem, how can we go about distinguishing the bad faith cases from the reasonable doubt cases? Some of the issues are easy. In a few of the cases, some kind of slip-up by claims personnel occurs, and there's an outright refusal to take any steps under the policy, despite continued entreaties by the policyholder and continued refusal by claims personnel. The lady who needs her $10,000 in health insurance, and is being dunned or threatened with suit or bankruptcy, and whose health insurer simply doesn't pay her, is an example. Those are very rare cases, and it's obvious that they involve bad faith—at least given the facts as stated in the opinions. In the most famous bad faith title insurance case of all, *Jarchow v. Transamerica*, 48 Cal. App.3d 917 (1975), that's exactly what occurred. A plausible claim was made, and the insurer did nothing. In that case, $200,000 in extra contractual damages was awarded, for emotional distress suffered by the insureds.

From the facts as I read them in *Jarchow*, that was a preposterous amount to award for the emotional distress suffered by plaintiffs. But if you look at the issue as I've suggested we should, the award does not seem quite so absurd. Bad faith liability is not an attempt to individualize justice between a suffering plaintiff and a wrongdoing defendant. Instead, it constitutes a threat to impose an occasional severe loss upon an insurance company, in order to give it the incentive to pay very close attention to its claims. This interpretation may not make the doctrine seem any more justifiable to you, but it seems to me to explain much of what's going on.

Let's look at another typical kind of title insurance claim and the bad faith suit that can result from it. Defending a claim by a neighboring owner under a reservation of rights is a perfectly legitimate practice by the title insurer, if there is reason to have reservations about coverage. But this practice causes obvious insecurities in the insured, who doesn't know in fact whether he's really covered. He's getting a defense, but whether he has the underlying coverage is unclear, because of the reservation. Occasionally, suits based on the insurer's failure to defend without reservation have been brought, though none successfully as far as I know.

The most important of all the problems in this field, and the most difficult, is the problem of what I call the "time bind." The insured puts his property up for sale. A defect in title not excluded by the policy is discovered by the buyer during his search. The insured wants title made marketable today if possible, and tomorrow at the latest. This is the most severe problem of all, because most policies give the title insurer the privilege, but not the obligation, to bring an action to quiet title or otherwise to clear it. Most insurers believe that they ought to have a reasonable time to clear title, in order to exercise that contract right, rather than to have to pay off the neighboring owner at an exorbitant, extortion-level price, because of the time demands being made on the insured. The insured wants title made marketable today, so that he can sell. The neighboring owner (or other claimant) knows that, and he's going to demand an unreasonably high price in return for surrender of his claim.

On the other hand, the insurance company knows that if it has time to quiet title satisfactorily, it an do it for a lot less, but that the insured may lose his sale if there is a delay. Yet the insured often reasonably expects protection against this very eventuality. If you ask the ordinary man on the street what he expects of his title insurance, my guess is that he would say that an unexcluded defect should be eliminated very quickly if there is a prospect of sale. Certainly he would not expect a delay of months, and probably not even a delay of weeks. In short, the insured expects that the loss of a sale because of an unexcluded defect in his title policy is protected against.

Avoiding Bad Faith Claims

What can you do to avoid bad faith claims for failure to solve the "time bind"? First, remember that the entire policy is now seen to be imbued with a kind of obligation by the insurer to make the insured secure. That doesn't mean you have to pay unwarranted claims. But you can't assume that it is safe to stand silently on formal rights when the language of the policy doesn't deal effectively with a time bind problem when presented. Because the language of most title policies doesn't deal very well with the time bind problem, the courts are likely to say that in a situation like that, "tie" goes to the insured.

Second, you need to build a record of every claim reflecting your concern for the insured's problems. I think most immediately in this situation of the physician who writes notes on his patient's chart in the hospital, in anticipation of the occasional malpractice suit. You need to practice "defensive claims handling" just as physicians now seem to practice "defensive" medicine. Walk the extra mile and preserve evidence that you've walked the extra mile. This will help your position if you are sued. After all, the phrase that's applied to these cases still is "bad faith." Notwithstanding what I've said, acts of sincerity, assistance, and real concern for the insured's welfare reflected in copies of letters, or notes about phone conversations, at least in the close case, are likely to weigh in you favor—if not in the results itself, at least in the amount of damages that are awarded, since that amount is so subjectively determined.

Moreover, not only may paying careful attention to claims assist you if you are sued, but in the close case, where an insured feels that he has been treated fairly, or at least understandingly, by the insurance company, it

may be that a claim is not filed. You can never know how many claims you've avoided that way.

Third, I would suggest offering to take title from the insured more frequently. Obviously, there are problems with this approach. The property may be worth far more than the amount of your policy. Or, even if it isn't, the sale price may be inflated beyond market value. But an insured can never claim that he's been deprived of the security that he rightfully expects if, upon presenting a claim to you, you offer to take the property off his hands for the price for which he's contemplating selling it. Then he has been given the opportunity to move out of the picture with complete security.

If, in taking the property, you suffer a small loss on resale, that small loss, though it's a loss, may be a smaller one than you'd suffer if you didn't take title, you were sued for bad faith, and had to pay punitive damages. That's a business decision, involving a business risk. If the insured refuses your offer, you're in much better shape strategically, when and if he brings a bad faith claim, because you can show that not only did you do whatever it was possible to do to clear the title, but also that you were willing to solve all his problems for him by taking title to the property, and taking on the marketability risk yourself.

Finally, I would get *actively* involved in trying to consummate the insured's deal, despite the title problem. Rather than being a kind of bystander who simply renders an opinion about the state of title, or about the ultimate status of coverage, consider issuing a title policy to the new buyer without excluding the defect in question, in order to make the deal go through. Sometimes, the buyer will be willing to consummate the deal on that basis. Sometimes your offer won't be any additional help, because the buyer refuses the offer. But in circumstances where he accepts, that will buy time to clear the title by legal action, and without extortionary demands by whoever is claiming title to the encumbrance in question.

ALTA Code of Ethics

I say all of this in light of the American Land Title Association's own Code of Ethics, which states that "members shall facilitate transfers of title by elimination of delays, and make their services available in a manner which will encourage transferability." That's not only your legal obligation, but apparently it is an ethical obligation that you've undertaken, to sometimes go beyond the terms of the policies you issue in providing protection and assistance. In any event, I would hate to be a defendant in a case in which a plaintiff's lawyer discovered this provision in the Code of Ethics and brought it up at trial, suggesting that you not only had violated the terms of the policy, but had violated your own Code of Ethics.

Therefore, I would try to get actively involved in the deals in which the threat of bad faith claims ultimately seems strongest, in order to show that you were acting in making the effort, in good faith, to help solve the problem. This should provide you with a good deal of protection, for the following reason. What the courts are concerned about is the insurance company which sits on the sidelines—relies hardheadedly on the formal terms of its policy, some of which are sometimes unclear on the very issue in question—and then refuses to provide the assistance that the court later determines should have been provided. Getting actively involved in trying to solve a problem may do more both to discourage a bad faith claim, and to put yourself in a good position in the adjudicatory context, than anything else that I can suggest.

Economic vs. Legal Approach

In general terms, then, I advise taking an economic rather than a "legalistic" approach to these problems. From the very first time that there is a well publicized bad faith claim in your jurisdiction, even in another line of insurance, you're going to be hit with a series of bad faith claims. I'm told by Mr. Ippel and his staff that, in California, whenever a suit involving a title claim is filed, there is a separate bad faith count, as a matter of course. From the very first time that the lawyers in your jurisdiction become aware of the possibility of this sort of thing, you too will face this kind of automatic claim. Alert your claims handlers and settle sometimes even the doubtful claims. These are claims that you might, in another age, have contested. And consider defending without reservation those which, five years ago, you would have defended only under a reservation of rights.

In circumstances where the potential for extra contractual liability is high, and where the cost of legal assistance to defend yourself is high, it may be that you're economically better off paying out a little bit more in claims, and avoiding the potential for liability far in excess of the amount of the claim, than in contesting and being subjected to a lawsuit that later costs you more in legal fees than you would have had to pay to begin with.

Now it's true that once the word gets out that you pay doubtful claims, then more and more doubtful claims will be filed. So, of course, you have to make a judgment about exactly where to draw the line. My point is simply that you should make an economic rather than a legalistic decision in drawing that line. If you're afraid that paying the claims you once refused will create a reputation for leniency that you don't want to create, that's fine—but make it an economic decision. Don't stubbornly refuse to pay claims that in the long run would be cheaper for you to pay.

I want to sum up by saying what is perhaps obvious: that there is no magic solution to this problem. But I don't want to be too alarmist about it either. If you're not in California or a state that closely follows California law, bad faith claims are not likely to be a severe problem in general for you. But of course, even a merely occasional problem can be financially disastrous. That is why you need to be on the alert, in order to be in a position to minimize the potential for disaster. That potential can't be eliminated. There is no way for any enterprise to eliminate the possibility of being sued. But there are ways to reduce the possibility of losing, and that's the best that you can do.

Put yourself strategically in the best possible position by behaving in a helpful way and preserving evidence of that care and concern for the insured's problem. Beyond that point, as in all matters involving insurance, we must realize that there is always some risk that is not fully protected against.

Adapted from a commentary presented during the 1984 ALTA mid-winter conference.

SUMMERFORD—continued from page 14

perpetrating crimes against businessmen and individuals.

These schemes range from stock and insurance company swindles to land frauds and advance fee schemes. "Con men" often brag that you don't need money to be rich. All you need is assets.

Land Fraud Hazards

How do you accumulate assets? One answer is land, land so far away that few victims will try to discover whether or not it actually exists. An example of this type of swindle are ownerships established through old land grants, as much as 250 years old.

Much has happened since these land grants were established many years ago, and courts have come to recognize current residents as owners of the land. However, this has not precluded the "con man" from using worthless land ownership paper to establish the financial credibility of fraudulent domestic and offshore banks, insurance companies and corporations.

"Con men" often utilize fraudulent assets as collateral for bank loans. As a condition of the loan, banks frequently want to make sure the title is clear and their interest protected, so title insurance is required on the property.

Often, only after the "con man" has departed the bank, is it discovered that the land is non-existent, or the description of the prop-

erty is so vague that the property cannot even be located.

It is then left to the bank and title insurance attorneys to figure out who did what to whom, and who is culpable for the loss.

I have also been informed that, increasingly, title insurance is being issued for oil, gas and other mineral leases. Care should be exercised when writing this coverage, since "con men" and others frequently use fraudulent mineral leases to "pump up" worthless financial statements of fictitious companies, which are then used as vehicles to defraud.

A vehicle is a term used by "con men" to describe a technique or activity that will give credibility to his scheme and, thus, a higher chance of success. Thereafter, these impressive looking financial statements are used to collateralize bank loans, and others that basically benefit the "con men."

As a condition for such a loan, mineral lease title insurance could be a requirement for granting that loan.

Counterfeit Documents

Here are a few comments about counterfeit documents. Remember, a document may represent something of value, and that document has value only if that asset actually exists.

Following good business practices in verification of the asset is the only sure way to prevent being victimized. Remember, if it's too good to be true, it probably isn't true.

Authentic stocks, bonds, titles, deeds and other official documents can often be recognized because they are generally engraved, that is they are printed with a letter press which leaves an impression on the paper.

This printing equipment is large and often expensive. On running your finger over the letter press work, or engraved work, you can feel the raised letters or engraving.

Other types of duplication will often leave blemishes, folds, cripe letters and so forth, that may suggest that it is a counterfeit instrument. Any suspicious document should be cause for further inquiry.

The counterfeiter also has the problem of matching the legitimate paper and ink. Again, anything that appears unusual and suggests a forgery should be looked into.

Planchettes, or colored dots, are mixed into the mash from which the paper for official documents is often manufactured. When finally processed, these color dots appear at random throughout the sheet.

In a counterfeit, the counterfeiter must print the planchettes on the document, and, therefore, they will appear in the same position on each document rather than at random.

I'm often asked if I see any particular trends in white collar crime. Probably the most notable trend is the ability of the white collar criminal to adapt his criminal activities to every environment and every new technology, in any geographic area—for the purpose of perpetrating his criminal activities against many, over a wide area, in a short period of time.

"The best defense against the computer intruder, or the dishonest employee, is a good security system and tight administrative controls."

He has the ability to do this because of the communication technology available today, as well as the mobility afforded by our many modes of transportation. I have detected an increasing need for cooperation—between both domestic and foreign law enforcement agencies; between United States and foreign courts of law; and between businesses here and abroad—to successfully ferret out and deter criminal activity.

In conclusion, all businesses need to insure that appropriate internal administrative and security procedures are in place, to make sure that every criminal threat is rebuffed, and—should an attack be successful—that it is detected as soon as possible and corrective security, administrative, investigative and prosecutive action is taken to prevent it from recurring.

Only through the cooperative effort of law enforcement and the business community can this be accomplished.

Adapted from a commentary presented during the 1984 ALTA Mid-Winter Conference.

Fortieth Anniversary For Rattikin Title

Rattikin Title Company recently observed the fortieth anniversary of the organization with cake and coffee at the main office in Fort Worth, Texas, and at nine branches in the area.

BRUCE—continued from page 19

mechanisms of how the legislative process works, what's going to what committee, what has to happen before something positive occurs in that committee, and then, what the next step is.

But the lobbyist is a means to an end, and that's just part of what it's going to take to be effective with the legislature. You need to have an organization which can communicate, which, at a particular time, when a particular question is about to be at a crisis point, can get the word out to the people back home, who can then get in touch with their particular representative, and their particular senator, and let them know how they feel.

They've got something that the lobbyist doesn't have, and this is constituent connection from back home. You need to have personal involvement, and there is no way to overemphasize that. You cannot afford to sit back in your office, and say, "Gosh, I've got all the problems I can handle without being worried about the legislature."

They say that when you're up to your fanny in alligators, you tend to forget about the long-term objective of the swamp. But you can't afford that. You need to invest the time, effort and money of becoming personally involved.

It's great to get involved directly in somebody's campaign on a personal basis, to make the telephone calls and knock on the doors. But also contribute personally to his campaign. He must buy spots on television and print posters. The cost gets to be phenomenal.

Finally, you need to become financially and organizationally involved at a state and local level, much like you have here at a national level, that is, through something like a political action committee. In other words, where you can, with identity as an industry, participate financially in a candidate's campaign. You're not going to buy his vote, but you're going to make him more receptive toward opening the door to his office, and listening to you when you have a matter that you think needs and warrants his attention.

Adapted from a commentary presented during the 1984 ALTA Mid-Winter Conference.

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For more answers to more questions about Titlewave, please contact E. Patrick Hanavan, Jr., Vice-President, at the phone number or address listed below.

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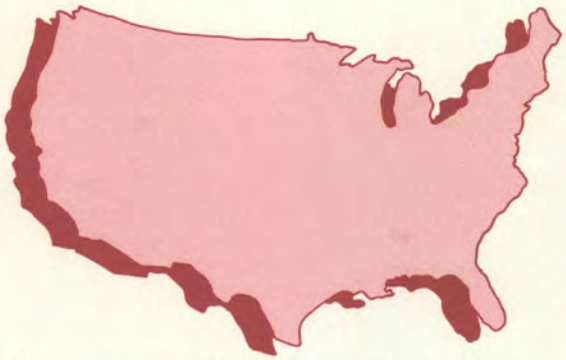

Around the Nation

California Land Title Association Progresses In Development of State Political Action Network

Little

Development of "The Capitol Connection," a new California Land Title Association statewide grassroots political action network, is progressing successfully, according to **William H. Little** of SAFECO Title Insurance Company, Panorama City, who was elected CLTA president at the association's convention held during May in Monterey.

Organization of the network is being handled by the CLTA Public Affairs Committee and staff. Under its operating plan, area coordinators are responsible for respective committees of local title people who meet periodically with their state legislators to discuss specific issues. In addition, particular title industry members meet from time to time with state legislators with whom they are personally acquainted.

President Little said the network will facilitate effective, timely legislative communication on issues of concern to the title industry in California—where he said around 25 per cent of the nation's title insurance business is written. Teaming with the network as a voice for the industry is California Title Industry Political Action Committee, which financially supports election campaigns of state legislative candidates with views compatible to those of the title business.

In conjunction with the network, CLTA plans to inaugurate an Annual Legislative Day in Sacramento, the state capital, which will include a morning briefing on major issues by representatives of the administration, the legislature and the association. Individual meetings involving CLTA members and legislators will take place in the afternoon, with an evening cocktail party reception for members of the administration and for legislators the concluding event.

Development of a more aggressive CLTA public affairs program has included replacement of an outside public relations firm with a newly-created staff position, vice president-public affairs. **Beverly S. Donnelly** has joined CLTA in that position and reports to Association Executive Vice President-Counsel and Secretary **Sean E. McCarthy** at the staff level. In addition to the grassroots political action network, other association public affairs activity currently includes establishment of a speakers bureau.

Among other recent major developments within CLTA have been pertaining to the case of *Summa Corporation* v. *State of California*, in which the United States Supreme Court ruled, 8-0, that the tideland public trust easement cannot be asserted against privately owned lands which have as their source of title

ALTA President-Elect Jack Rattikin, Jr., addresses the 1984 California Land Title Association at right. Shown in the other photograph are newly-elected CLTA officers and governors, who are, front row, from left, Cono Di Pietro, governor; Bruce G. Sergent, governor; John C. Collopy, second vice president; Joseph D. Gottwald, first vice president; Frederick L. Tomblin, governor. In the second row, from left, are Robert E. Adams, governor; William D. Klimback, treasurer; Don R. Wangberg, governor; William H. Little, president; and Edward L. Lorette, governor.

a confirmed rancho patent. The decision impacts well over 10 million acres of California land, and has been characterized by CLTA leaders as a vindication of long held and understood rules of real property governing present and former wetland areas in the state.

This substantial victory for private land owners has been accompanied by a CLTA expression of hope that this area of the law, which has been under major attack in recent years, will return to stability through the *Summa* decision. CLTA appeared throughout appellate hearings in the case.

Besides President Little, other CLTA officers elected at the convention include **Joseph D. Gottwald**, California Counties Title Company, first vice president; **John C. Collopy**, Founders Title Group and Title Insurance Company of Minnesota, San Francisco, second vice president; and **William D. Klimback**, Ticor Title Insurance Company of California, Los Angeles, treasurer.

Elected to the CLTA Board of Governors were **Cono Di Pietro**, Northwestern Title Security Company; **Bruce G. Sergent**, Western Title Insurance Company; **John Dosa**, Founders Title Company; **Frederick L. Tomblin**, Commonwealth Land Title Insurance Company; **Robert E. Adams**, Terra Title Company; **Don R. Wangberg**, First American Title Insurance Company; and **Edward L. Lorette**, Guardian Title Company.

ALTA President-Elect **Jack Rattikin, Jr.**, Rattikin Title Company, was a featured speaker at the convention and presented an update on activity of the national association. Four panel discussions were among other highlights.

One, moderated by CLTA Forms and Practices Committee Chairman **Robert L. Reyburn**, Ticor Title Insurance Company, and Vice Chairman **Clark F. Staves**, SAFECO Title Insurance Company, discussed the recent activities and benefits of that committee.

Another, moderated by **Norris Clark**, chief, Financial Analysis Division, California Department of Insurance, answered questions relating to current issues affecting the licensing and operation of underwritten title companies. Other insurance department panel members included **Dixie Lawler**, examiner with the Field Examination Department; **David Lee**, insurance examiner; and **Angelo Pontario**, legal counsel.

The third panel discussed forgery, and was moderated by **Harold Grossman**, vice president and counsel, First American Title Company of Los Angeles. Panel members included **Anya Weisnewski** and **Christopher Westhoff**, both senior claims counsel, Ticor Title Insurance Company of California; and **Kenneth Dzien**, associate regional counsel, Chicago Title Insurance Company.

Title claims and litigation provided the topic for the fourth panel, which was moderated by CLTA Past President **Steven R. Walker**, now a partner in an Alameda law firm. Serving as panelists were **William J. McDonough** and **Edgar B. Washburn**, partners in North Hollywood and San Francisco law firms, respectively.

Other featured speakers included State Senator **Jim Nielsen**, whose remarks included a discussion of S.B. 834, relating to swamp and overflowed lands; **Lawrence W. Taggart**, California Department of Savings and Loan commissioner, who described changes which will be seen in the financial services market; **Dale R. Walker**, executive vice president, Wells Fargo Bank, who commented on the economic outlook; United States Chamber of Commerce Western Manager **Jerry Vorpahl,** who discussed personnel management and motivation; and CLTA Executive Vice President **McCarthy**, who presented an update on activities of the association.

During the Convention banquet, **Floyd Cerini**, recently retired vice president—government relations for Ticor Title Insurance Company and longtime chairman of CLTA's Legislative Committee, was honored for his outstanding service to the title industry. He was presented with a California Senate Resolution and an Honorary Membership in CLTA.

Harbert Is Honored By Illinois Association

George E. Harbert was awarded an Illinois Land Title Association Lifetime Honorary Membership at the seventy-sixth annual convention of that organization. **Harbert** is a past president of ALTA (1952-53) and ILTA (1951-52) as well as an ALTA Honorary Member. He is from Rock Island, Illinois, started his career with the title industry in 1923, and retired from active practice of law in 1980.

Newly elected ILTA officers are **Joseph W. Tolson**, Court House Title Service, president; **John J. Howe**, Commonwealth Land Title Insurance Company, first vice president; **Herbert J. Schiller**, Northern Land Title Corporation, second vice president; **Thaddeus M. Bond, Sr.**, Mid American Title Company, treasurer; and **Ann B. Mennenoh**, H. B. Wilkinson Company, re-elected secretary.

Featured speakers at the convention included **William Levins**, Corps of Engineers, who brought the members up to date on an Illinois lake project. **Ronald Barnes**, chairman of the Illinois Registered Land Surveyors Association Ethics and Practices Committee, discussed Illinois registration laws regarding surveyors. ALTA Abstracter-Agent Section Committee Chairman **John R. Cathey**, The Bryan County Abstract Company, presented a report on the activities of the national Association.

Reviewing legislation affecting the title industry were Illinois State Senator **Alan Dixon** and ALTA Vice President-Government Relations **Mark E. Winter** (who also discussed activity of the Title Industry Political Action Committee).

At right, ALTA Past President and Honorary Member George E. Harbert delivers commentary after being presented Lifetime Honorary Membership plaque from the Illinois Land Title Association. Shown in the other photograph are ILTA committee members and newly elected officers, who are, from left, Herbert J. Schiller, second vice president; Ann B. Mennenoh, secretary; D. Brewster Parker, director; John J. Howe, first vice president; Joseph W. Tolson, president; Erin Roe Witherspoon, education committee; Helen McFeron, finance committee; Joseph Glick, immediate past president; John F. Swiech, finance committee.

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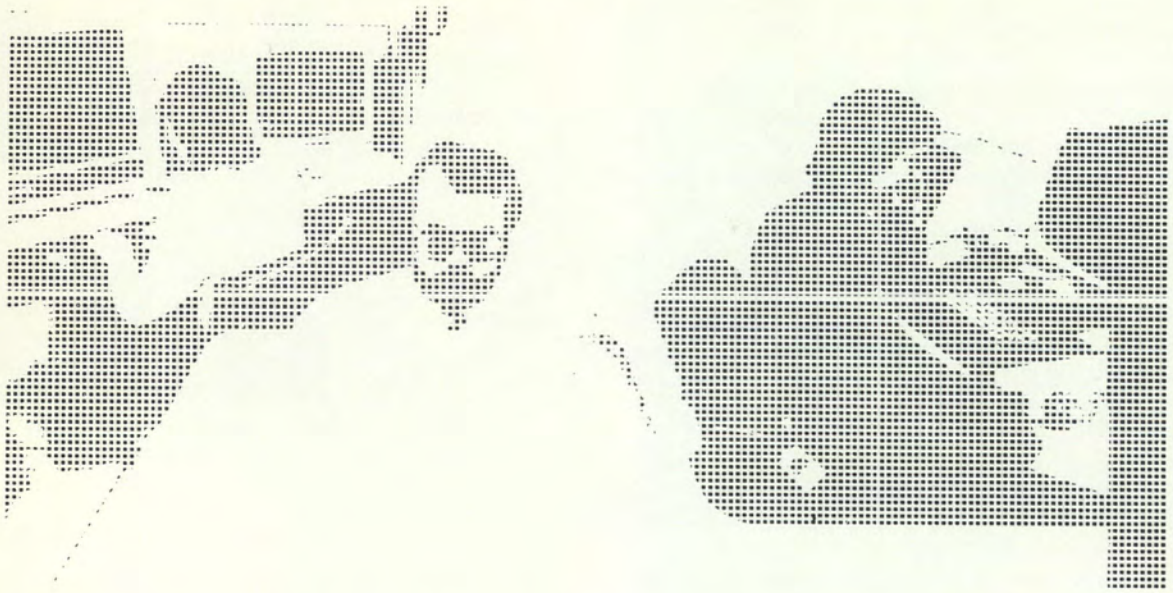

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Controlled Business, Real Estate Lien Legislation Leading Topics at Oregon Land Title Convention

National and state perspectives on the controlled business problem in title insurance, and proposed state legislation regarding real property liens, were among major topics discussed during the recent seventy-seventh annual convention of the Oregon Land Title Association.

ALTA Title Insurance and Underwriters Section Chairman **Gerald L. Ippel**, Ticor Title Insurance Company, discussed controlled business legislative alternatives and also commented on the financial institutions deregulation issue. **J. Wallace Gutzler**, Capital Title Company, who was elected chairman of the OLTA Agents Section at the convention, commented on a proposed state controlled business statute to be introduced in the Oregon legislature.

Michael G. Magnus, Oregon Title Insurance Company, then discussed the proposed real property lien bill, which would require that all municipal liens and judgments creating liens on land be recorded in the deed records of the county clerk's office. He said the bill eventually would eliminate the need for a judgment docket.

Josephine Driscoll, Oregon insurance commissioner; **Morella Larsen**, Oregon real estate commissioner; and **Joan Crew**, member of the Oregon Escrow Council, also were featured guest speakers. OEC is an affiliate member of OLTA. **Thomas G. Stapleton**, Ticor Title Insurance Company, presented an entertaining convention banquet speech on the history of the title industry.

Other new officers elected at the convention are **Charles T. Hemphill, Jr.**, Bend Title Company, president; **Larry Feagans**, First American Title Insurance Company of Oregon, vice president; and **Al Owens**, Yamhill County Title and Abstract Co., and **Tom McMahon**, Cascade Title Co., Executive Committee members at large. **C. H. (Jack) McGirr** was re-elected executive secretary.

Also newly elected as Agents Section officers are **Robert L. Maentz, Jr.**, Crater Title Insurance Company, associate chairman; and **Mary Lou Dean**, The Abstract and Title Company, secretary-treasurer.

Lem P. Putnam and **Harry T. O'Donnell** were elected OLTA Honorary Members during the convention. **Putnam** is an OLTA past president and is retired Oregon state manager for Ticor Title Insurance Company. **O'Donnell** is retired president of Morrow County Abstract and Title Co., Inc.

Kevin Peterman, 1984-85 president, New Mexico Land Title Association.

Effective Communication New Mexico Theme

Attendees at the New Mexico Land Title Association annual convention in Albuquerque participated in an all-morning seminar on effective communications management. **Dr. Richard Flint** led the seminar entitled, "A Day At The Zoo," which was described as a management survival kit for title personnel.

Newly-elected officers of the Oregon Land Title Association shown at upper left are, from left, J. M. (Jim) DeCoursey, past president; Robert C. Maentz, Jr., Agents Section Executive Committee vice chairman; J. Wallace Gutzler, Agents Section Executive Committee chairman; Mary Lou Dean, Agents Section secretary-treasurer; Al D. Owen, director at large; and Larry Feagans, vice president. Lem P. Putnam, former president of the association who was elected an OLTA Honorary Member, is at far right in the photograph. New OLTA President Charles T. Hemphill, Jr., right, talks with Mr. and Mrs. Thomas G. Stapleton in the photograph at upper right; Stapleton was the convention banquet speaker. At lower left, Oregon Real Estate Commissioner Morella Larsen, left, talks with Mr. and Mrs. J. M. (Jim) DeCoursey. President Hemphill, at lectern, presents OLTA Honorary Memberships to Putnam, right, and to Harry T. O'Donnell at lower, right.

Featured speakers at the NMLTA convention also included ALTA Title Insurance and Underwriters Section Chairman **Gerald L. Ippel**, Ticor Title Insurance Company; **Vicente Jasso**, superintendent of insurance for New Mexico; and **Richard Virtue**, attorney and lobbyist for NMLTA.

Newly elected officers of NMLTA are **Kevin Peterman**, Rio Grande Title Company, president; **Michael L. Smith**, Guardian Abstract & Title Company, president-elect; and **Walter S. Duran**, New Mexico Title Company, vice president.

Kintz to Presidency In South Dakota

Ray Kintz, Zieback County Abstract Company, Timber Lake, was elected President of the South Dakota Land Title Association at its annual convention held in Pierre, South Dakota.

Other officers elected are **Jack Gunvordahl**, Gregory County Abstract Company, Burke, first vice president; **Ernest Carlson**, Land Title Guaranty Company, Sioux Falls, second vice president; and **Michael P. Reisetter**, Dakota Abstract & Title Company, Brookings, secretary/treasurer and re-elected to a three-year board of directors term.

Elected directors of the association were **Jim Kass**, The Sully County Land & Abstract Company, Onida; **Dennis Murray**, Black Hills Land & Abstract Company, Deadwood; and **Mike Wilds**, Getty Abstract & Title Company, Sioux Falls, who also was elected to a three-year board of directors term.

ALTA Abstracter-Agent Section Chairman

Newly-elected officers and others at the South Dakota Land Title Association convention area, from left, Victoria Wilds; Michael Wilds, director; Mike Reisetter, secretary/treasurer; Ray Kintz, president; John Cathey, chairman, ALTA Abstractor-Agent-Section; Dennis Murry, director; Ernest Carlsen, second vice president; and Jim Oplinger, immediate past president. Shown in the other photograph at right are members of the South Dakota Board of Abstract Examiners who are, from left, Chairman Art Johnson, Roberts County Abstract Company; Secretary Adeline VanGenderen, Aurora County Abstract Company; Member Bill Clark, Clark Title Company; and Lay Board Member Shirley Olson. This year's SDLTA meeting was held at Pierre.

John R. Cathey, The Bryan County Abstract Company, was a principal speaker.

The annual banquet of SDLTA honored **Charles "Eddie" Clay**, Fall River Abstract Company, Hot Springs, for his service as SDLTA president from 1981 to 1983. **James Oplinger**, Haar Abstract Company, was recognized for his service as president for 1983-84.

Attendance of 650 For Texas Convention

An attendance of 650 was reported for the Texas Land Title Association seventy-fourth annual convention at Dallas, Texas.

Kay Schroeder, Caldwell County Abstract Company, Lockhart, was elected president; **Kim Seal**, Hexter Fair Title Company, Dallas, president-elect; **Don Still**, Southern Title Guaranty Company, Dallas, vice president; **R. C. "Chris" von Doenhoff**, Aldrich Abstract Company, Crockett, secretary; **Richard Coselli**, Commerce Title Company of Houston, treasurer; and **Win Myers**, Chicago Title Insurance Company, Dallas, immediate past president. Elected to the office of director were **A. W. "Plug" Clem, IV**, Stone Title Company, Paris; **Paul F. Dickard, Jr.**, Transamerica Title Insurance Company, Houston; and **David C. Young**, Trinity-Western Title Company, Fort Worth.

Among the convention's featured speakers were Texas Board of Insurance Member **Carole Rylander** and ALTA Abstracter-Agent Section Chairman **John R. Cathey**, The Bryan County Abstract Company.

Events at the convention included the naming of TLTA counsel, **Robert C. Sneed**, an Honorary Member of the association for sustained meritorious service. **Bert V. Massey, II**, The Brown County Abstract Company, Brownwood, was named TLTA Titleman of the Year; he is an ALTA governor and a TLTA past president.

The TLTA Computer Exhibit and Seminar premiered at the convention with a panel discussion, seminar and exhibit on title industry automation. **Ken Braly**, computer specialist, explained terminology and basic computer components applicable to the title industry.

Hartman Is Elected New Jersey President

Elnora M. Hartman, Continental Title Insurance Company, Haddonfield, was elected president of the New Jersey Land Title Association at its sixty-second annual meeting at the Seaview Country Club in Absecon, New Jersey.

New officers of NJLTA also include **Frank A. Melchior**, First American Title Insurance Company, Allendale, first vice president; **Clark L. Cornwell, III**, Commonwealth Land Title Insurance Company, Paterson, second vice president; and **Isidore Teitelbaum**, American Title Insurance Company, East Brunswick, secretary/treasurer.

ALTA President-Elect **Jack Rattikin, Jr.**, Rattikin Title Company, was a featured speaker.

Events at the annual meeting included a panel discussion which covered questions of environmental clean-up and the impact of "super liens" on the transfer of real estate in New Jersey. Panelists included **Oscar Beasley**, senior vice president and chief counsel, First American Title Insurance Company, who presented the underwriter's view, and **Michael Catania** and **Richard Katz**, from the New Jersey State Department of Environmental Protection, with the regulator's view.

Irving Morgenroth, senior vice president and chief counsel, Commonwealth Land Title Insurance Company, Philadelphia, Pennsylvania, spoke on, "How to Pay Losses Without Losing Money."

ALTA Senior Vice President **William J. McAuliffe, Jr.**, was elected an Honorary Member of the association; it was the first time such recognition was conferred upon a person outside the immediate New Jersey title insurance industry and the first time the honoree has been so designated prior to actual retirement.

Meacham President In North Carolina

L. Hunter Meacham, Jr., Ticor Title of North Carolina, was elected president of the North Carolina Land Title Association at its annual convention in Charleston. **Meacham** also delivered a commentary at the convention, "Case Law Update."

Other new officers of NCLTA include **Joseph M. Parker, Jr.**, Lawyers Title of North Carolina, vice president; **Patrick M. McNeely**, Jefferson-Pilot Title Insurance Company, secretary; **John H. Noblitt**, Chicago Title Insurance Company, treasurer; **Stephen H. Jones, Jr.**, SAFECO Title Agency of North Carolina, immediate past president; and **Malcolm E. Harris**, Harris, Cheshire, Leager & Southern, attorney section representative.

ALTA Abstracter-Agent Section Chairman **John R. Cathey**, The Bryan County Abstract Company, was a featured speaker.

Convention events also included several panel discussions and other commentaries. Speaking on current bankruptcy developments were **J. Michael Booe** of Farris, Mallard, Cummings & Booe, and **Scott A. VanBuskirk**, Lawyers Title Insurance Corporation.

Current title perspectives on insured closings, letters, surveys and claims experience

Continued on page 46

ALTA Abstracter-Agent Section Committee Chairman John R. Cathey addresses the Texas Land Title Association annual convention at left. Power failure? Only in the camera's flash unit. But the result here is an unfortunately dim photograph of the TLTA directors for 1984-85, who are, front row, from left, Win Myers, immediate past president; Kay Schroeder, president; A. W. "Plug" Clem, IV, director; C. E. "Kim" Seal, II, president-elect; and Richard Coselli, treasurer. Back row, from left, Paul F. Dickard, Jr., director; R. C. "Chris" von Doenhoff, secretary; David C. Young, director; and Don H. Still, vice president.

Names in the News

Richard A. Cecchettini has been elected to the board of directors of Title Insurance Company of Minnesota. **Cecchettini**, the company's executive vice president, is chairman of the ALTA Public Relations Committee.

Sandra B. Jordan has been promoted to manager of the Jacksonville, Florida, office of the company.

Russell B. Goodman has been appointed president of Attorney's Title Company, Inc., Nashville, Tennessee, a subsidiary of the company.

Commonwealth Land Title Insurance Company announces the following appointments to vice president: **Hal Owens**, Beaumont, Texas; **Harvey C. Coggins**, Fort Worth, Texas; **Lloyd R. Draper**, Richardson, Texas; **Robert W. Acker**, Washington, D.C.; and **Douglas R. Nelson**, North Dallas, Texas.

Appointed to the position of assistant vice president with the company are **Kenneth J. Brennan** and **William Brown**, Philadelphia, Pennsylvania; **Martha A. Rogers**, Fairfax, Virginia; and **Craig A. Johnson**, Washington, D.C.

Robert W. Bugel has been named systems project manager for the company, Philadelphia, Pennsylvania. **Bugel** is responsible for coordinating the installation of the company's new nationwide computer system.

Rita B. Smith has been named assistant secretary and assistant treasurer of the company. **Smith** also serves as secretary and treasurer for Title Insurance Company, Mobile, Alabama, a subsidiary of Commonwealth.

Candace S. Chazen has been named assistant counsel, Washington, D.C. **Edward P. Brill, Jr.**, Fairfax, Virginia, has been promoted to assistant counsel and title officer with the company. Also appointed to title officer are **Michael J. Lewis**, Media, Pennsylvania; **John F. Fegelein**, Hackensack, New Jersey; and **Patricia V. Barry**, Louisville, Kentucky.

Judy L. Bohnert has been appointed assistant title officer, Trenton, New Jersey.

James E. Sindoni has been promoted to office manager, Media, Pennsylvania.

Lawyers Title Insurance Corporation announces the following appointments: **Scott A. VanBuskirk**, associate corporate counsel, Richmond, Virginia; **John D. Weber**, western states claims counsel, Richmond, Virginia; **Nancy G. Kling**, southwestern and Rocky Mountain states claims counsel, Dallas, Texas; **Mark W. Sinkhorn**, Ohio state counsel, Columbus, Ohio; and **Alan J. Doak**, assistant vice president-agencies, and **Sheila M. Hurley**, senior title attorney, Boston, Massachusetts.

Patricia S. Brown has been named vice president, national marketing division, Ticor Title Insurance Company, Houston, Texas.

Lois A. Stevens has been named senior escrow officer, Ticor Title Insurance Company of California, Santa Ana, California.

Chicago Title Insurance Company announces the following appointments: **William E. Radke**, resident vice president and manager, Illinois agency operations, Sycamore, Illinois; **Edward Horejs**, office counsel,


Cecchettini


Goodman


Coggins


Draper


Brennan


W. Brown


Bugel


Smith


Chazen


Barry


Bohnert


Sindoni


VanBuskirk


Weber


Kling


Sinkhorn


Doak


P. Brown

Roney

Stoker

Cuttitta

Edwards

Burton

Cleveland, Ohio; **Francis J. Orth**, administrative services officer and remains office services manager, Cleveland, Ohio; and **Dorothy Roney**, title operations officer and **Gail Stoker**, senior escrow officer, Chicago, Illinois.

Helen Cuttitta has been appointed assistant vice president and manager, Hackensack, New Jersey, office of Chelsea Title & Guaranty Company.

Robert F. Edwards and **Edson N. Burton, Jr.** have joined SAFECO Title Insurance Company's national marketing staff. Their office is in Detroit, Michigan.

NORTH CAROLINA—continued from page 44

were covered by **N. Bruce Boney, Jr.**, Lawyers Title of North Carolina; **Jack L. Donnell**, Jefferson-Pilot Title Insurance Company; and **Herbert L. Toms**, United Title Insurance Company.

Jim Long, special counsel to the speaker of the North Carolina House and candidate for North Carolina insurance commissioner, spoke on the "State of Insurance in North Carolina."

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previously-mentioned membership survey to profile ALTA member use of the Association.

Among other activities, the department will be reviewing the ALTA dues structure with an eye toward possible recommendations for change that would be designed to help the Association have a more stable revenue base from year to year. With more predictable revenue projections, ALTA leaders would be helped in considering plans for the future.

The department will continue many of its existing projects, such as publication of the ALTA title industry *Fact Book*, the annual statistical report on the title industry. Forecasting title industry and real estate activity in greater detail and depth is another goal.

All the information collection and analysis is performed by McCarthy and Deborah Wallower, ALTA research assistant. McCarthy has been with ALTA primarily on a part-time basis for nine years while teaching economics at Gallaudet College and more recently while a senior economic consultant with a District of Columbia firm, where he served as an adviser to the prime minister of Jamaica, to the governor of Wisconsin and to the mayors of Pasadena and Daytona Beach. McCarthy's graduate study in economics has been at the University of Maryland. Wallower has been with ALTA for three years; she is a graduate of Beloit College in Wisconsin.

McCarthy and Wallower remain firmly committed to using data for studying the past and analyzing the present in order to help plan more effectively for the future of the title industry. They regularly respond to inquiries from within and from outside the industry, and assist ALTA collectively and Association members individually. Members desiring individual assistance are invited to contact them in the ALTA Washington office.


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SO THIS IS THE INSIDE OF A MAGAZINE AD
I WOULD HAVE USED THIS SPACE TO TELL PEOPLE OUR AD IS ON PAGE 20
ABC TITLE CO.

Calendar of Meetings

August 16-18
Idaho Land Title Association, Montana Land Title Association, Wyoming Land Title Association
Virginian Motel
Jackson, Wyoming

August 16-18
Minnesota Land Title Association
Grandview Lodge
Brainerd, Minnesota

August 23-25
Kansas Land Title Association
Hilton Hotel
Garden City, Kansas

September 8-11
Indiana Land Title Association
Radisson Plaza Hotel
Indianapolis, Indiana

September 12-14
Nebraska Land Title Association
Regency West
Omaha, Nebraska

September 12-15
Dixie Land Title Association
Hyatt Regency Savannah
Savannah, Georgia

September 13-15
North Dakota Land Title Association
Holiday Inn
Dickinson, North Dakota

September 14-16
Palmetto Land Title Association
Marriott Hilton Head
Hilton Head, South Carolina

September 16-19
New York State Land Title Association
Skytop Lodge
Skytop, Pennsylvania

September 19-22
Washington Land Title Association
Sheraton Tacoma Hotel
Tacoma, Washington

September 20-23
Missouri Land Title Association
Hyatt Regency
Kansas City, Missouri

September 20-21
Wisconsin Land Title Association
Racine, Wisconsin

September 23-25
Ohio Land Title Association
Hyatt Regency
Cincinnati, Ohio

October 14-17
ALTA Annual Convention
MGM Grand Hotel
Reno, Nevada

November 1-3
Arizona Land Title Association
Doubletree Hotel
Tucson, Arizona

November 14-17
Florida Land Title Association
Marriott Inn
Orlando, Florida

December 8
Louisiana Land Title Association
Royal Orleans
New Orleans, Louisiana

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