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Title News

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Front Cover

ALTA 1985 Annual Convention Host Chairman and Chairlady Alex and Sally Half extend a San Antonio bienvenida, or welcome, to the event, which offers a new dimension in experience from that city of Texas hospitality and cosmopolitan contrast. A special convention preview begins on page 12.



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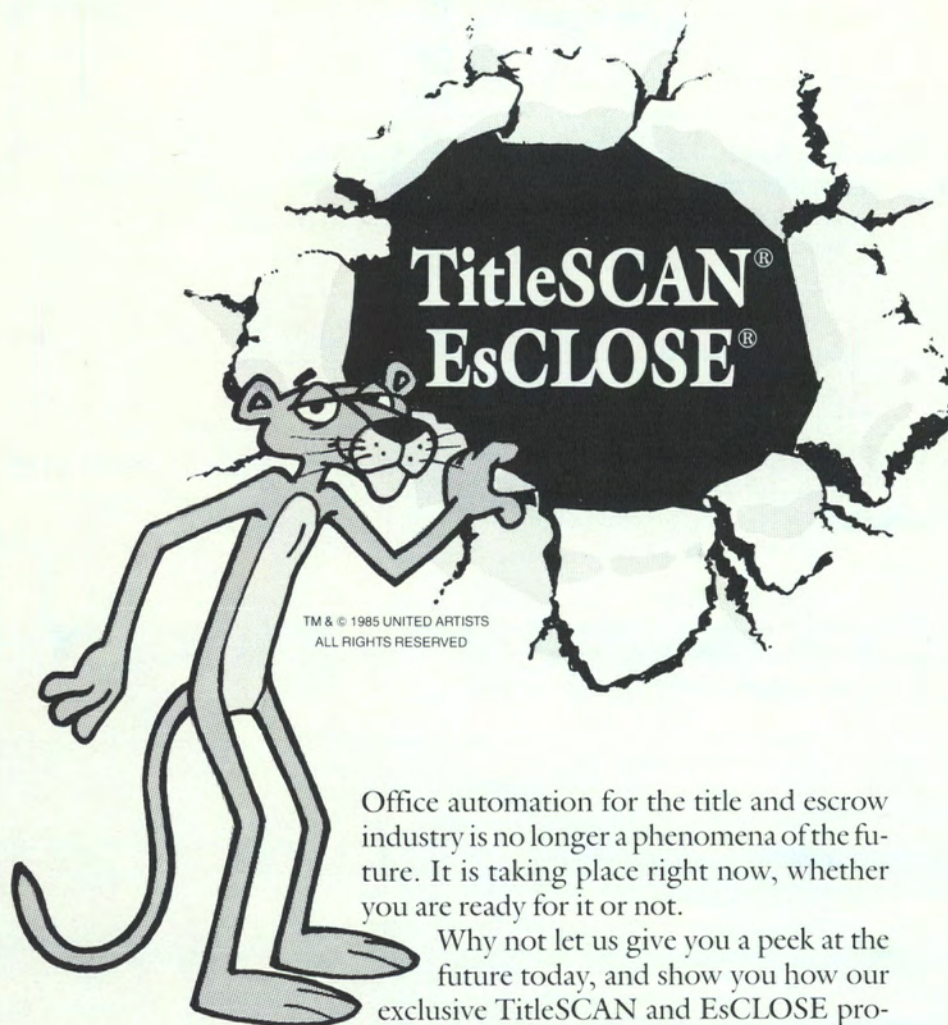
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A Message from the Chairman, Abstracters And Title Insurance Agents Section



Most of us with some years in the business remember with pride the accelerated development of the title industry into a competitive, modern technology since World War II.

Customer needs, forces in the market place, exploding automation and our own individual resourcefulness have contributed substantially in the transformation. Leadership from our national and regional/state title associations has helped us successfully meet the challenge of change—and has demonstrated conclusively that we need each other when major issues arise, regardless of our differences.

Since I first was elected to the ALTA Executive Committee in 1983, I have continually been impressed by the number of problems before the Association that are not restricted to abstractor, agent and underwriter groups—but rather are industry-wide in scope and implication. In the 1980s, ignoring an issue because it does not seem to apply immediately to your segment of the business or location can be hazardous.

In my years as a title man, I have seen no better example of the need for a strong, unified industry response to a national threat than the Federal Trade Commission complaint filed early this year, alleging that the title search and examination function—and settlement activities conducted for purposes of issuing a title insurance policy—are outside the federal antitrust law exemptions, including the exemption provided for the business of insurance by the McCarran-Ferguson Act.

Charges by a federal agency that the title search and examination serving as a basis for every title insurance policy are not part of the business of insurance, and consequently cannot be priced through rating bureaus under state regulation, are aimed directly at the heart of what we do. The treble damage class action lawsuits that have followed this FTC attempt to enjoin state-sanctioned rating bureau activity present a grim possibility for severe economic dislocations that would have lasting impact on our entire industry. If the FTC prevails, the survival of our business in its present form is questionable.

The emergence of this issue has emphasized the need for federal legislation to prevent improper use of the treble damage remedy and windfall recoveries by parties in class action suits, while allowing federal agencies to continue seeking injunctive relief where appropriate. The legislation also should allow private industry to respond to changing regulatory schemes without fear of crippling treble damage liability for actions taken in good faith compliance with current state laws and regulations.

Unless the March 27 United States Supreme Court decision in *Southern Motor Carriers Rate Conference, Inc., v. U.S.*—which holds that federal antitrust immunity can apply in rate making by rating bureaus even where state statute or regulation only *permit* the challenged activity but do not *require* it—is persuasive and prompts dismissal of the FTC complaint and class action suits, enactment of federal legislation along the previously mentioned lines is immediately critical. The *Southern Motor Carriers* decision appears to be in direct opposition to the contention implicit in the FTC complaint that absence of a state requirement for participation in rating bureaus means that antitrust immunity does not apply.

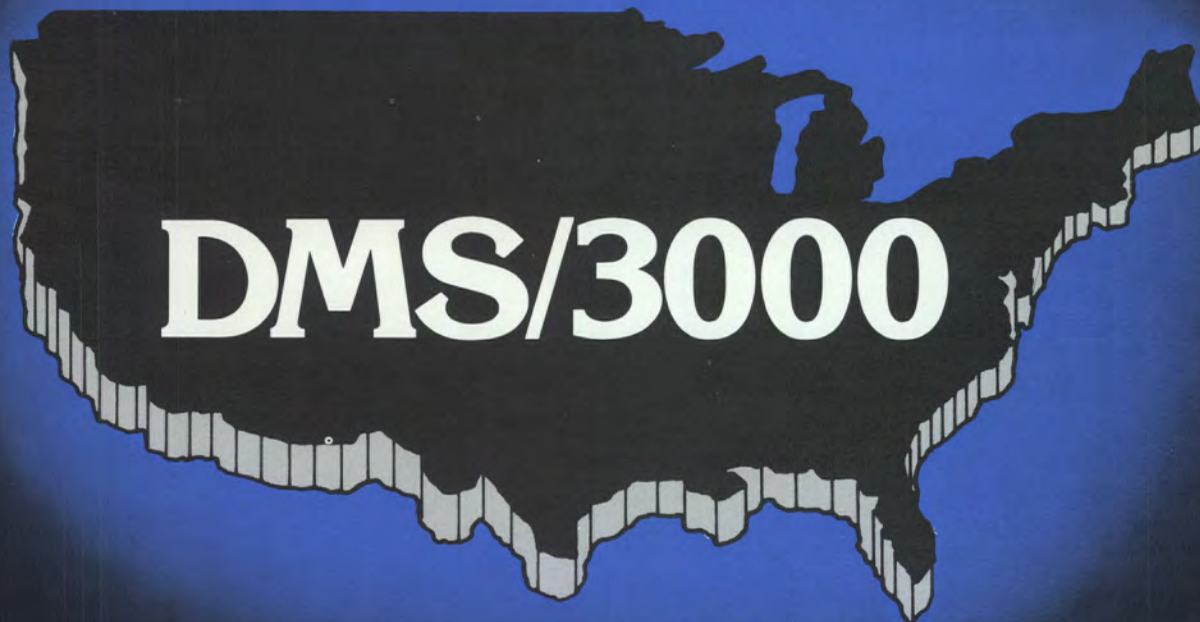
This is a time to stand up and be counted. Regardless of whether you are abstractor, agent or underwriter, if you are asked through ALTA to help in the effort to secure enactment of remedial legislation in Congress, please respond affirmatively.

The title industry has reached a remarkable level of excellence as a competitive, private enterprise. All of us in the business have contributed to this achievement. Our combined resourcefulness in facing this very serious challenge could substantially affect what becomes of our industry—and each of us as well.

A handwritten signature in dark ink, appearing to read "John R. Cathey". The signature is fluid and cursive, with a large initial "J" and "C".

John R. Cathey

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An Eventful First Year

After an earlier period as ALTA secretary and director of research, Michael B. Goodin left the national organization to serve for seven years as executive vice president of the Texas Land Title Association before returning to ALTA as executive vice president in April, 1984.

Recently, he was interviewed for Title News by Vice President-Public Affairs Gary L. Garrity after completing his first year as chief staff officer for ALTA.

GG: After seven years on ALTA staff followed by a nine-year hiatus, you have just completed your first year as executive vice president since rejoining the Association. What are some of the major differences that you currently find in ALTA compared with your earlier tour as a staff member?

MG: The industry has become much more involved in the legislative and regulatory arenas. This has included an increase in activity by ALTA officers, governors, committees and staff. The staff is larger and more versatile than when I previously served with the Association. Besides government relations, staff capability has clearly been expanded in such areas as expositions, conventions, educational seminars and research.

GG: Do you feel this increased capability gives the membership more for the dues dollar?

MG: Definitely. When I left ALTA in 1974, there were only four staff executives and our areas of involvement were necessarily limited. Today, we have seven executives and a correspondingly larger support staff. Our "in house" mix of professional skills, talent and experience is formidable, and helps make the Association more able to represent title industry members of all sizes.

The staff team is made up of proven performers who can be assigned to any problem

or task with my full confidence. Among the benefits is that we are much less dependent on relatively expensive "outside" expertise than previously was the case. For example, the addition of an "in house" staff general counsel last year already has saved ALTA a substantial amount of money in legal fees.

GG: Does this expanded capability mean being more able to customize and meet specific needs in designated locales?

MG: Definitely. We can respond quickly and effectively and have done so in a number of states since I've been back with ALTA. When an affiliated regional or state title association calls the national office, it is our responsibility to help in any way we can. Our staff experience and expertise are valuable here. Gary Garrity in public relations, Mark Winter in legislative activities, Jim Maher in the legal area, for example, and we can move into action at once.

I think that we have tripled our capabilities since I previously was with ALTA. In 1985, we are targeting programs of the Association to include direct outreach to various regions of the country that generally were not included before except as part of broad, national activity. This direct assistance can be tremendously important in areas where regional or state title associations are interested in strengthening their activity and desire assistance from the national level.

Among the valuable activities that ALTA conducts for affiliates are the affiliate officer-executive association management seminars at our Mid-Winter Conferences and Annual Conventions. That's a very big step forward. In years past, we would have a one-hour breakfast meeting with this group—which just wasn't enough time. Today, these one-day or half-day seminars cover a wide range of topics from state legislative lobbying to con-



ALTA Executive Vice President Michael B. Goodin works with Executive Assistant Susan E. Perry in his office.

vention planning and general administration.

GG: What long-range impact do you think these association management seminars have produced?

MG: The seminars definitely have strengthened ties between ALTA and our regional/state affiliates. Affiliate officers are well aware that we consider the seminars to be their meetings, with the agenda largely based on their input. I foresee ALTA continuing this activity, in response to their request.

GG: How would you assess the present relationship between ALTA and its affiliated regional and state title associations?

MG: I think our communication with affiliates at the regional and state level has continued to improve substantially in the last few years. ALTA forwards all of its publications to all of the regional/state association officers, both elected and professional, to advise them as to what our activities encompass. The ALTA office, in turn, is on the mailing list of virtually every state and regional title association in the country.

There are very definite mutual interests involving ALTA and its various affiliated associations. Having served as chief staff officer at the state association level myself, I am particularly familiar with many of the problems that state and regional affiliated association officers and executives encounter. So we're very close to them and I want to continue to increase my involvement.

GG: What significance do you place upon ALTA officer visits to regional/state title conventions?

MG: Those officer visits probably are the most potent force that we have in terms of informing and keeping an open communications line with our members in the various states. When I visit some of our affiliated association conventions, I am impressed with the very real need of members there to be better informed on what goes on elsewhere in the country. There's some local tendency to think that national problems may not be matters that warrant immediate local concern. This just isn't true.

Also, we have found that adjoining states may have mutual problems. One state may have a bill introduced and an adjoining state can be affected by that bill after it comes to the attention of a legislator in the adjoining state and a similar measure is introduced there. That's why we need an active and effective communications link between the national and regional/state levels. As part of this activity, ALTA has developed an early alert system to advise regional/state associations of legislation in adjoining states, which may be of assistance to them and give them advance knowledge as to what is happening.

GG: What do you find to be the major challenges currently facing ALTA?

MG: Our members are continuously faced

with the legislatures of their various states, and the federal government is interested in the various activities that these companies are engaged in. It seems that being a very viable part of the real estate conveyancing process brings the title industry to the attention of the public and legislators even more frequently than it used to.

Another major challenge that we face as an industry is educating the public as to what abstract and title companies really do. We encounter the problem of inadequate understanding every day of our lives as staff members and I am sure that members do the same. Over the years, I think ALTA has done a very good job of informing the public as to what the Association is all about and what the industry actually accomplishes on behalf of the public—and we have done so on limited resources. This activity must continue if we are to prevent serious problems from developing in the area of public opinion.

ALTA members are, as usual, involved in a cyclical pattern in terms of the impact of the economy on the real estate industry and this affects the evolution of the title industry itself. I think people in the industry learned a great deal from the last recession—in terms of planning for the future, proper staff management, computer involvement and so forth—and now are better equipped to make their operations more efficient. When they do well at that in good times, it will benefit the industry—and ultimately the consumer—during recessionary periods. Effectively coping with an uncertain economy is something we must continually worry about if we are to come through future recessions more successfully.

The ALTA research department is currently involved in developing a forecasting program that we intend to implement within the next year, which is being designed to project regional as well as national economic conditions. We need to be in a position to know, in advance, when unfavorable economic conditions first begin to develop regionally so we can keep our members advised on an early warning basis.

GG: With the expansion of ALTA activity into new areas of concentration such as education and automation, do you envision this as the leading edge of concentrated growth of ALTA activity into new frontiers and, if so, will this require a reassessment of priorities concerning the resources of the Association?

MG: We are constantly reassessing the needs of the Association, and the most effective ways in which to spend membership dues income. I believe that our budgeting process involving the Executive Committee and Finance Committee effectively guides the expenditure of our financial resources. Overall, I believe that our priorities are correctly established at present. I would like to see additional money spent in educating the general public

when this becomes feasible because we need to do more to prevent the development of adverse public opinion based on misunderstanding and lack of information. I consider this to be a very important part of the overall ALTA educational mission. If I were to target one area in which I feel we are not spending sufficient funds, it is in the area of consumer education. However, as I mentioned previously, we must establish priorities for our funds and I believe we have done that effectively.

GG: Do you feel that a lack of public understanding contributes to the difficulties that the industry has experienced in the federal and state legislative arenas?

MG: Without question. It's one of those situations where, if you can sit down face to face with an individual, you can explain it without a great deal of difficulty. When you're dealing with millions of people, you must develop effective mass communication. The general public perception of our industry is something that everyone connected with ALTA must continually strive to improve.

Here's where our individual members can be very effective. They are the people directly involved at the grassroots level with opinion leaders—legislators, regulators, customers and others. These local publics continually form opinions of the title industry. Reaching these publics is far too important to be left to chance, or hit-or-miss effort.

GG: Recently, there has been an increase in the severity of problems encountered by title insurers in the area of federal tax issues. A memorable example is, of course, the differences between the Internal Revenue Service and title insurers over tax deductibility of unearned premium reserves, which, as this is written, remains an unresolved issue. Do you see a continuing climate of more serious problems for the title industry and for ALTA with agencies of the federal government?

MG: I believe that the title insurance industry is no different from most other industries when it comes to government interest. Much of this increasing governmental attention to our business has been engendered by misinformation. It is a trend that has been with us since 1972 and will continue.

State regulators obviously are part of the governmental challenge as well. Whether an agency be federal or state, there is always the possibility that governmental people will decide to delve into a particular industry, perhaps not even as a result of a direct order from their superiors. Serious problems can readily originate with these subordinates. This is the type of governmental climate in which we all exist, and it clearly demonstrates the need for strong title associations at the national, regional and state levels.

GG: With the ALTA leadership placing more emphasis on government relations activ-

ity at the state level, along with their longstanding involvement of the Association where federal issues are concerned, what do you visualize as the most immediate ALTA need in state government relations?

MG: In the individual states as well as at the federal level, the title industry needs to become involved at the inception of problems rather than attempting to respond when legislation is already moving. We need to know at the earliest possible date when legislative and regulatory problems first begin to emerge, so that we can begin to assess the situation and begin contacting affiliated association officers and members in the state concerned as to how the difficulty might be resolved up front rather than allowing it to become a major difficulty.

I see ALTA not in terms of acting independently without consulting state-level title industry leaders concerned, but rather as providing coordinated assistance to them, by offering testimony if we are invited to do so, by providing them with information.

GG: What, in your view, are the areas where ALTA is most in need of improvement?

MG: I think we need to work on the content of our Annual Conventions and Mid-Winter Conferences. I do not feel we are offering programs for our members which are of sufficient benefit. It is a challenging problem. We are trying to interest a vast array of people from varying locations who have different ideas, different concepts and different ways of dealing with situations. I would like to see our Annual and Mid-Winter develop to the point where a substantial portion of their programs are devoted to education for our diverse membership. We are making progress in this area.

Another major area of concern to me is the relative lack of involvement by our membership in general in the federal/state legislative processes. Many do not understand how important it is to develop a positive relationship with a representative or senator. They should develop this relationship over a period of time. Write him about any kind of issue, call him on the telephone let him know you support him—or her. Then, when a situation develops which may impact the title industry, you will be in a position to more effectively communicate with that legislator.

That's really a major responsibility of ALTA membership that too many of our people don't seem to appreciate. When an issue emerges, federal and state legislators do not pay that much attention to lobbyists in general, who after all are hired on behalf of a company, association, or other group to represent a particular viewpoint. Before voting on a bill, legislators pay attention to their constituents.

GG: Among abstractor and agent members, we still occasionally hear the opinion expressed that ALTA is an organization dominated by the title insurers. What is your re-

sponse concerning this view?

MG: ALTA is really a catalyst of total involvement by all members. Abstractor/agent and underwriter members are engaged in various activities of the Association at the committee level and on the Executive Committee and Board of Governors. Any member of the Association is welcome to become involved in any of our activities. As a matter of fact, Jack Rattikin, during the initial days of his ALTA presidency, sent a letter to every member of the Association asking them if they would like to serve on an ALTA committee. There were prerequisites that Jack designated in making his committee appointments for this past year. Any member wanting to serve on a committee must return a written form before he or she could be appointed—designating interest, availability and willingness to serve. This was applicable to underwriters as well as abstractor/agent members. The response to this letter was overwhelming and Jack was very happy with the number of members who wanted to become involved, especially from the abstractor/agent side.

If you will look at the committee composition this year as shown in the *ALTA Manual of Organization*, you will notice that the listing includes virtually everyone who responded. So, I don't think the dominance assertion is a valid point. Our members are all actively involved if they want to be involved. Further, let me urge all abstractors and agents who want to become more involved to write me. I assure them that we can and will find a role for them in this Association. ALTA is here to represent the entire title industry.

GG: These particular members might be helped if they remember that they have their segment of the industry well represented in the Abstractor-Agent Section, and the membership of that section represented on the ALTA Executive Committee, where they do have a voice through people who represent their part of the industry at the core of the ALTA leadership.

MG: That's right. I would urge anyone interested in becoming more involved to go through the Executive Committee of their section or the chairman of their section, and let those individuals know what they want to do. That's what they want to hear about.

GG: With the record level of member participation in the committee activity of ALTA this year, does the upsurge present added challenges in management of the Association?

MG: Most definitely. Quite a few of our members have not previously been involved in association activity and, once they have been appointed to an ALTA committee, they want to know how they can be most effective. That is where your ALTA staff comes in.

I've always seen the staff role as including the education of members, assisting them in finding out how they can be most effective in

the Association. We have the largest number of active committees this year that I can recall in the time that I have been associated with either ALTA or TLTA. There are an increased number of committee meetings, and that has raised a problem with effective management of the meetings themselves.

I quickly discovered that we could save the Association a great deal of money if we effectively managed by working with a well qualified travel agency—either at the national level or through the members' local travel agent—to help in pinpointing the current air fare situation, and the geographical location most economically feasible for a committee meeting. Then we are in a position to advise members of the committee of the optimum location, air fare, etc., and effectively manage that meeting.

That's one of the problems I've encountered since we've begun meeting as often as we do now. Effective, economical management of meetings.

Another concern I have is the need to always have a committee meeting agenda to work with. We want to distribute in advance not only the agenda, but any backup material that might be necessary for a better meeting.

Also, we then need to implement what the committee agrees should be done. So we are talking about a multi-phase process that is something we all need to work on.

GG: Although many abstractors and agents are valuable members of ALTA who have commented favorably on the benefits of their participation in the Association, there are others who question what is received in return for their dues. What answer do you have for these less satisfied members?

MG: I would advise them to examine the various programs and activities which the Association provides—many of which probably are not evident to them on the surface. An overview can be gained through our active communications program, which includes *Title News*, the *Abstractor-Agent* newsletter, *Capital Comment*, and a new publication called *ALTA Update*, which we recently began publishing to quickly advise our members of recent and upcoming matters involving the Association.

There is a good deal to learn from our educational seminars, Mid-Winter Conference, Annual Convention, videotapes and so on. These are all activities which are working on behalf of every member of the Association—regardless of size or location. If members use these resources to keep posted regarding what the Association does on their behalf, I'm sure more will realize that we are doing an effective job for them.

Update was developed as a short news bulletin with text in a quick punch style, immedi-

Continued on page 61

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Kansas City Regional Seminar Site

Next in the series of ALTA regional seminars scheduled by the Association Abstracters and Title Insurance Agents Section Education Committee is a two-day event, Friday afternoon, November 1, and Saturday morning, November 2, at the Kansas City Hilton Airport Plaza Inn. The midwest meeting follows an April gathering in Tampa, Florida, and is the second ALTA Regional Seminar held in 1985.

Leading off the Kansas City program for title owners and managers will be a discussion on what agents and underwriters should expect from each other, featuring Roger N. Bell, ALTA past president and president, The Security Abstract & Title Co., Inc., Wichita, Kansas, and Billy F. Vaughn, ALTA past governor and western and southern division president and board member, Ticor Title Insurance

Company, who is based in Dallas, Texas.

Discussion leaders for the remainder of the agenda will be members of the Education Committee.

Second in the Friday afternoon lineup is a presentation on legal descriptions by Committee Vice Chairman Mary C. Feindt, title woman and registered land surveyor who also is chairman of the ALTA Liaison Committee with the American Congress on Surveying and Mapping. She is president of Charlevoix (Michigan) Abstract & Engineering Co.

Wrapping up the first day's agenda is a discussion on automation from the end user viewpoint, led by Phillip B. Wert, past member at large of the ALTA Executive Committee from the section who is manager, Johnson Abstract Company, Kokomo, Indiana.

The Saturday morning session will begin

with a discussion on employee productivity, led by Cara L. Detring, ALTA governor and vice president, St. Francois County Abstract Company, Farmington, Missouri, and Wallace E. Buchanan, president, Western States Title Company of Summit, Park City, Utah.

Completing the Saturday program will be a presentation on safe handling of funds at closing, featuring P. C. Templeton, president, First American Title Company of New Mexico, Albuquerque, and a seminar feedback session.

Attendee participation will be emphasized throughout the event, with the focus on group discussion and experience sharing.

Registration for this Regional Seminar is \$60 for ALTA members and \$100 for non-members. A block of sleeping rooms has been reserved at the hotel for the night of Friday, November 1—at \$59 for singles and \$71 for doubles. Reservations may be confirmed or extended if desired by calling the Hilton Airport Plaza at 816-753-7400, and identifying as part of the ALTA group in order to receive the aforementioned rate.

The hotel will release all sleeping rooms not confirmed by Friday, October 18.

Registration checks made payable to American Land Title Association may be sent to ALTA Vice President-Public Affairs Gary L. Garrity in the organization's office, Suite 705, 1828 L Street, N. W., Washington, D. C. 20036.

Other committee members include Chairman Carleton L. Hubbard, Jr., president, Stewart Title of Glenwood Springs (Colorado), Inc.; Charles E. Luczynski, vice president, Nebraska Land Title & Abstract Company, Omaha; Timothy J. McFarlane, vice president and manager, Idaho Title & Trust Company, Idaho Falls; and Bill Thurman, president, Gracy Title Company, Austin, Texas.

Governor Detring currently serves as Board advisor to the committee.

ALTA Title Industry Regional Seminar

Friday, November 1

- | | |
|-----------|---|
| 1:00 p.m. | Opening Remarks |
| 1:15 p.m. | What the Agent and Underwriter Should Expect from Each Other (Roger N. Bell, Billy F. Vaughn) |
| 2:30 p.m. | Legal Descriptions (Mary C. Feindt) |
| 3:30 p.m. | Break |
| 3:45 p.m. | Automation from the End User Viewpoint (Phillip B. Wert) |
| 5:00 p.m. | Adjourn for Cash Bar Reception |

Saturday, November 2

- | | |
|------------|--|
| 8:30 a.m. | Employee Productivity (Cara L. Detring, Wallace E. Buchanan) |
| 10:00 a.m. | Break |
| 10:15 a.m. | Safe Handling of Funds at Closing (P. C. Templeton) |
| 11:45 a.m. | Seminar Feedback |
| 12:00 Noon | Adjournment |

*D*iscussion of major issues and educational enrichment in a cosmopolitan setting that interweaves modern urban growth with a colorful history. This attractive combination awaits in San Antonio, where the Seventy-Ninth ALTA Annual Convention will unfold October 6 through 9. From an authentic opening Bienvenido Fiesta to an optional post convention tour in Puerto Vallarta, Mexico, the October event promises a new dimension in ALTA experience. For a preview, please see the following pages.

Candlelight etches the world famous Paseo del Rio (River Walk) at night in downtown San Antonio during the Holiday River Festival held as part of Christmas season activity. Subtropical foliage lines the jade-green San Antonio River, which winds among points of historical and cultural interest.





Official Memorandum

By

MARK WHITE

Governor of Texas

GREETINGS:

AUSTIN, TEXAS

The land title industry has provided important security and stability for the real estate market for more than a century.

The land title industry, through the excellence of its work, contributes greatly to the peaceful ownership and enjoyment of real estate by home buyers.

The land title industry, through its protection, encourages nationwide investment in real estate and thereby stimulates economic prosperity.

The land title industry contributes substantially to the availability of real estate investment capital by providing protection that improves marketability of virtually all mortgages traded in the secondary mortgage market.

The land title industry is in the vanguard of a vigorous effort to preserve the highest standards of land title evidencing and insuring for the benefit of all who invest in real estate.

The American Land Title Association, the national organization for the land title industry, is holding its 79th Annual Convention in San Antonio, October 6-9, 1985.

THEREFORE, I, as Governor of Texas, do hereby proclaim the week of October 6-12, 1985, as

LAND TITLE EVIDENCING WEEK

in Texas, and join with the City of San Antonio in welcoming members of the American Land Title Association to the Lone Star State for their 1985 convention.

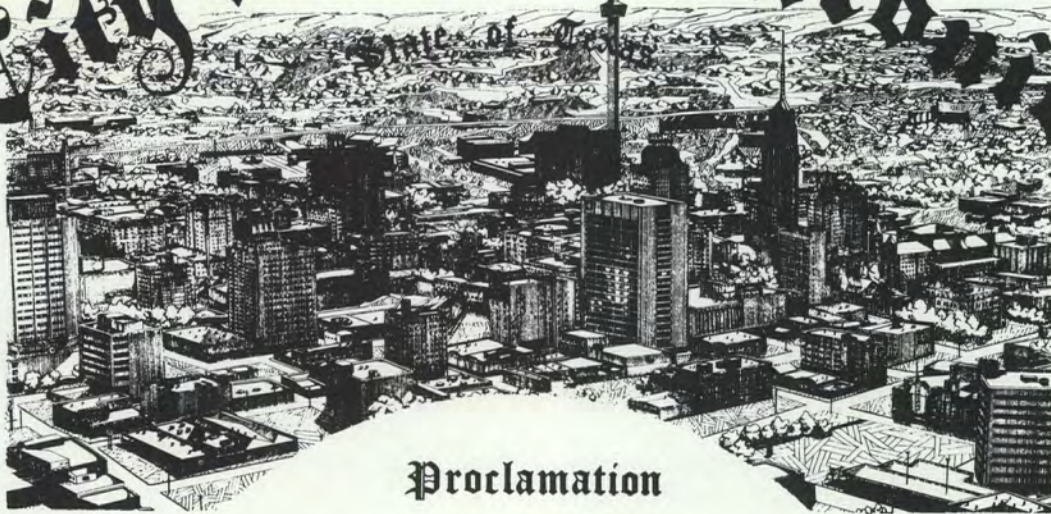


In official recognition whereof, I hereby affix my signature this 3rd day of May, 1985.

A handwritten signature in cursive script that reads "Mark White".

Governor of Texas

City of San Antonio



Proclamation

- WHEREAS, THE CITY OF SAN ANTONIO IS HONORED TO BE HOSTING THE AMERICAN LAND TITLE ASSOCIATION CONVENTION DURING THE PERIOD OF OCTOBER 6 - 9, 1985, AND
- WHEREAS, THE LAND TITLE INDUSTRY IN THE CITY OF SAN ANTONIO HAS PLAYED A MAJOR ROLE IN ITS EFFORTS TO MAINTAIN THE HIGHEST STANDARDS OF LAND INVESTING IN OUR CITY, AND
- WHEREAS, THROUGH THEIR EXCELLENT WORK AND COMMITMENT, LAND TITLE COMPANIES IN SAN ANTONIO HAVE ENSURED THE ENJOYMENT OF REAL ESTATE BY HOME BUYERS, THUS ENHANCING THE ECONOMIC WELL-BEING OF OUR CITY, AND
- WHEREAS, ON BEHALF OF ALL THE CITIZENS OF SAN ANTONIO, WARM AND CORDIAL GREETINGS ARE EXTENDED TO ALL THE PARTICIPANTS OF THE AMERICAN LAND TITLE ASSOCIATION CONFERENCE, AND BEST WISHES FOR A MOST SUCCESSFUL AND PRODUCTIVE MEETING.
- NOW, THEREFORE, I, HENRY CISNEROS, MAYOR OF THE CITY OF SAN ANTONIO, IN RECOGNITION THEREOF, DO HEREBY PROCLAIM OCTOBER 6 - 9, 1985, AS

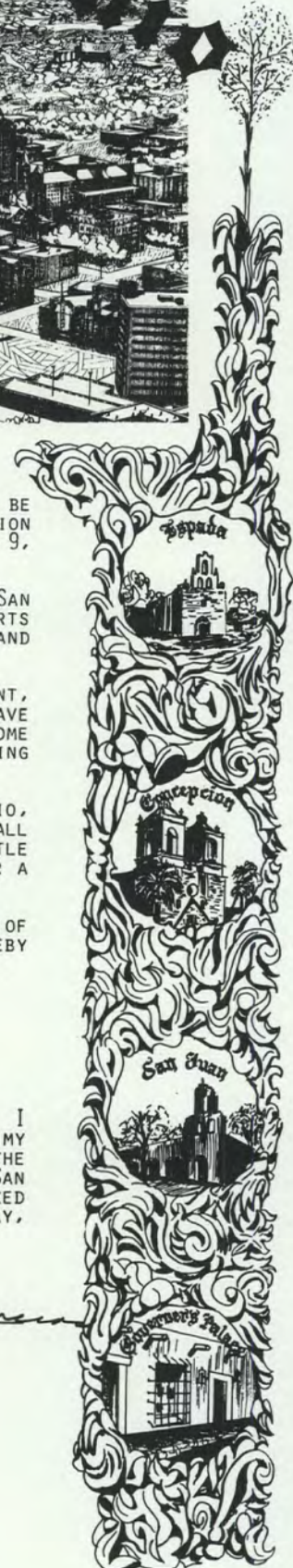
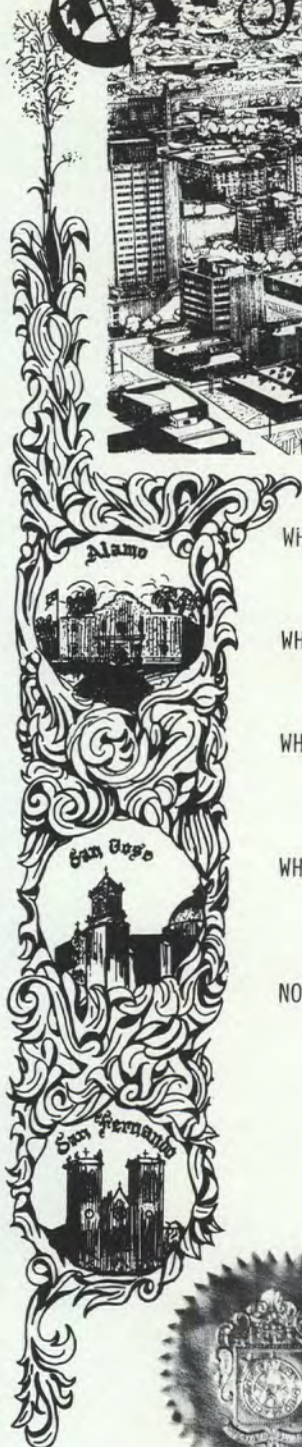
"LAND TITLE INSURANCE WEEK"

IN SAN ANTONIO, TEXAS.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND CAUSED THE SEAL OF THE CITY OF SAN ANTONIO TO BE AFFIXED THIS 10TH DAY OF MAY, 1985.

Henry Cisneros
HENRY CISNEROS

MAYOR



San Antonio— An Unforgettable Difference



You will find San Antonio a unique place for the 1985 ALTA Annual Convention.

Currently the nation's tenth largest city, San Antonio combines impressive growth and a casual lifestyle with the vestiges of a colorful past extending back to the 1600s. Our rich heritage is especially prominent downtown, where a number of historic places are found among the modern structures of a dynamic community. Most of these locations are within easy walking distance of each other and create a cosmopolitan setting.

Among places you will want to experience are the world famous Paseo Del Rio or River Walk section of the San Antonio River that links missions, museums, parks and skyscrapers. The Alamo, where 188 brave men died fighting for Texas independence in 1836. El Mercado, the restored Mexican and Farmers Market that preserves a captivating culture. The Spanish Governor's Palace. The Southwest Craft Center. And much more.

Appropriately, the Convention agenda has been planned to include variety and excitement that reflect the diversity of San Antonio. It begins on Sunday evening, October 6, when the traditional Ice-Breaker Reception will be replaced by an authentic Bienvenido Fiesta (Welcome Party) in the Municipal Auditorium—location of the AUTOMATION SYMBIOSIS exposition featuring the most comprehensive display of hardware and software available to the title industry that can be found anywhere, and site of the Convention's Workshop on Automation in the Local Title Office.

During the fiesta, the exposition area will be transformed into a Mexican village, where Mariachi music, dancers, and festive food, drink and souvenirs will be featured.

Among a lively array of Convention special activities being offered are a downtown

walking tour, museum tour, historic tour, arts and crafts adventure, a special ALTA Rodeo at the Hollon Ranch, golf and tennis tournaments, and a post-Convention tour to Puerto Vallarta, Mexico. Details on these and the Convention program are in the mailings sent to members from the ALTA office.

Because of the different locations for program, activities and lodging at the Convention, shuttle bus service will be available to attendees. But, consider walking when possible. Temperatures average 71 degrees around the area in October and there is much to see.

Plans have been made for a sparkling Annual Banquet that will conclude the Convention on Wednesday evening, October 9. Featured entertainers will be Terry and Hattie, two exciting young singers who have been acclaimed throughout the United States and Canada.

Indications are that a heavy registration will be on hand for this Convention—so send yours in early to improve chances for securing the accommodations you want.

I look forward to seeing you in San Antonio—where the Convention offers an unforgettable difference you won't want to miss.

Sincerely,

A handwritten signature in dark ink that reads "Alex H. Halff". The signature is written in a cursive, flowing style.

Alex H. Halff
Convention Host Chairman

Chairman Halff is chairman of the board, Alamo Title Insurance of Texas, with offices in San Antonio.

Spouses: Plan to Have A Great Time



Pack your jeans and sun dresses, and come to San Antonio prepared for an ALTA Convention that has plenty of Texas hospitality. There will be opportunities to dress up, too, but the spouses/guests program will emphasize the casual, friendly fun that is part of life in the Lone Star State.

On Sunday, October 6, there is an optional afternoon walking tour of downtown San Antonio that will start at the well known Paseo Del Rio (River Walk). That evening, the Convention will officially get under way with a Bienvenido Fiesta (Welcome Party) at the Municipal Auditorium; dress is casual.

Brunch with Heloise, the nationally syndicated "helpful hints" columnist, will highlight the Monday morning agenda from 10:30 through 12:30 in the Hyatt Regency Rio Grande Ballroom. Later in the afternoon, the options are a golf tournament; tennis tournament; historic tour of San Antonio that includes the Spanish Governor's Palace, King William Historic District, Southwest Craft Center and other points of interest; and Museum Tour that begins with the San Antonio Museum of Art.

On Tuesday, the Spouses/Guests Hospitality Center will open at 9:00 a.m. in the Rio Grande Ballroom. Starting at 9:30 a.m., Barby Fairbanks Eide, prominent writer and speaker, will present a system of techniques designed to help you enjoy more personal energy, enthusiasm and productivity. In the afternoon, the options include a San Antonio

arts and crafts tour and a special ALTA Rodeo at Hollon Ranch.

The Hospitality Center again will open at 9:00 a.m. on Wednesday and, at 9:45 a.m., Karen Settle, American Express financial advisor, will offer a presentation on financial planning. There will be a final salute to San Antonio Wednesday evening at the Annual Banquet, featuring a sirloin steak dinner preceded by a cocktail reception starting at 6:15 p.m.

Throughout the Convention, spouses/guests are welcome at the sessions—where outstanding speakers will be featured.

Details on all this are in the Convention mailings to ALTA members from the Association's Washington office. Early registration is recommended because of the large turnout that is expected.

Plan to join us in San Antonio. And come prepared to have a great time. It's the way things are done in our city.

Sincerely,

Sally Halff
Convention Chairlady

Convention Calendar

(All functions at Hyatt Regency San Antonio unless otherwise indicated)

Saturday, October 5

- 1:00 p.m. Convention Registration, Lobby—Second Floor
- 1:00 p.m. ALTA-Affiliated Title Association Management Seminar, Regency Ballroom Center—Second Floor

Sunday, October 6

- 8:00 a.m. Convention Registration, Lobby—Second Floor
- 9:00 a.m. ALTA Board of Governors Meeting, Rio Grande Ballroom West—Second Floor
- 1:00 p.m. ALTA Board of Governors Meeting, Rio Grande Ballroom West—Second Floor
- 1:00 p.m. Downtown Walking Tour of San Antonio (Optional)
- 2:00 p.m. ALTA Board of Governors—Government Affairs Committee Joint Meeting, Rio Grande Ballroom West—Second Floor
- 5:15 p.m. Young Title People Welcome Reception, Regency Ballroom West—Second Floor
- 6:00 p.m. AUTOMATION SYMBIOSIS 2 Exhibits Open, Municipal Auditorium
- 6:00 p.m. ALTA Bienvenido Fiesta (Welcome Party), AUTOMATION SYMBIOSIS Exhibit Area, Municipal Auditorium

Monday, October 7

- 7:45 a.m. ALTA President's New Member Welcome Breakfast, Rio Grande Ballroom West and Center—Second Floor
- 8:00 a.m. Convention Registration, Lobby—Second Floor
- 8:00 a.m. AUTOMATION SYMBIOSIS 2 Exhibits Open, Municipal Auditorium
- 9:00 a.m. General Session, Regency Ballroom—Second Floor (Early bird attendance prizes will be awarded)
- 10:30 a.m. Spouses Brunch and Program, Rio Grande Ballroom—Second Floor
- 11:30 a.m. Title Insurance and Underwriters Section Meeting, Regency Ballroom—Second Floor
- 11:30 a.m. Abstracters and Title Insurance Agents Section Meeting, Blanco, Llano and Pecos Rooms—Third Floor
- 12:45 p.m. Golf Tournament (Optional)
- 1:00 p.m. Historic Tour of San Antonio (Optional)
- 1:00 p.m. Museum Tour (Optional)
- 2:00 p.m. Tennis Tournament (Optional)

Tuesday, October 8

- 8:00 a.m. Convention Registration, Lobby—Second Floor
- 8:00 a.m. AUTOMATION SYMBIOSIS 2 Exhibits Open, Municipal Auditorium
- 8:30 a.m. Address: The Honorable Henry Cisneros, Mayor of San Antonio, Municipal Auditorium
- 9:00 a.m. Workshop: Automation in the Local Title Office, Municipal Auditorium (Early bird attendance prizes will be awarded)
- 9:00 a.m. Spouses Hospitality and Program, Rio Grande Ballroom—Second Floor
- 1:00 p.m. Arts and Crafts Adventure (Optional)
- 1:00 p.m. ALTA Rodeo, Hollon Ranch (Optional)

Wednesday, October 9

- 8:00 a.m. Convention Registration, Lobby—Second Floor
- 8:00 a.m. AUTOMATION SYMBIOSIS 2 Exhibits Open, Municipal Auditorium
- 9:00 a.m. Spouses Hospitality and Program, Rio Grande Ballroom—Second Floor
- 9:00 a.m. General Session, Regency Ballroom—Second Floor (Early bird attendance prizes will be awarded)
- 12:30 p.m. Title Industry Political Action Committee Luncheon, Rio Grande Ballroom—Second Floor
- 2:30 p.m. ALTA Executive Committee Meeting (New Officers, Newly Installed Officers), Directors Room—Second Floor
- 6:15 p.m. Pre-Banquet Reception, Rio Grande Ballroom—Second Floor
- 7:00 p.m. Convention Banquet, Regency Ballroom—Second Floor

Thursday, October 10

- 8:00 a.m. Departure, Post Convention Tour to Puerto Vallarta, Mexico (Optional)



Mariachi Musicians . . . San Antonio Tradition

Convention Notes

Program

As this is written, work is well under way on assembling an excellent program that will feature major issues and educational content. Speaker acceptances have been received from San Antonio Mayor Henry Cisneros, a nationally respected political leader; John Roach, chairman, president and chief executive officer, Tandy Corporation, a pace-setting organization in small computers; and John Christie, Washington, D.C., attorney, who will provide an update on the Federal Trade Commission antitrust enforcement action against six title insurance companies.

Other speaker acceptances include Malcolm Toon, former U.S. ambassador to the Soviet Union, Israel, Yugoslavia and Czechoslovakia, discussing U.S.-Soviet Relations and Charles Osgood, CBS News correspondent, presenting "End of the World—Details at Eleven."

Other speaker invitees include members of the Texas Congressional delegation—Senator Phil Gramm and Representatives Jim Wright, the House majority leader, Henry Gonzalez and Tom Loeffler.

An outstanding lineup of speakers has been assembled for the spouses program extending throughout the Convention, and is detailed in the message from Convention Chairlady Sally Half that appears elsewhere in this issue.

On the educational front, the entire program for Tuesday, October 8, will be devoted to a workshop on local title office automation, which has been developed by the ALTA Abstracters and Title Insurance Agents Section Land Title Systems Committee. The program will open with concurrent, one-hour sessions for those with little automation experience and those having more extensive experience. Next on the agenda will be a commentary on the outlook for automation in the title industry, as seen by ALTA Finance Committee Chairman Richard Toft, chairman and chief executive officer, Chicago Title Insurance Company. Completing the workshop will be a session moderated by Systems Committee Chairman John Haviland, president, South Ridge Abstract & Title Co., in which questions and comments from the audience and from a panel of Systems Committee Members are directed to a group of Convention automation vendor-exhibitors.

AUTOMATION SYMBIOSIS 2, the Convention exposition, will feature the most comprehensive assembly of hardware and software available to the title industry and will be open October 6 through 9.

Another educational feature will be a panel on reinsurance assembled by ALTA Title Insurance and Underwriters Section Chairman Marvin Bowling, executive vice president, Lawyers Title Insurance Corporation. Comprising the panel will be ALTA Title Insurance Forms Committee Chairman Oscar Beasley, senior vice president and senior title counsel, First American Title Insurance Company; R. Michael Hick, president, American Southwest Intermediaries Cor-

poration; Ray E. Sweat, executive vice president and senior underwriting counsel, Tigor Title Insurance Company; and Robert M. Zinman, vice president and investment counsel, Metropolitan Life Insurance Company.

Additional program details are being provided to ALTA members in Convention mailings as the October dates draw nearer.

Special Activities

From the opening Bienvenido Fiesta (Welcome Party) in the AUTOMATION SYMBIOSIS area of San Antonio's Municipal Auditorium on Sunday evening, October 6, the Convention will offer a sparkling array of special activities. During the fiesta, the exposition setting will become a Mexican village with appropriate music, dancing and refreshments. Providing a prelude to the fiesta on Sunday will be an ALTA Young Title People Committee welcome reception for younger members of the industry beginning at 5:15 p.m., and an optional downtown walking tour starting at 1:00 p.m.

Monday morning will begin with an ALTA President's welcome breakfast for new members of the Association. After concurrent meetings of the two ALTA sections wrap up the morning agenda, the afternoon offers a choice among four optional activities: golf tournament, historic tour of San Antonio, museum tour and tennis tournament.

The historic tour will start with the Spanish Governor's Palace and includes the King William Historic District, Steve's Homestead (a Victorian era museum), the Southwest Craft Center located in an old Ursuline Convent and the Quadrangle at Fort Sam Houston. The museum tour offers the San Antonio Museum of Art; the Witte Memorial Museum that includes natural and local history, culture and art; and the McNay Art Institute.

Following the Tuesday morning automation workshop, the afternoon optional activities will include an "arts and crafts adventure" and a special ALTA Rodeo at the Hollon Ranch. Stops on the arts and crafts tour include Los Patios, a blend of Mexican and American culture located along the scenic banks of Salado Creek, and Artisan's Alley, a unique blend of small arts and crafts stores. There will be ample opportunity for browsing and shopping. Casual dress, with long pants or jeans a must, will prevail during the rodeo—where each guest will be dubbed an "honorary buckaroo," and where events will include bull riding, barrel racing, calf roping, a western reining exhibition and a stallion show.

Hawaii Grand Prize Drawing

One lucky attendee will win a free vacation for two—including complimentary air fare and complimentary four nights and five days at the Waiohai Hotel on the island of Kauai in Hawaii—at a Convention

drawing for those registered. Drawing tickets will be included in all registration packets. The attendee must be present in order to win.

Post Convention Tour—Puerto Vallarta, Mexico

On Thursday morning immediately following the Convention, those wishing to do so will depart for an October 10-14 Mexican Holiday at Posada Vallarta Hotel and Village, Puerto Vallarta, Jalisco, Mexico. The tour includes four nights at the elegant hotel; full breakfast and dinner daily; a welcome cocktail reception; Mexican fiesta with dinner and live entertainment; all taxes, service charges and gratuities and an escort from the assigned travel agency, CW Travel, Washington, D.C., to accompany the group. The travel agency has blocked air space from San Antonio to Puerto Vallarta at the lowest excursion fares currently available.

Convention Air Fare Savings

CW Travel also is official Convention travel agent in conjunction with American Airlines, official carrier, and announces the following fares and amenities for all delegates, spouses and guests: 40 per cent off all regular coach fare for bookings outside of 30 days; 35 per cent off regular coach fare for bookings within 30 days; two free drink coupons; free \$50,000 flight insurance with tickets issued by CW Travel. All air fares are subject to change without notice; in the event of change, individual fares will remain the lowest available. It is recommended that tickets be purchased as early as possible to avoid increases and assure space availability. Questions about the Puerto Vallarta post convention tour or Convention air fares may be directed to Sandy Sweeney at CW Travel by calling toll free at 800-424-5499.

Convention Housing and Shuttle Transportation

Convention attendees will be housed at the Hyatt Regency San Antonio, the headquarters hotel, and these nearby hotels: La Mansion del Rio, St. Anthony Inter-Continental, Hilton Palacio del Rio and the Four Seasons. Those attending are advised to select their first three hotel choices as soon as possible and return the appropriate forms mailed from the ALTA office to the Housing Bureau of the San Antonio Convention and Visitors Bureau—along with sending their registration and optional activities forms to the ALTA office.

Although the hotels and the Municipal Auditorium where the automation workshop and exposition, and Bienvenido Fiesta, will be held are within comfortable walking distance of each other, ALTA will provide shuttle transportation among these points.

On Sunday evening, October 6, shuttle buses will run beginning at 5:30 p.m. from all hotels except the Hyatt Regency—and beginning at 5:45 p.m. from the Hyatt—to the Municipal Auditorium for the exposition and Bienvenido Fiesta. Buses will run every 15 minutes. Those attending the exposition and fiesta must first pick up their Convention registration badges at the ALTA registration desk on the second floor of the Hyatt, which on Sunday is open from 8:00 a.m. through 7:30 p.m. Shuttle buses from the Municipal Auditorium to hotels will run every 15 minutes between 7:00 and 9:15 p.m. on Sunday.

Shuttle buses will run every 15 minutes on a loop connecting hotels and Municipal Auditorium from 7:30 a.m. through 12:30 p.m. on Monday, from 8:15 through 12:15 a.m. on Tuesday, and from 7:45 a.m. through 11:30 p.m. on Wednesday, the evening schedule accommodating the Annual Banquet.



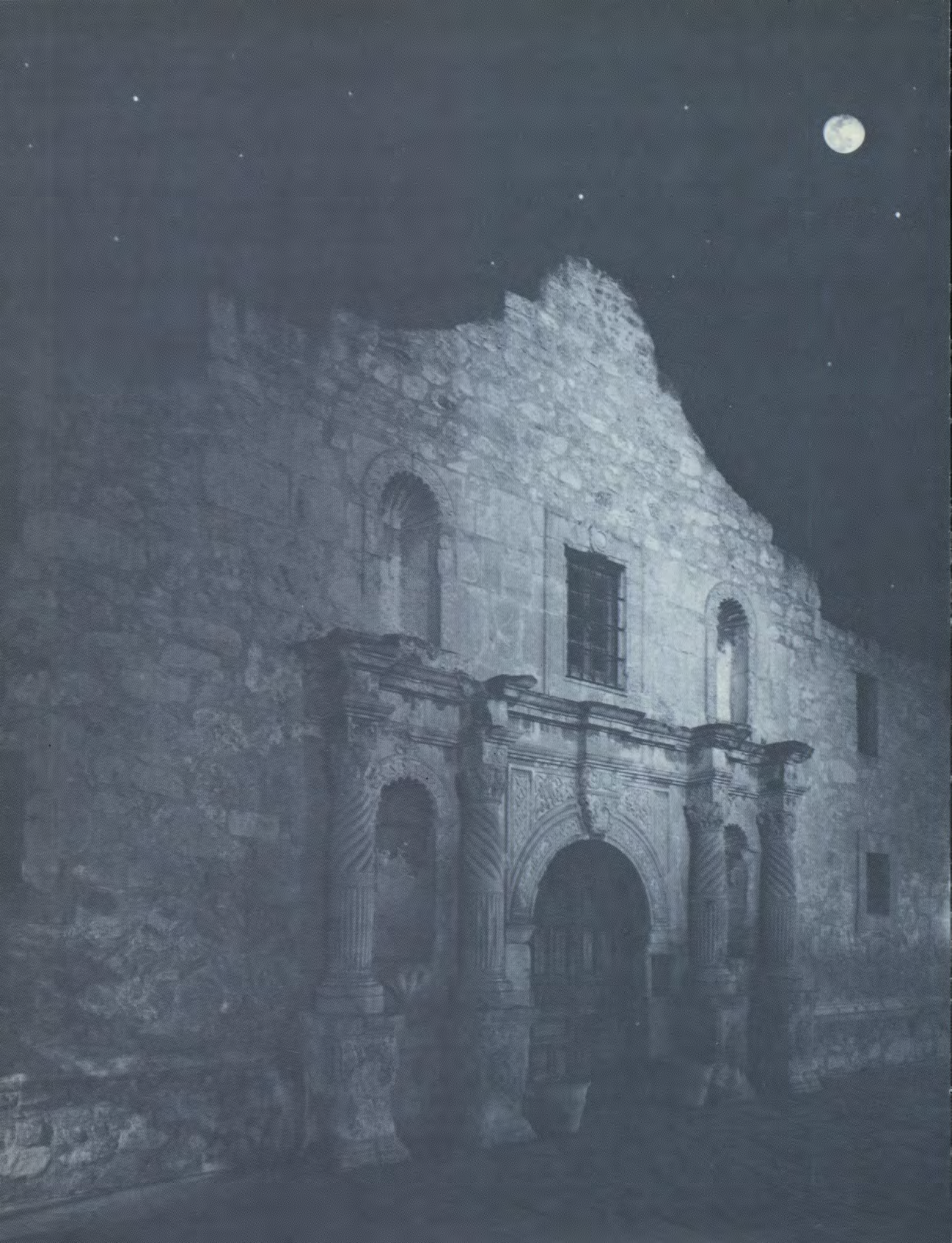
Mayor Henry Cisneros



Heloise . . . Spouses Program Speaker



Terry & Hattie . . . Banquet Entertainment



From Mission to Metropolis

What were San Antonio's beginnings?

Founded in 1718, the same year as New Orleans, San Antonio is one of the oldest cities in North American west of the Atlantic Seaboard. And it has occupied a position of key importance in southwest Texas for more than 260 years. In the early 1700s, the area now known as Texas and Mexico was under Spanish rule. It was virtually a wasteland, but the Spanish Crown, fearing French encroachment, decided it needed a halfway post between its east Texas missions and the territory south of the Rio Grande River. So, in 1718, the Mission San Antonio de Valero, later known as the Alamo, was founded.

Under the Spanish system, a fort or presidio was established with each of its missions (for the protection of the missionaries whose job it was to Christianize the natives and make them Spanish subjects). The fort near the Mission de Valero was called the Presidio of San Antonio de Bejar. "La Villita," the little village, sprang up between the fort and mission as the place where families of the soldiers lived. Then, in 1731, the Spanish tried to further populate the area by bringing in colonists from the Canary Islands. The 15 families settled the area around San Fernando Cathedral. From these mixed beginnings came the city of San Antonio.

What role did the missions play in San Antonio history?

Mission San Jose was founded in 1720, a few miles south of Valero on the same San Antonio River.

Then, in 1731, three more missions were moved from their east Texas sites to also line the river. These are Missions Espada, Con-

cepcion and San Juan, with just seven miles separating the two farthest apart. Mission residents grew crops and civilized (somewhat) the Indians, adding to the Spanish population. The settlements gradually attracted settlers and by the 1770s about 2,000 souls were in the community. But constant raids by Apache and Comanche Indians, who could not be induced to accept the system, epidemics of smallpox which were particularly lethal to the natives, and a generally difficult frontier life, decimated the missions. By the 1790s, the missions were either closed, deserted or secularized, the lands reverting to the Spanish Crown.

How long did San Antonio stay under Spanish influence?

San Antonio was the seat of Spanish government in Texas and the home of the Spanish governors of the area. But it was also the seat of rebellion. In 1810, Fr. Miguel Hidalgo raised the standard of revolt against the Crown in Mexico. Although the movement was crushed for the while, many of his followers fled to the north—the area of San Antonio. From 1810 to 1821, as the war for independence from Spain raged on, many major battles were fought in and around San Antonio. Diez y Seis, Mexico's Independence Day, is still an important San Antonio celebration.

What part did Moses Austin play in San Antonio's development?

In 1820, Moses Austin proposed a program of colonization for most of Texas. Although he did not live to see his dream fulfilled, his son, Stephen F. Austin, inherited his grant to settle Americans on the land. This wave of Anglo-American immigration in the years 1820 to 1835 brought a fresh impetus to the growth of the community.

What was the battle of the Alamo?

By 1835, resentment against Mexican rule had grown to a point where San Antonio be-

came the scene of armed revolt, and in March, 1836, Texas declared its independence from Mexico. Several battles were fought before that, however, and that same March Mexican General Antonio Lopez de Santa Anna arrived at the old mission to put down the revolt. Santa Anna marched on the Alamo, which was being defended by 188 men. After a 13-day siege, the rebels were killed to a man. But the battle provided the rallying cry—"Remember the Alamo"—which contributed to Santa Anna's defeat at San Jacinto the following month at the hands of Texas General Sam Houston. Texas became a republic and remained so until February 16, 1846, when it became the twenty-eighth state of the Union.

What other cultures settled San Antonio?

There were many, but perhaps the most important were the Germans. Germans had migrated in droves to Texas in the 1840s; they were mostly aristocrats and intellectuals fleeing repression in their homeland. Many made their way to San Antonio after finding life too hard in nearby settlements like New Braunfels and Fredericksburg. The Germans brought culture to San Antonio—they built a neighborhood of elegant homes, the King William area, opened a German-English school, and erected the first fine hotel, the Menger, in 1859. They were excellent brewers as well.

The French influence was also felt in San Antonio, particularly in the area of education. Sisters of the Roman Catholic Church from France opened Ursuline Academy for girls in 1851; French brothers began the St. Louis Academy for boys in 1852, an institution which fathered future institutions from St. Mary's University to Central Catholic High School.

Was Texas involved in the Civil War?

Although the state of Texas seceded from

Continued on page 62

This article originally appeared in San Antonio Magazine, published by the Greater San Antonio Chamber of Commerce, and is reprinted with permission.

Automation Workshop, Exhibit, Slated for San Antonio

Plans for a one-day automation workshop during the 1985 ALTA Annual Convention in October have been completed by members of the Association's Abstracters and Title Insurance Agents Section Land Title Systems Committee.

The workshop will be held in conjunction with AUTOMATION SYMBIOSIS 2, the ALTA exposition featuring the most comprehensive array of hardware and software available to the title industry, which will be open throughout the Convention.

Leading off the seminar will be concurrent, one-hour discussion sessions entitled, respectively, "So You Want To Get Started In Title Automation" and "So You're Into Title Automation—What Next?"

Moderator for the "getting started" discussion will be a committee member, Dennis R. Johnson, president, C. W. P. Software, Spring, Texas. Discussion leaders will be Herbert N. Morgan, president, Real Title Company, Inc., Fairfax, Virginia, and another committee member, Betty F. Quisenberry, president, Central Missouri Abstract & Title Company, Columbia, Missouri.

Moderator for the "what next" discussion will be Theodore W. Schneider, president, Kenosha Title Services, Inc., Kenosha, Wisconsin, a committee member. Discussion leaders will be Lawrence H. Edger, president, American Realty Title Assurance Company, Columbus, Ohio, and Jerry D. Nixon, president, Arkansas Title Insurance Company, Pine Bluff, Arkansas.

Next on the program will be a commentary on the outlook for automation in the title industry, presented by ALTA Finance Committee Chairman and Executive Committee Member Richard P. Toft, chairman and chief executive officer, Chicago Title Insurance

Company.

Winding up the workshop will be a wide-ranging group discussion in which the audience and a panel of committee members present questions and comments to an assembled group of SYMBIOSIS vendor-exhibitors. Committee Chairman John D. Haviland, president, South Ridge Abstract & Title Co., Sebring, Florida, will serve as moderator and the panelists will be Dennis Johnson; Alfred J. Holland, owner and attorney, Paragould Abstract Company, Paragould, Arkansas; and M. Scott Stovall, president, Evergreen Land Title Co., Springfield, Oregon.

In another activity, committee members have developed a vendor automation software

library, where subscribers can receive available information and updates for a year in these categories: title plant maintenance, preparing title policies, general accounting, and closing document preparation—plus any others requested where significant information is in the ALTA file. Subscribers pay \$5 for each category desired, checks made payable to the Association. Details are carried in a *Title News* ad.

Also serving on the committee is Richard J. Oliver, president, Smith Abstract & Title, Inc., Green Bay, Wisconsin. ALTA Board of Governors advisor to the committee is Richard H. Johnson, president, Nebraska Title Company, Lincoln, Nebraska.

Court Title & Abstract Co., Inc.

and

Manitowoc County Title and Abstract Company

Have Consolidated into

First Abstract & Title Co., Inc. Manitowoc, Wisconsin

*The undersigned assisted both parties in structuring and
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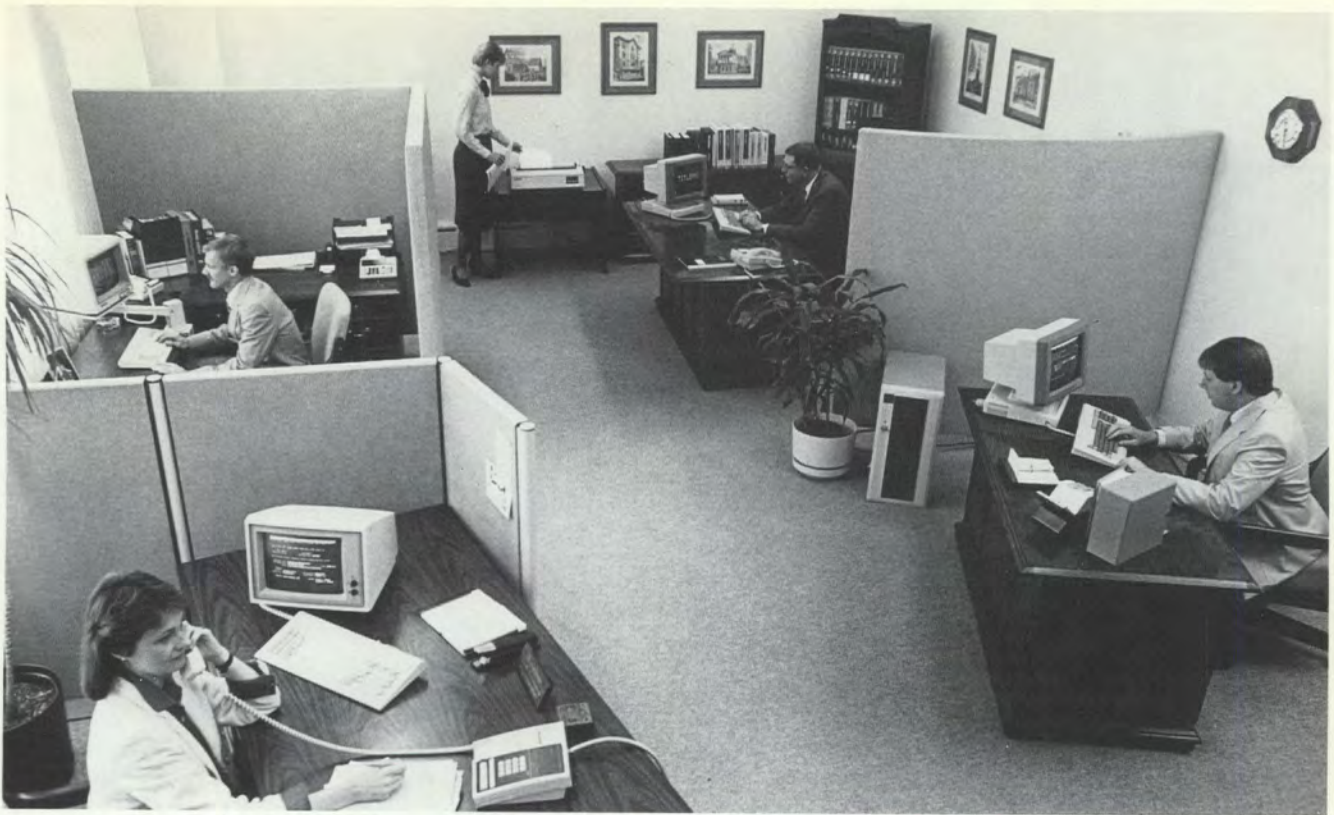
Forbes also covers investments with columns by top Wall Street analysts. "Personal Affairs", another regular feature, focuses on the challenge of getting the most out of money and leisure time.

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Titlepro introduces System II: The solution for your office

Those who run title companies know a thing or two about life's ups and downs. One month you look for work to keep the staff busy. The next month you look for staff to handle the work.

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In the new Titlepro System II, these tools include an automated title forms completion system, policy reporter, closing module, disbursement module, status and business source tracking programs, optional spread sheet and graphics, scheduler, word processor, spell checker, accounting package, telecommunications, and an indexing system second to none.

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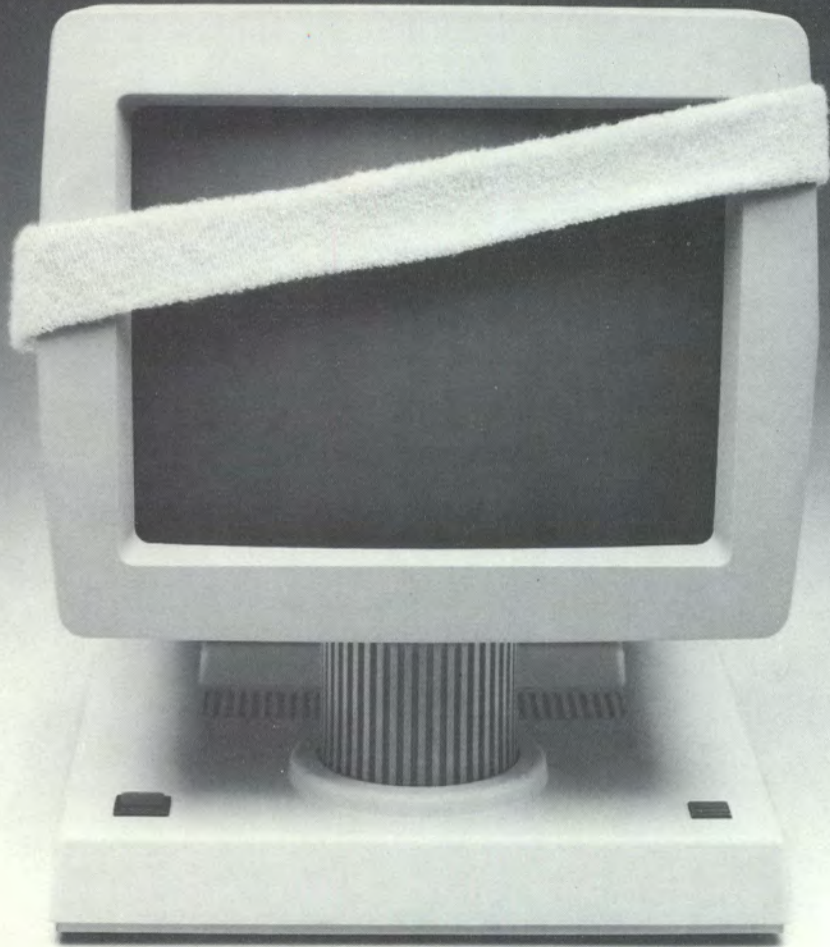
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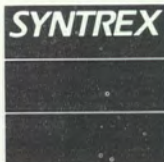
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ALTA President's Report

Jack Rattikin, Jr.

March 14, 1985

We want to welcome you to the Mid-Winter Conference of the American Land Title Association.

I want you all to know that this is the largest attendance in the history of the Association. We attribute that to the officers of the Association, and the staff, naturally, and it has nothing to do with the good times, or the location of the meeting, nothing like that! So we like to take the credit for it, naturally.

It is a tremendous turnout and the party last night was tremendous, well attended and I know everyone is having fun. I've seen an awful lot of kids here. A lot more than we have ever had before, and I think that is really good to bring them during this mid-winter break. Let them take a part in what you all do day to day and also have a chance to see the wonderful world of Disney.

We have been very fortunate, which I will speak to you in just a minute, to have a number of new members, and I think we have a number of them probably here this morning. I hope if they are a member, they come on time. If we have any new members in the Association here, would you please stand. We would like to give you a round of applause. Come on. Yes! we have some.

As you know, we are very big in the exhibit area, and we do have the privilege of having a number of exhibits at the meeting this time. The exhibitors are listed in the Conference program, and we do ask that you check all of these exhibits. They are here for your benefit, and we hope that you will participate by visiting with these fine people.

To many observers, the world of land title evidencing is one of long standing custom—

tradition and little change. Those of us in the industry recognize that ours is a profession in almost constant change, and the last five months since our Annual Convention in Reno have certainly been no exception. I would like to take this opportunity to report on a few developments, both from within the Association and changes that have occurred through outside activities.

“Unity Through Involvement”

As you know this year, my theme is “Unity Through Involvement” and my charge was to get everybody involved as much as possible in this Association. That way we can come together and be a unified force.

Early last year, we put out a call for people interested in being involved in the Association, and I am happy to say I had a tremendous turnout. People wrote in that never had taken

part in the Association at all and said, “Yes, we want to serve.” And these people did ask to serve, and as we promised we put every one of the people who asked to be involved on a committee of some type. These people have done what they said they would do so far. Every committee has been very, very active. These people have all been involved. It is you all that have made this Association successful through the years and, through your new involvement, it is making it that much more so.

We had meetings all day Tuesday and Wednesday, and if you were around at that time you saw people scurrying about very busy in the work of this Association, and that particular thing is what makes this Association great and better than many others—the involvement of you, the members.

Continued on page 63



ALTA President Jack Rattikin, Jr., right, who is president of Rattikin Title Company, Fort Worth, Texas, confers with Association Executive Vice President Michael B. Goodin before a meeting of the ALTA Board of Governors at the 1985 Mid-Winter Conference.

The Federal Deficit— What Needs To Be Done

Senator Don Nickles

It is a pleasure to be here and I did just get back from Geneva. I was over there for three days. I was fortunate enough to be selected as one of 10 senators to observe the arms talks and negotiations with the Soviet Union. I want to talk about the budget as well because that's almost a war on Washington, D.C. as well.

Geneva Arms Negotiations

The talks in Geneva are extremely important, very important for the future of our country and the future of the world. I was pleased to observe those talks and to visit with the negotiators. It is important to note that the administration has developed a strategy to try and see if we can't come up with a reduction in the amount of arms on both sides. A treaty that both sides can live with is certainly important. We've negotiated a few treaties in the past with the Soviet Union. We've actually had three treaties that we've negotiated, not just with the Soviet Union, that the Senate has refused to ratify. So it is important to have Senate involvement and it is also important to come up with a treaty that doesn't just look good on paper, but one that actually does come up with significant and verifiable arms reduc-

tions. I hope that this will be the case. But I don't want to build up too much optimism. I think that most people should realize that these processes are very difficult. We were negotiating with the Soviet Union for a couple of years when last November they walked away from the talks. Now they have come back, 15 months later. That's good. That's a good sign. I am glad that they are back and I am hopeful that they are as committed to arms negotiations as they indicate. It is extremely critical to the future of our world and the future certainly of the United States that we do come up with something we can live with and a verifiable treaty—a treaty that both sides will comply with.

Compliance is an extremely important issue. We found some cases in past treaties where the Soviet Union has not complied. I think it is important that we get compliance. I think that it is important that we get verification and I hope as well that we come up with reductions that really do increase the likelihood of peace and stability throughout the world.

It can be done. But for it to be successful, it will take a strong commitment by the United States. We've got that commitment. We've got the commitment from this administration. We've got the commitment from the Senate. It will also take a commitment from the Soviet Union and that remains to be seen. They have indicated very strongly that it is there and I just hope that is so.

A Positive Note

On another matter, I would like to say that too many times people from Washington, D.C., only dwell on the negatives. The topic of my discussion today is supposed to be cen-

tered on the budget deficits, and that certainly is a challenge, but I would like to talk about some of the more positive things that are coming about. There is some good news, especially if you have a chance to travel, it really makes you recognize that we have a great country. And we have really been blessed by the Lord by living in this country today.

I think back a few years ago when everybody was in somewhat of a malaise. This country had declined! We declined militarily. We declined economically. We declined morally. We declined far too much in every one of those areas. There was a lack of confidence in our country. People were burning the flag all across the United States. They are not doing that any more. Have you noticed? Now, militarily and economically, people are starting to look at the United States with a great deal of respect.

In the United Nations, we had an ambassador from Oklahoma, Jeanne Kirkpatrick, who did an outstanding job standing up for America. She was proud to be an American. And instead of just letting other countries come in and denounce the United States, she was standing up for our country. While in Geneva, I talked to a lot of the different people, not just the arms negotiators, but other people around, and they hold, I think, the United States with a great deal more respect than they had in the past. The dollar is strong. The dollar is possibly too strong in many areas. A lot of countries' economies are basket cases.

The economy of the United States has really made significant strides. It is growing. We had a real rate of growth, something like 7 per cent of GNP. Most of the world had not even half that amount.

We had four years ago, you remember, in-

Senator Nickles, an Oklahoma Republican, is a member of the Senate Energy, Labor and Small Business Committees.

flation rates of 13 per cent which affected every business in this room—land values, you name it. We had inflation in 1979 at 13.3 per cent and 12.4 per cent in 1980. Those two years together equal an inflation rate of 26 per cent—the most rapid increase in inflation in our country's history. In the last three years, we have had inflation hovering around 3 or 4 per cent. As the No. 1 economic problem that we had a few years ago, it has basically been solved. We've had very low inflation. Do you remember four years ago we had interest rates at 21½ per cent prime? And anybody tied to borrowed money took a beating. Well, now we have seen the interest rates decrease to half of that, so that's a good move but they are still too high. Why is that?

Spending is the Problem

That leads me to the subject. Most people would say the issue before us is the deficit. I don't say the deficit. I say the deficit is really just symptomatic of the problem. The problem is *spending*. We are spending a lot more money than we are taking in. The deficit just defines that problem. Somebody says, "Oh! we have a deficit of \$200 billion." That's correct. But that doesn't mean that that is the problem. What is the problem? Are we spending too much? Are we taxing too little?

I think if you look at the history of our country and what we have spent and what we have taxed, you will readily recognize the problem isn't that we are undertaxed, the problem is that we are overspent. And we won't solve that problem until we work on the spending side. And that is the big debate—the biggest domestic debate that we will have in Congress this year. If you turned on the TV this morning, you saw the Senate Budget Committee reporting out a budget package—the Democrats were against it and the Republicans were for it. Our country is far too important for this kind of partisan nonsense. This deficit is everybody's problem. Quite frankly, it was caused by Congress, Democrats and Republicans. And it will take Democrats and Republicans, it will take Americans, to solve the problem. Each member of Congress needs to put partisan politics behind him and say what is best for his country and not what's best for his re-election.

Unfortunately, a lot of people in Washington, D.C., have been re-elected with your money. And they have used your money. And they have used it for their purposes, not so much our country's purposes. Figures are confusing and sometimes they boggle the mind but I will just give you a couple of statistics that will offer a better idea of what we are talking about.

Statistics Show Difficulty

In 1960, the federal government spent less than \$100 billion. That's less than \$500 for

every man, woman and child in the United States. That's what Uncle Sam spent for everything—social security, defense, you name it. By 1970, we got up to almost \$200 billion—still less than a \$1,000 for every man, woman and child in the United States. But still it had almost doubled. Ladies and gentlemen, today, 1985, our total spending is \$959 billion, nine and one-half times what we spent in 1960.

We are spending over \$4,000 for every man, woman and child in the United States. Mark mentioned I'm a Catholic. I've got four kids. That's six in our family. Six times \$4,000 is \$24,000. That is a lot of money! We are actually spending about \$1,000 more per capita than what we are taking in. That kind of brings it home.

The revenues have continued to increase. We've actually had big tax increases in '82 and '83 and '84. But you didn't see those tax increases reduce the deficit by a dime. Why not? Because we increased spending as much or more than those tax increases.

There is no limit to the appetite of officials in Washington, D.C., to spend your money. You could raise taxes \$200 billion and I will guarantee you that deficit wouldn't be reduced because Congress could spend that \$200 billion before you even sent the check in. And that's the problem.

I want to give you some good news. I just don't want to talk about the problem. Everybody agrees, from the most liberal to the most conservative, from Tip O'Neill to Jesse Helms, that the deficit is a problem. The disagreement is how are we going to resolve that problem: are we going to work on the spending side or are we just going to increase taxes. That's the big debate.

The President said it is about high time you start working on the spending side. Ladies and gentlemen, he is right. Congress is going to have to be responsible, not just on how much money it takes in, but it is going to have to be responsible on how much money it spends. Somebody says, well, the reason why that deficit increased so much is because of the national defense. You are just pouring money into defense and you have cut everything else down to the bone. That's hogwash! You know how much spending is increasing this year? It's gone up \$107 billion. You know how much of that is defense? \$26 billion. I will tell you quite frankly we spend too much money in defense. But I will tell you something else, there's another 70 per cent of the budget that we spend too much money in, too. And we won't solve the problem just whacking on defense. We won't solve the problem unless we look at every single dollar that the federal government spends, bar none. Now I hear on TV they are trying to make a partisan thing, that those Senate Republicans are wanting to whack on social security. What they are talk-

ing about is an across-the-board freeze on COLAs (Cost of Living Adjustments).

I have found over 74 different programs that increase automatically without any new congressional authorization or appropriation because Congress passed laws that allowed for these automatic increases. They increase automatically with no new vote. I think Congress should appropriate every single dollar every single year so half the budget doesn't go out of control. Congress passed those laws, ladies and gentlemen, and Congress can change those laws and regain fiscal control.

Across-the-Board Appropriation

There would be no reason for a federal budget to be out of control if Congress just had the guts that you have in running your business.

We are going to have to look at every single one of those programs, every single dollar, and we are going to have to make some tough decisions to avoid bankrupting future generations. And those decisions have to be made now. They should have been made a long time ago. It is difficult. I mentioned we have to change laws. Laws were made to make a lot of these spending programs go on automatically. For law changes, it is going to have to pass the Republican Senate and it is going to have to pass the Democratic House. So we need to work in a bi-partisan fashion. And it will be politically painful because, behind every government program, there's a strong constituency that says cut, but don't cut me. And I've told some of our people, we are all going to have to share somewhat in the pain. We are spending today 25 per cent of GNP. Historically they have only spent 19 per cent, so it has gone up substantially. We've got to get that down. Our goal is to get it down by at least one point every year so that by 1988 we would have a balanced budget.

Balanced Budget Critical

I say a balanced budget. Everybody is talking about fiscal constraints and reforms right now. We will always have the problem unless and until we pass a constitutional amendment requiring us to live within our means. We need that. We have it in the state of Oklahoma and in about 40 states throughout the union, and they are all in the black. We need it as well because, until and unless we have it, you will find that politicians are very successful in giving people money, but they don't like taking it away from them.

We passed a balanced budget in the Senate in 1982. We passed it by two votes. I don't know if we can pass it now or not, but that doesn't change the fact that we need it. It doesn't change the fact that we need people

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State Regulatory Outlook

Josephine M. Driscoll

I sincerely appreciate the opportunity of being here today and discussing some very critical issues confronting the insurance industry, in general, and state regulators in particular.

But first, as the insurance commissioner of Oregon, I need to answer a question that I am sure all of you have had on your minds about how much rain do we really have in Oregon. We hear a lot about that. But I want to tell you we really only get California mist and that's the storm fronts that come off the ocean and miss California and hit us and we have a lot of those.

On a more serious note, I want to accomplish two objectives within the next 20 minutes or so. And first, a review of the operating results of the property casualty insurance industry over the past couple of years. Now I am going to be speaking to you today more of generalities than your particular business, but I think it is something that you are interested in and need to know.

And then some thoughts about the regulatory aspects of the industry from the standpoint of the individual regulator and from the perspective of National Association of Insurance Commissioners.

As the general statement of the situation, I have bad news and good news. The bad news is: the operating results of the industry were horrible in 1984 and will probably not be any better in 1985. The good news, at least from a regulatory perspective, is that the system of state regulation which we all want to preserve, is alive, well and growing stronger. There is just not much that is positive about the operating performance of the property casualty industry for 1984.

Record Loss Experience

Dan McNamara, president of the insurance

services office, summed up the year in an address to the organization's fourteenth annual meeting with a statement that the worst financial year in the history of the property casualty industry is the epitaph we can write for our business in 1984. Income statements finally underscored the truism that a company cannot indefinitely price its products below cost and expect to survive. The Insurance Information Institute reported that the combined underwriting loss for the years '83, '84, of \$34.3 billion, was more than the total underwriting loss for the 25 years from '58 through '72.

The industry's combined loss and expense ratio of 117.7% was the worst in history. The only possible exception, according to the Institute's economist, Dr. Sean Mooney, was the combined ratio of 1906 which was the year of the San Francisco earthquake.

I could go on with a lot of grim statistics but

you know them all. They constitute a bit of history for our industry that will not be recalled with any fondness by companies, insurance agents or insurance regulators, nor will the road back to reality be an easy one. The industry has suffered through six years of underwriting loss, each year worse than the one before. The bottom of the cycle is so deep that the road to recovery will be tortuous.

Insurers faced with huge losses, that in many cases have required bolstered reserves, have begun to raise prices and restrict underwriting in selected markets. In the state of Oregon, markets for risks such as liquor liability have begun to dry up. There are companies who are starting to cancel entire blocks of business in midterm. My office has recently

Continued on page 65



Oregon Insurance Commissioner Josephine M. Driscoll, National Association of Insurance Commissioners vice president and Executive Committee chairman, is welcomed to the Conference lectern by ALTA President Jack Rattikin, Jr., president, Rattikin Title Company, Fort Worth, Texas.



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Bundling and Settlement Services

Dale A. Whitman

It is a pleasure to be here this morning. I hope I have some thoughts that will entertain you and stimulate your thinking a bit. I am reminded of the story about the parrot which had been owned by a house of ill-repute. Unfortunately for the parrot, the house was closed down. The parrot was taken to a pet store and then was sold to a lady who took the parrot home in a covered cage. When she got the parrot home she took the cover off the cage. The parrot looked at the lady and said, "Squawk! New Madam!" The lady's daughters walked into the room and the parrot looked at them and said, "Squawk! New girls!" Then the lady's husband walked into the room and the parrot looked at him and said, "Squawk! Same old customers!"

I feel as though I may be the same old customer, but I have a few new thoughts to present to you. I feel a little bad about the fact that some people have thought of me as a critic, or perhaps even an enemy, of the title insurance industry. That isn't really fair. On the contrary, I am really quite a fan of the title insurance industry, and I think it deserves a great deal of credit. There are a lot of things that the industry does extremely well.

The most obvious thing is that it makes sense, and makes functional our almost mad-deningly inefficient system of public records. If we didn't have you and we had to rely on the public records, we would be in very deep trouble. What's more, the product that the industry turns out is generally of very high quality. Members of the bar, particularly people who work in the real estate field as I do, rely very heavily on it and frankly would not be able to

do business without it. Its people are largely decent, friendly people. They are of good character. They really do try to serve their customers well and in general they do a fine job of that.

Efficiency in Volatile Market

Perhaps most impressively, the title insurance industry manages its business well despite the enormously volatile financial markets that we have had since 1966, with the huge swings in the volume in title work that those swings in the financial markets have caused. I think the public generally has no conception of how much that fluctuation impairs efficiency in almost every industry that deals with housing. Yours is primary among them, because you have to rely on staff with such technical expertise and knowledge and yet have to deal with these enormous fluctuations in volume. I am well aware of the good job you do in the light of that very distinct disadvantage. I commend you for it. I think you do a terrific job. It is a fine record.

If that's the good news, is there any bad news? Is there something wrong with the industry? The thesis that I've proposed in the past is that there is really just one thing that might be a point of criticism for the industry, and that is that there is little or no price competition in the consumer market. Although consumers pay the bills for most of the title insurance that is written, there isn't much price competition for the consumer's dollar. The reasons for that are perfectly obvious. You offer a highly technical product which is impossible for the average consumer to understand. Moreover, you are, in a sense, a small tail on a very large dog. That is, the consumer is interested in mortgage financing



University of Missouri School of Law Dean Dale A. Whitman is greeted by ALTA President Jack Rattikin, Jr., president, Rattikin Title Company, Fort Worth, Texas.

Continued on page 68

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Title Industry Analysis: Governmental Issues

D. P. Kennedy

Roger N. Bell

C. J. McConville

Mark E. Winter

WINTER: Today's panel discussion will serve as a primer in describing how you and your associates should go about your legislative and regulatory contact work. In a couple of minutes, three ALTA past presidents will join me to outline some of the necessary elements for an effective lobbying program. In addition, a videotape produced by the U.S. Chamber of Commerce entitled, "How Congress Operates," describing the "do's" and "don'ts" of lobbying, will be shown immediately following my remarks. Also, please take a copy of the ALTA's pamphlet entitled, "You Can Tip the Scale. A State Regulatory and Action Guide." This pamphlet highlights the necessary components in structuring a state legislative and regulatory action program. Copies of the guide are available at the registration desk.

Over the last 17 years, I have lobbied on behalf of the savings and loan industry and the land title industry. The substance of lobbying to use information to persuade legislators to vote in favor of a cause has been a constant in Washington for quite some time, but the scope and manner of lobbying, the technology, and the characteristics of lobbyists, have taken a turn.

In the old days, perhaps we could even say

"the good old days," a lobbyist was a politician who would sit down with members of Congress to advise and counsel how problems encountered by supporting the lobbyist's position could be solved. In turn, the legislator would give the lobbyist advice on how to improve his proposal.

In those same "good old days," lobbying was much simpler. If a lobbyist could win the hearts and minds of a few key members of Congress such as a Lyndon Johnson, or a Sam Rayburn, or a Bob Kerr of Oklahoma, you could rest assured that your issue would receive prompt attention and in most cases would be adopted. Today, Congress is much more diffused. The seniority system isn't what it used to be and party labels don't have

much meaning. Instead of pleading your case to a handful of key members of Congress, a lobbyist must visit each and every member and even then there is no assurance of success. The days when the lobbyist was only a politician, counselor, or legal technician seem to be gone. Today, a lobbyist helps mold public opinion, reaching Congress through the media and grassroots lobbying techniques, such as direct mail, phone banks, and even satellite communications.

The legitimate use of money in lobbying has become more open and acceptable. Today, individuals through well organized political action committees, such as TIPAC, can help finance campaigns of candidates worthy of a particular industry's support. A critical part of



Members of the Conference panel on title industry analysis of governmental issues are, from left, Moderator Mark E. Winter, ALTA vice president-government relations; ALTA Past President and current Government Affairs Committee Chairman C. J. McConville, president, Title Insurance Company of Minnesota, Minneapolis; ALTA Past President and current Title Industry Political Action Committee Chairman Roger N. Bell, president, The Security Abstract & Title Co., Inc., Wichita, Kansas; and ALTA Immediate Past President D. P. Kennedy, president, First American Title Insurance Company, Santa Ana, California.

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any lobbying strategy is the use of PAC contributions to support candidates who are in sync with your legislative objectives.

Another new phenomenon in the ever-evolving process of lobbying is the emergence of lobbyists as public figures. Whereas the lobbyist used to shun publicity, today some of the best are the most publicized. But despite the influx of PAC contributions, and the emerging role of the lobbyist as a public figure, there still is an important place for the traditional lobbyist. By that I mean an advocate who covers the corridors of Congress and spends time learning the dynamics of the issues and educating the members of Congress.

Now let us look at a specific issue that our Association has become very involved with. As you know financial services deregulation is a buzzword on Capitol Hill. We see the savings and loan industry struggling to escape the strictures that in the past have forced them to devote their activities almost exclusively to mortgage lending. It appears that the thrifts are not only seeking to acquire commercial banking powers, but also want to be free to pursue a host of other activities, including brokerage services and a complete array of insurance activities.

At the same time, the S&L's are trying to become the equal, or more than the equal, of commercial banks. Commercial banks are trying to expand the scope of their own activities. Commercial banks desperately want the authority to engage in the business of insurance. Simply put, banks view insurance, right or wrong, as a product they can easily market and as a product that will provide handsome profits.

The lines between commercial banking and investment banking are becoming blurred and in some quarters consideration is being given to the repeal of the Glass-Steagall Act, the act that established the basic parameters for commercial banking activities. Simply put, the depository institutions want Congress to process legislation to allow them to engage in the business of insurance and other non-traditional banking activity.

ALTA has been in the forefront of opposing the thrust of the banks expansionary efforts. We have testified before the Senate Banking Committee. We have submitted statements to the House and Senate Banking Committees. We have filed position papers with the bank and regulatory agencies and we have helped organize a coalition of insurance trade associations and insurance companies. Legislation has been introduced in the Ninety-Ninth Congress that would reaffirm present public policy prohibiting banks from engaging in the business of insurance. We have urged Congress to regulate banks and bright line the distinctions between true banking activities and commerce.

We recognize, as we have from the beginning, that ALTA and the insurance industry,

have an uphill battle that will not be easily and quickly won, for there are powerful economic interests that will oppose our position. Nevertheless, the battle looks a little less uphill now than it did when the effort was started in 1982. So much for my thoughts on lobbying and one of the pressing issues facing the industry this year.

Now let us hear from the true experts on lobbying. The U.S. Chamber of Commerce has produced an hour-long, "How Congress Operates," film. For our purposes, let's view a 10-minute portion of the film.

* * *

McCONVILLE: First, I think you need a commitment from the top of the organization. You know what happens a lot of times at state conventions. The president is elected and he or she selects the legislative committee and its chairman—often just reappointing the people and without outlining the scope and objectives of the job . . . of what the new president expects. Before he selects his chairman or legislative committee personnel, I think he should have a pretty good handle on who in the association is politically active in the state. As you know, what has been very effective at the ALTA level has been information cards sent out annually which ask you to identify the Representatives and Senators that you know and how well you know them. Do you know them from school? Socially? Through contributions or working on a campaign? If this is done at the state level, too, I think it could be very effective; you could staff your legislative committee with those people who show an interest in politics and who know their legislators personally. Even if they do not want to serve on the legislative committee, this political contact information can be valuable if the state association must act on a legislative matter.

And finally, develop an early warning system. Most states have a loose arrangement where someone follows bills through a legislative reporting service or in some other fashion. However, it is important that there be something formalized within the state so that the association knows when a bill affecting your business is introduced so you can react quickly and not find that it gets passed into law before you are aware of it. I might add a warning here. Sometimes the legislative reporting systems only capture the heading of the bill. We found to our chagrin a few years ago that a bill that only appeared to be housekeeping for casualty companies actually had a significant adverse effect on title insurers in our state. We had to go into the next legislature and get it amended.

WINTER: Roger, in talking with you and your brother, John, I am fully aware of the fact that Kansas has a very active and successful lobbying program. Could you share with us some of the "for instances" in your legislative efforts.

BELL: Kansas has an abstracter's license

law. We got that back in about 1941. John's and my father was very active in that. In fact I might digress for just a moment.

They were lobbying the legislature, my dad and two abstracters. Back in those days, Kansas was dry. One of the most effective lobbying methods you could do was, of course, to find a good bootlegger and bring whiskey into the hospitality room. Dad told us in later years, they were worried to death. They were there the whole session and they couldn't get anybody to commit themselves. They even took the plant law requirement out of the license law because they thought maybe they were asking for too much. It turned out it passed unanimously the last day but all the members of the legislature were having such a good time at the hospitality hour they didn't want to commit themselves too early and have the three lobbyists go home.

So, sometimes perhaps you can overdo your lobbying efforts. Our latest success in Kansas was a fight over sunset legislation. Kansas, a few years back, passed a sunset law. Lo and behold the first year, the abstracter's board of examiners was one of the agencies to be terminated if no bill was passed to keep it alive. We had no track record as to how to fight that kind of thing. I was not active in that particular battle because I was going through the chairs of ALTA at the time but Joe Jenkins, who was chairman of the Abstracters Board of Examiners, and my brother, who was state association secretary, spearheaded the drive.

Luckily we already had a lobbyist. I think that if you find you need a lobbyist, it may be too late. What you need to do is get a lobbyist in place and have him establish his credentials with the legislature and be there to answer questions over a term of years. The members of the legislature who do not have time to thoroughly research matters come to rely on that lobbyist for his particular industry for information and help.

We were lucky to have an attorney-lobbyist who was the youngest speaker of the House of Representatives that Kansas ever had. Certainly, our association could not afford him full time but he does lobby for a number of groups, none of which conflict with the other. We were very thankful to have him in place for a number of years when sunset came up.

We also have a system of contact cards—not only who do you know, but also, as Mac said, how well do you know them. Is it social? Is it old school ties? Or is it a casual relationship? That information can be invaluable when you need help with a certain member of the legislature.

You can't develop that kind of a network overnight. You have to have that in place before some of these things start. I feel sometimes Kansas is lucky in that in the smaller counties—and we have a lot of those—probably the title folks are more effective than perhaps we from the larger metropolitan areas.

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We found one thing that was almost totally necessary, having somebody in the state capital who can sort of coordinate things for us. We were very lucky to have Vera Sutton in Topeka, who was a recent secretary of the Kansas Land Title Association. She took on the job of coordinating the effort. She is the one we would call if we needed to get hold of our lobbyist. She acted as a general clearing house, and on a couple of occasions when we needed someone to appear at the last minute and we couldn't get anyone to Topeka, she took on the job of appearing before committees. So it's very important to have a clearing house.

The night before the hearings on the sunset legislation, the legislative committee would meet and decide on the script and what points they felt were going to be discussed in this particular hearing. They decided who in the committee would speak to what point so that we would have people assigned those topics with a *heavy* emphasis on consumer viewpoint. That's all we really had to sell.

Obviously, an abstractor's license helps protect consumers against poor work. We identified committee members with contact cards and others to try to see who we could find to talk to. It was interesting that John Warren, who many of you know as past president of American Land Title Association, had a brother who was a rancher who lived in Kansas, and who was a member of the legislature. Luckily, brother John Bell called John Warren to see how his brother felt about this. John said, "Don't approach him, you leave him alone. He understands the title business. He responds very negatively to pressure. Don't call him."

John said that in the hearing of the committee of which John Warren's brother was a member—John's brother sat there and looked pretty bored through the whole thing . . . had his cowboy boots on and was sort of, you know, fussing with them. Finally, at the end of the testimony, John's brother said, "Well, you know some of our registers of deeds in this state aren't really that good, and I think we need these fellows so we can find things when we need 'em," and that won the day.

You have to be careful out there—there are a lot of egos in any legislature. Some of them like to be stroked, and some of them resent very much any pressures to be brought to bear. But—with a coordinated effort—and, of course, the number one thing, you've got to have your title association behind you. If you don't have that accomplished—haven't done your homework—you just aren't going to get anyplace.

Obviously this was an ideal situation. They were going to do away with the abstractor's licensing board. So, we didn't have any problem with a coordinated effort. The lobbyist,

the contact cards, a lot of travel, a lot of hard work on the part of the membership and we were able to have a bill introduced that reactivated the abstractor's board.

We thought we were going to have to fight the battle again this year but, luckily, one of the members of the legislature, who is also an ex-title person, got us struck from the list. Hopefully we won't have to fight that battle again. But, there's nothing magic about it, it's just a lot of hard work—a lot of leg work—and you've got to have your apparatus in place and working long before the need for it arises.

WINTER: Roger, thank you. From your description, Kansas is very well organized, has the contacts and employs a lobbyist. Let's take a look at California . . . I'd say as California goes, so goes the title insurance industry. You've had a number of victories through your government relations program out there. Don Kennedy, what is the key to your success in California?

KENNEDY: Well, first I want to say I am not a mechanical genius, and of all the people up here, I can't get this fool microphone around my neck. Number two, you are listening to the oldest living president of the California Land Title Association . . . I'm not sure I'm qualified to speak about recent developments. However, early on, in California, we came to the conclusion that one of the things that should be done on a cooperative basis was to keep in contact with the legislature . . . keep abreast of the bills that were being put into the hopper.

It is obvious that we, as individual companies, or as individual agents, can't keep track of everything that's going on in the capitol. It has, I think, become painfully obvious that we have a tremendous amount of government interference and a tremendous amount of government involvement—be it good or bad—in our business. So we must have an organized plan to protect our interests.

In California, the organization was headed by Sean McCarthy, now by Larry Green, both of whom are accomplished and talented lobbyists. In addition, Larry Green is responsible for editing and publishing an annual report of bills passed that affect the business of title insurance. The administration of association affairs is handled by a very competent non-lobbyist, non-lawyer person named Jane Grey. So we don't hire individual or professional lobbyists as such, but try to keep a year-round program of legislative contacts. And, of course, we use all of our members as much as possible.

The greatest lobbying success I can remember was a recent one. As you know, California has almost perfect systems, and there's seldom any competition out there, so we don't have the bad title practices which exist in other jurisdictions. On occasion, however, we do run into some very odd activities. For example, we were always forced by the lenders

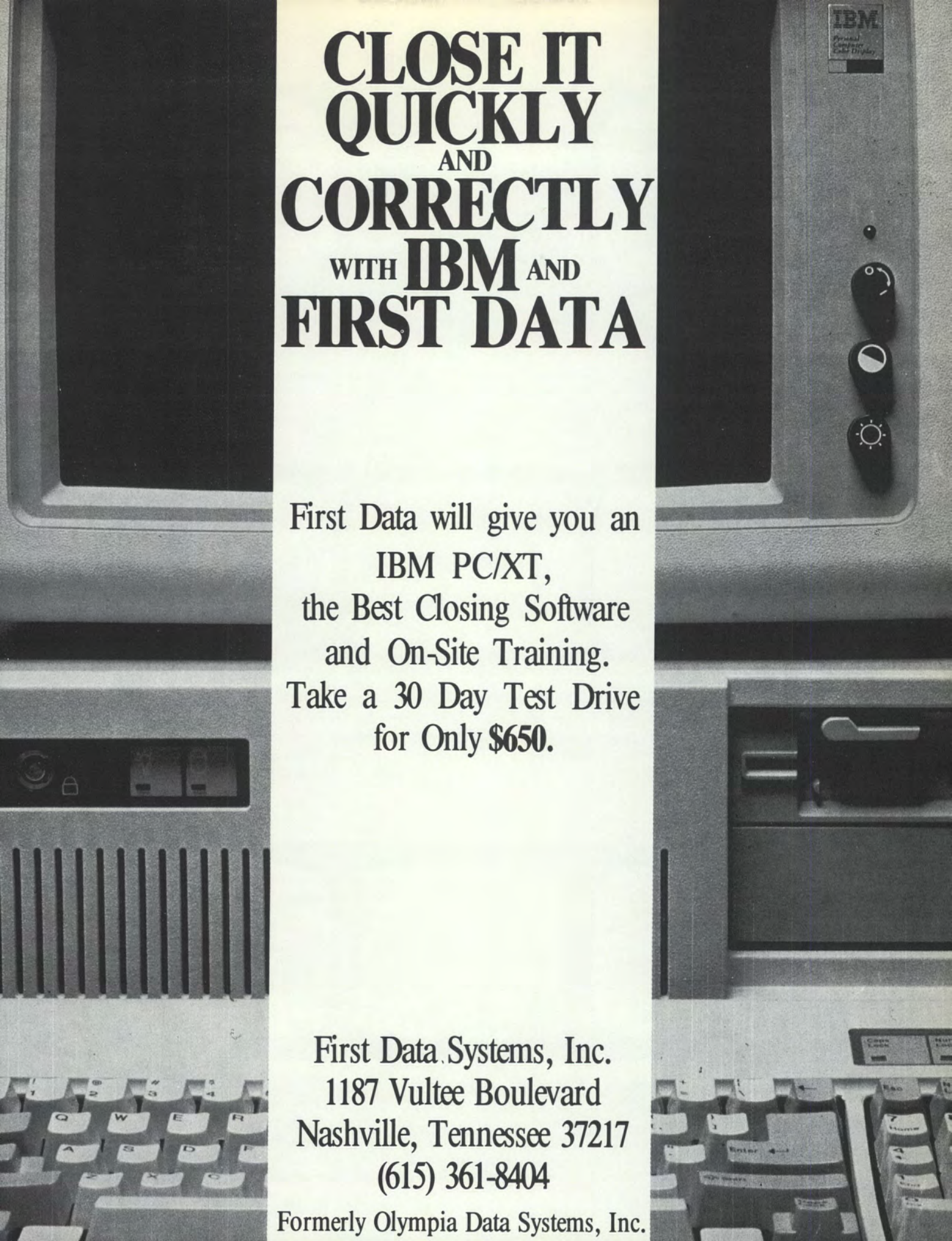
to close escrows not only before we had money, but before we even had a check. Managements became frightened, and there were overdrafts . . . in one case in Los Angeles County, I think, there was an overdraft of about \$6 million. I hasten to add no loss resulted from this . . . just gray hair. Finally the entire industry became concerned and a bill was drafted and passed in 1984 . . . SB #1550. This law, in essence, enunciated a common-sense principle—"don't close until the funds are good." The bill said, if the check is on an out-of-state bank, you must wait eight, nine or 10 days, depending on the circumstances before closing.

Well now, banks that create giant incomes from floats are obviously going to be against such legislation. Mortgage bankers, generally speaking, are going to be against such legislation. So the question arises—how can the bill be passed in view of potential opposition? The staff must be given great credit for explaining the need for the legislation, and the potential opponents must be credited with an assistant. In talking to the banks, we found they didn't realize the importance of the matter, so didn't oppose the legislation.

The insurance commissioner, of course, was violently in favor of it, the savings and loans made a mistake and missed the implications, the mortgage bankers—although we carefully advised them as to the details of the bill (apparently we talked to the wrong people in the association, so they missed the bill completely)—result: the bill slid through without opposition. That sums up CLTA's most effective recent lobbying activity. Hard work, careful planning, and a touch of luck.

WINTER: Thank you, Don. I wish that would exist in Washington, but that's just not the case. Speaking of the federal scene, somewhat of a new phenomenon has developed over the last seven or eight years . . . something that plays right into this industry's hands—mainly the formation of coalitions. When there is unified interest in a piece of legislation, either for or against, we have found that a coalition with the housing sector, the real estate industry or the insurance industry has been most effective. Do you think coalitions are another useful tool that could be deployed at the state level?

McCONVILLE: I don't think there is any question about it. We're a very small industry. We just don't have the same clout or money to spend as other insurance industries, mortgage bankers, Realtors, bar associations, etc. So if we have an issue in which they can join us and not feel that they are at loggerheads with us, it can be extremely helpful. Of course, it's more effective if you don't have to wait until a problem surfaces before you get to know the leadership in these groups. We all have people in our staff who entertain key elements of these groups. We should also encourage them to serve on their committees—get active in



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002	88.85	9.22	80.43		79.43	27.64	12.00	MAR 85
003	88.85	8.42	82.03		67.99	35.26	12.00	APR 85
004	88.85	7.62	83.67		56.04	42.04	12.00	MAY 85
005	88.85	6.80	85.37		43.54	48.04	12.00	JUN 85
006	88.85	5.98	87.10		30.51	53.11	12.00	JUL 85
007	88.85	5.15	88.83		16.96	57.11	12.00	AUG 85
008	88.85	4.32	90.58		2.91	60.00	12.00	SEP 85
009	88.85	3.49	92.35		0.00	61.60	12.00	OCT 85
010	88.85	2.62	94.14			62.96	12.00	NOV 85
011	88.85	1.76	95.91			64.10	12.00	DEC 85
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- 1 - SULCUS TO SULCUS
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- 3 - PLAYBACK CONVERSATION FROM DISK
- 4 - CHANGE SYSTEM DISK
- 5 - EXIT SYSTEM

SELECT FUNCTION

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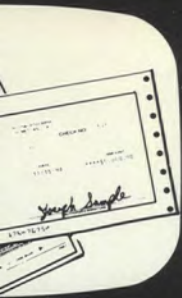
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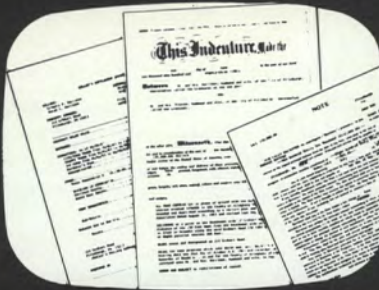
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- 2 - CLIENT FILE ENTRY PRINT
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- 4 - TYPEWRITER MODE
- 5 - SELECT PRINTER
- 6 - CHANGE SYSTEM DISK
- 7 - EXIT FORMS SYSTEM

SELECT FUNCTION



RAGWARE INDEXING SYSTEM MASTER MENU

- 1 - STARTUP
- 2 - STORE CASES
- 3 - RETRIEVE/TRANSFER CASES
- 4 - ENTER/MODIFY CASES
- 5 - SELECT PRINTER
- 6 - CHANGE SYSTEM DISK
- 7 - EXIT INDEXING SYSTEM

SELECT FUNCTION

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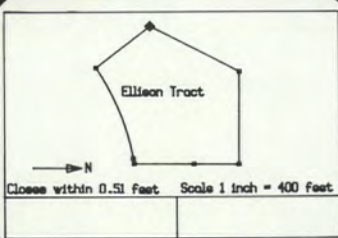
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- 2-CLIENT FILE
- 3-TRANSACTIONS
- 4-RECONCILE
- 5-REPORTS
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SELECT FUNCTION



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their legislative efforts also which has the added benefit of our people becoming familiar with state legislators. Becoming active ourselves or encouraging our staffs to do so, opens a two-way street and can be very effective.

WINTER: Let's try a little E.S.P. here. I can sense that there are some people out in the audience that still aren't convinced how important it is to have an active, effective, lobbying program at their state level. You three gentlemen certainly are very involved at both the federal and state level. Roger or Don, what is the one message that you would like to leave on the importance of the lobbying efforts of the title insurance industry?

BELL: Well, you've got, if you want to stay in the title business, you simply have to get involved. There's just no question about it. And for those of you who aren't, or you think you're such a small industry they won't find you, that's just not true. You had better get organized, you'd better find a lobbyist, you'd better get contact cards, you'd better get the machinery in place, because in this day and age you can get wiped out. It just takes one session. And the results of not doing that are so critical that you are just going to have to overcome any objections in your state associa-

tion. They don't want to spend the money. They think it's not necessary. Whatever. You'd better find some fellow title people in your state who understand, and band together and get organized. It's just absolutely necessary.

KENNEDY: I think personal involvement is tremendously important. I think each and every one of you should realize the importance of involvement and should be careful to know all of your representatives and your congressmen and your senators. And I think the second feature that most state associations seem to overlook—because it's expensive—and that is one form of an early warning system so that, as Roger points out, you are not surprised by legislation that you really don't think affects you, but does, vitally.

WINTER: Roger, do you want to take 30 seconds to give a pitch for the Title Industry Political Action Committee? Roger is the chairman of our PAC, and I think that TIPAC is the engine that makes the legislation train run.

BELL: I sit here thinking of an old speech teacher I had in college who started the class that semester with the thought that if you say the right words you can get people to march down the street carrying you on their shoul-

ders. I wish I could find the right words now.

TIPAC can be the saving instrument of this industry. It opens doors. Perhaps some of you have some hesitancy that it's like trying to buy votes. That's not the case. We've tried to explain that time and time again, and I hope you all understand it. What it does is enable this industry—and Mark Winter as our representative on the Hill—to open a few doors, gives a chance to help those people that feel about business and private enterprise in the title industry as we do. And that's the name of the game. You support those people that think the way we think. And it is just a crying shame that we don't raise more money than we do. Ladies and gentlemen, we are talking about the survival of our businesses. If the people here—and you know we are under all kind of constraints by the Federal Election Commission as to how we raise funds, we can't have a solicitation unless you agree beforehand—those little cards we send out, you've got to send those back to us so we can come and solicit funds from you, otherwise we would be in violation of the law.

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Continued on page 79

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TRUBY: If you remember only one thought, one idea, one concept, let it be, REINFORCE GOOD BEHAVIOR. I feel so strongly about reinforcing good behavior that I have printed bumper stickers, which will be in the back of the room. Stick one up in your kitchen, glue one on the wall in your den, put one in your office coffee room, send them to school with your kids.

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Let me share a sobering thought. The majority of your employees consistently begin each work day before the normal starting time, work at least until the normal quitting time, take prescribed and precise allotments of time for breaks and lunch, have good attendance records and seldom complain or cause trouble. It's painful to acknowledge that most often we reward those same employees with NEGLECT.

These are people who, when we decide to cut salaries, take it standing off in the shadows. When we talk about promoting, they watch us come to the conclusion that we must go outside because there is no one inside to promote. They stand there in the shadows, day after day, and we shower them with neglect. Why do your supervisors and department heads only seem to have time for people

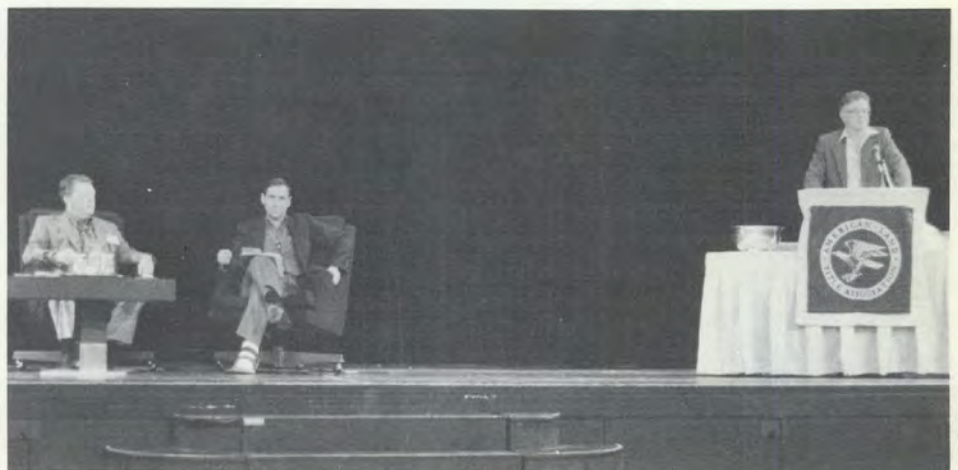
that are failing or causing trouble in the office? If you want to do something about productivity Monday morning, start by communicating with the majority of your employees about their good behavior. Am I overemphasizing the importance of reinforcing good behavior? I don't think so. This is the real world we live in and many of our employees are simply neglected.

I had a person come up during the break in one of my presentations, who asked a very candid question: "Do you really practice what you preach? Is the advice you are dishing out something you really use yourself?" I answered him with one of my stories: A minister complained to his board of deacons one Wednesday night that someone stole his bicycle. The deacons, since it was a small town and almost everybody belonged to the church, were very concerned about offending anyone. They hit upon the following scheme to discover the guilty party. The minister would

preach on the Ten Commandments next Sunday and when he got to "Thou shalt not steal," he would really give them the business. So the deacons positioned themselves throughout the audience to watch various faces. At the end of the sermon, they all gathered in the back room and demanded to know why he did not give, "Thou shalt not steal," a lot of emphasis as was planned. The minister answered something like this: "When I got to "Thou shalt not commit adultery," I remembered where I left my bicycle."

I remember another member of the audience who came up speaking—when a person approaches you, you know they are either going to pump up your ego or jab you with a sharp object to bring you down to what they think is the real world. As this gentleman shook my hand, I knew it was going to be his idea of constructive criticism. He began something like this:

I also enjoy communicating with stories



During the Conference panel presentation on improvement of employee productivity, Moderator Darrel Truby, vice president and director of administration, SAFECO Title Insurance Company, Los Angeles, delivers his opening commentary. Seated from left are panelists J. Herman Dance, ALTA governor and president, Gold Coast Title Company, Boca Raton, Florida, and J. William Cotter, Jr., president, T. A. Title Insurance Company, Newton Square, Pennsylvania.

and I would like to share with you my opinion of your presentation by telling the following story.

The minister in a small town, similar to your story, having his congregation start to drop off, decided to have a musical interlude during the services and announced that the following Sunday a friend of his was going to participate by playing a musical instrument during the service. Everyone came, as this was something new and innovative in this small town. Upon being introduced by the minister as a piccolo player, the guest musician ran a few scales with a flourish and sat down.

When the musical portion of the program approached, the minister asked whether there were any requests. Someone named a song and the piccolo player whispered, "I don't know that one."

Someone else made a suggestion. The piccolo player said he couldn't play that one very well and after about four of those little exchanges, a very clear voice from somewhere out in the audience said, "The piccolo player is a jerk—only he didn't put it that mildly."

Well, the audience oohed and aahed, the minister was momentarily stunned, which immediately turned to anger. The minister jumped to his feet and demanded, "Who said that terrible thing! This is the house of the Lord. There are ladies present. I am embarrassed. You have insulted my guest. This is unacceptable. Will the person stand? We demand to know who said that."

This was met with a great deal of silence, so the minister in frustration said, "We are going to sit here until the person who said this terrible thing in the house of the Lord confesses."

Silence.

The minister could see he was getting nowhere so he compromised and said, "If you are sitting next to someone who said it, stand up. If you know who said it, point."

Silence. Nothing happened.

Finally, someone in the congregation stood up and the minister leaped on him and asked, "Did you say that terrible thing?"

"No sir."

"Well, why are you standing?"

"Well, preacher, I have a question."

"All right, out with your question."

"What I would like to know is—who told the jerk he is a piccolo player?"

Now, to build a bridge to get me from here over to these two gentlemen, I would like to make a couple of quick comments. The future is just over the next hill and it is coming fast. When you finally find your guru, one of the things he is going to tell you is that you can be sure that tomorrow is not going to be anything like today. We are guilty of desperately clinging to the notion that tomorrow will be very much like today and that our hard-earned ex-

periences will be a source of wisdom in tomorrow's world. We all expect change and, until now, change was never a source of anxiety. We were always confident in our ability to react by simply repeating the past.

In order to peddle his works, a consultant knows that his clients only want to hear promises that are based on possibilities that can be documented. When reviewing the past in your search for certainty, do not fail to recognize that change is now revolutionary in nature. We read in the newspapers that the famous forecasters who predict tomorrow with their computer-age ability to mathematically manipulate thousands of statistics are now facing failure. Why? Because our economy can no longer be viewed coherently. It seems clear that our success will depend upon our ability to anticipate the future rather than repeat the past. It also seems clear that, unless we are able to significantly reduce the cost of producing our products, we may not have much of a future.

Our topic this morning is, "Improving Employee Productivity," and, for the purposes of our discussion, I have divided productivity into three broad categories: (1) technological advances, which is automation, word processing, data transmission, optical test readers, etc.; (2) systems and procedures, which can be simplified by saying "how you process the work," and (3) individual performance management. It is this third category that we are going to talk about today.

People represent an attractive option because they are in place. They do not involve a new investment and they do not require any fundamental changes in technology.

Why don't we start with Mr. Dance.

DANCE: Employee productivity not only feeds on but it also lives and dies on good management! You are the boss. Either your good management or the manager you hired depend for success on employee productivity. In order to have success in this area, you must establish a clearly defined job description. The job for which the individual was hired must have a very clear meaning and understanding to the individual and also to the co-workers with whom the new employee will be associated. How often in our industry, which is very cyclical, have we hired people because we had to have them immediately. We needed them yesterday. Business has abruptly increased and, thus, we quickly hire someone to fill the vacancies. You may have hired someone to help with your binder and policy department, but did not give the person or the co-workers a clear description of the job. In a few weeks in that department, you look around, and find out that the new employee is not necessarily doing binders but, rather, is making coffee, delivering documents, microfilming old files, and other such things. Why? Because no clear meaning of the job description was established. That person needs it, the co-workers

need it, and you need it—for exactly what purpose you are hiring this particular individual.

COTTER: Something you can do Monday morning when you go to work is to create what would be called a standard of performance. The difference between a job description, which lists activities, and a standard of performance, is that the standard of performance is a listing of the condition expected when the job is done correctly.

Basically, it is a listing in simple but concise language and, wherever possible, a quantitative listing. For example, a closing officer must be able to do 30 closings a month, or 30 a week, depending on the practice in the area. A title research person must be able to do five, 10 or 15 chains of title a day, or what have you.

By creating a standard of performance, you are doing a number of things. First off, you are complementing and supplementing the job description for the employee, both the existing employee as well as a new hire. You are explaining to them what it is that you are going to rate them on. What it is they are going to get their increases on or not get increases on. It gives them a good, clear-cut understanding of what it is you expect of them.

The job description and the standards of performance would, of course, be communicated and probably agreed upon as goal setting, and we will talk about that in a bit. But, basically, it gives that person something that they know is their goal; that's what they are to go towards.

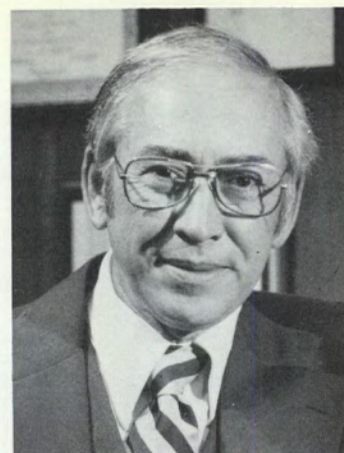
In addition, it gives you a tool, a point of departure from which you can begin appraisal work. So, when you are appraising that employee's performance on a daily basis, weekly basis, and, of course, when you are doing employee reviews for salaries, what you are able to do at that point, is to point to the job that is done and not the person. You are not saying, Joe, you've got bad breath. Or, Sally, I don't like the way you part your hair. Or, Mary Sue, I don't like the clothing you wear. But, what you are saying is Joe, you were supposed to do eight you did six, etc. So, you are avoiding the implication that the person is doing something wrong and you are getting back to what it is all about, which is the job. And that is very important because it helps your morale and your productivity.

TRUBY: I think both points are well taken. I'd like to emphasize them by stating that an employee must have feedback. If you don't give him feedback, he is going to make up his own. He must have feedback. He will do irrational things often, if the only feedback you leave him with is that feedback that he has made up.

Continued on page 71

"There's hardly anything in the world that some men cannot make a little worse and sell a little cheaper, and the people who consider price only are this man's lawful prey."

John Ruskin (1819-1900)



R. "Joe" Cantrell
"A title agent for title people"



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Title Industry Education: Resource for Tomorrow

John R. Cathey

Carleton L. Hubbard, Jr.

Phillip B. Wert

HUBBARD: As chairman of the Education Committee, I personally would like to thank Jack Rattikin for appointing a committee as strong as we have today. They are eager to work, and believe me, they're gung-ho. If there's one thing that people in our industry need, aside from more money, its more education. And, in light of that, our committee is striving to provide ALTA members with a source of education in the form of these regional seminars.

WERT: Chairman Hubbard asked me to talk with you today about the history of the committee and the concepts we've been trying to work with. And I could have been easier motivated in Mike Ferry's style if he'd given me a subject matter that said, "Education Committee Activity Through The Eyes of Youth." Yesterday, I was talking to some of the other committee members about this topic I have been given and I said, "I felt I wasn't old enough to be an historian." And one of the other committee members mentioned at that time... said, "You look pretty historical to me." So I promptly excused myself before I aged any more and left to go play.

Let's think for a minute about what the Association has done for you most immediately. You have sore legs, an aching back, and all look like broiled lobsters. And isn't it fun?

On the serious side of things, for years the ALTA Abstracters and Title Insurance

Agents Section Education Committee had been charged with responsibility of conducting seminars for ALTA membership. However, until recently, only an occasional seminar was done, the last of which, I believe, was done in 1970 or 1971. I recall attending it in Chicago. I believe it was the first ALTA activity I ever attended. But for some reason the momentum was lost, and the committee activity in this area lapsed.

In November of 1979, under the leadership of Charlie Newman, the committee decided to conduct a survey of the ALTA membership in an effort to determine interest in regional seminars. The committee felt that there was undoubtedly a large number of members who would attend such meetings. ALTA has a large contingent of smaller companies whose owners or managers do not attend the Mid-Winter Conference or the Annual Convention. The committee felt that, if we couldn't get these grassroots members to these particular meetings, then we should take the meetings to them.

A survey was devised to determine if this was what the membership wanted. The committee met in January, 1980, to, among other things, review the survey responses. Two thousand of those surveys were sent out, 958 were returned—an outstanding response. Eight-hundred-ninety-nine said yes to attending, with only 59 nos. It seemed the committee had found the pulse of the members.

The committee then decided we should establish the regions. Moreover, the concept of having shirt-sleeve type sessions was decided upon. It was felt that it would be best to try to hit lower-middle management, knowing full well that owners and managers would still attend. It was decided that we should make attending as famous as possible. Starting at

noon Friday would allow people to travel in the morning. Furthermore, the registration fee would be set to cover costs, and not to make a profit.

We selected the region that we thought would give us the best chance of getting off to a good start, and decided that the St. Louis area would be the most accessible. Topics were decided upon, and a schedule was set. The committee then proceeded, with the invaluable aid of staff member Rich McCarthy, and we held our next meeting at the proposed site and finalized the program. Every detail had been considered carefully, and we were all set. Everything was in place except the economy. We tried to run the program in the fall of 1982, but decided to cancel because registrations were falling short of fixed costs. Our Association at that time could not afford to absorb the loss if we had one.

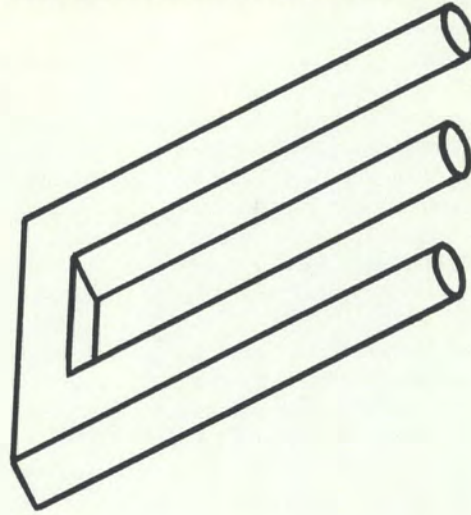
At the Mid-Winter held at Phoenix, I appeared before the Executive Committee of your Association, and at that session the program was described. They felt that the program was a good one and deserved another try. A couple of underwriters agreed to absorb losses, if any, and it was determined we should "damn the torpedoes" and move ahead.

The rest of the story is known history. The committee has conducted two such seminars, one at Bridgeton, Missouri, and the other at Jantzen Beach, Oregon. Both were tremendous successes. Among attendees, Bridgeton rated a 3.17 and Jantzen Beach a 3.34 out of a possible 4.0.

The last seminar was videotaped, and they are available through the ALTA office. We asked all participants to fill out an evaluation

Continued on page 79

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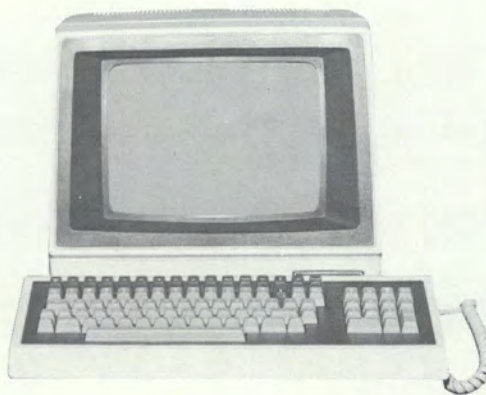
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Full Agenda Highlights Mid-Winter

Highlights from the 1985 ALTA Mid-Winter Conference are shown in photographs on the opposite and following pages.

At top, left, Senator Don Nickles (R-Oklahoma), center, and ALTA Executive Vice President Michael B. Goodin, second from left, are shown with three of the senator's constituents. They are, from left, Gary Boatright, president, Vinita Title Company; F. Earl Harper, president, Southern Abstract Company, Bartlesville; and ALTA Abstracters and Title Insurance Agents Section Chairman John R. Cathey, president, The Bryan County Abstract Company. Senator Nickles, a member of the Senate Energy, Labor and Small Business committees, addressed the Conference and presented his views on what needs to be done about the federal deficit.

ALTA Treasurer William H. Little, left, chairman of the board and chief executive officer, SAFECO Title Insurance Company, Los Angeles, is the lucky winner of a free vacation for two in the Bahamas. Congratulating him after the drawing at a general session, in the photograph at top, right, are Susan E. Perry of ALTA staff, who drew the winning ticket stub, and Association President Jack Rattikin, Jr., president, Rattikin Title Company, Fort Worth, Texas.

Among those listening attentively to discussion at the Conference ALTA-Affiliated Title Association Management Seminar (middle, left) are Michigan Land Title Association Executive Secretary Hugh A. Loree, nearest camera, president-attorney, Oceana Land Title Com-

pany, Hart, and, on his left, Oregon Land Title Association President Charles T. Hemphill, Jr., president, Bend Title Company. Kansas Land Title Association Secretary John M. Bell, executive vice president, Security Abstract & Title Co., Inc., Wichita, leads discussion at one of the seminar sessions in the center photograph.

At middle, right, SAFECO Title Vice President and Director of Administration Darrel C. Truby, Los Angeles, moderates a panel discussion on improvement of employee productivity and holds up a sign emphasizing his key point.

ALTA Title Insurance Forms Committee Chairman Oscar H. Beasley, lower left, senior vice president and senior title counsel, First American Title Insurance Company, Santa Ana, California, discusses the committee's recommended revisions in the ALTA Facultative Reinsurance Agreement before Association Active members voted affirmatively on the proposal during the Conference.

ALTA Public Relations Committee Chairman Parker S. Kennedy, First American's executive vice president, Santa Ana, interviews Iowa Land Title Association Past President Geraldine H. Brown, owner and abstractor, Page County Abstract Company, Clarinda, before the videotape camera at lower right. Segments of interviews taped during the Conference have been incorporated in the ALTA membership recruiting VCR presentation developed for use at conventions of affiliated regional and state title associations.

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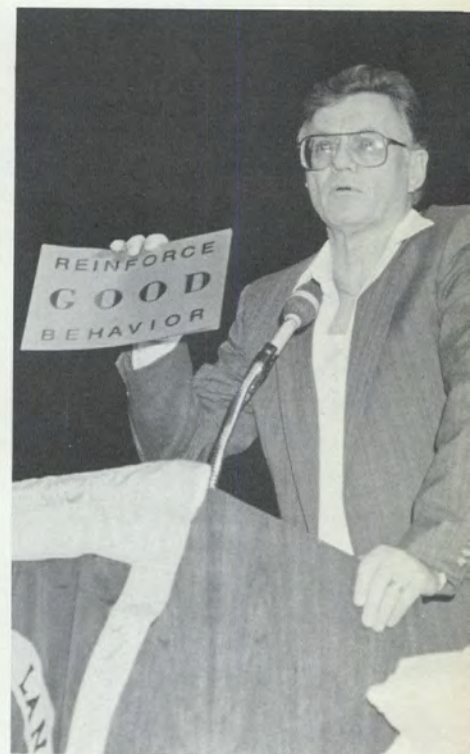
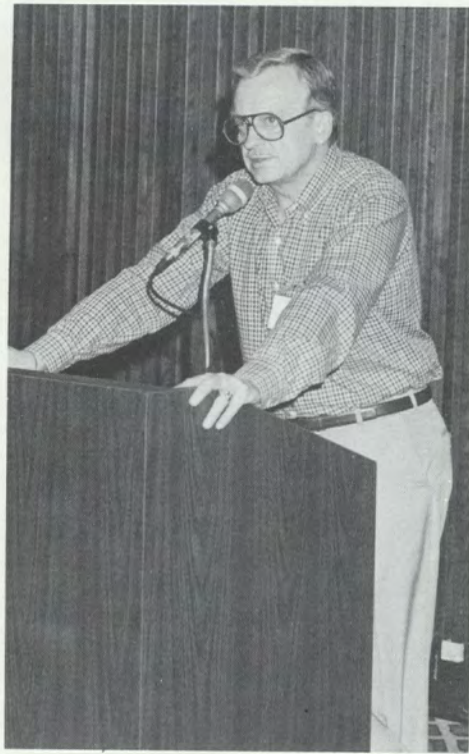
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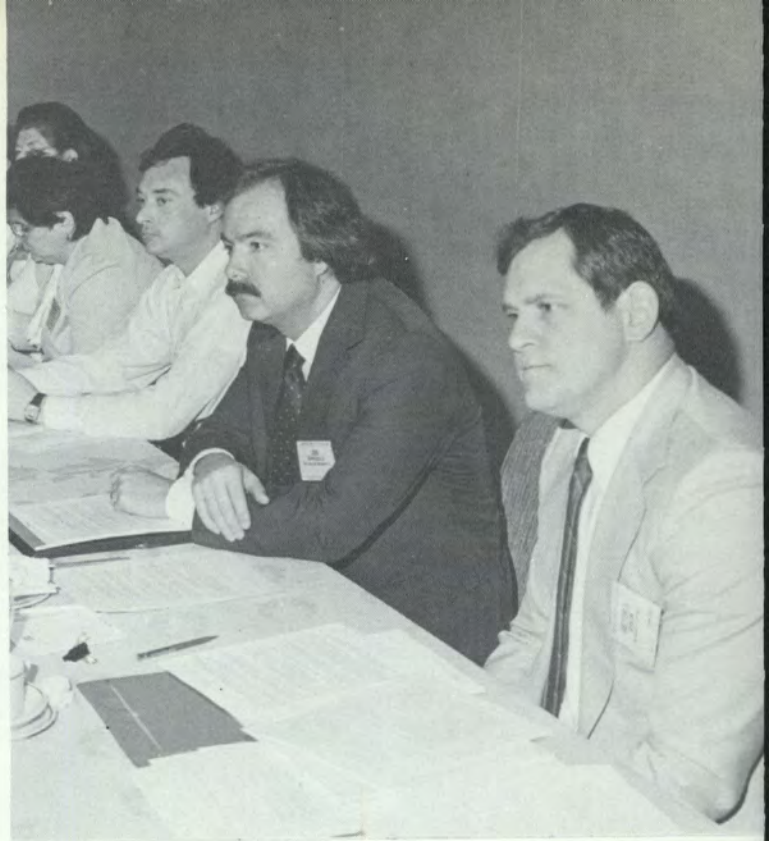


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Around the Nation

OLTA Establishes Attendance Record

Oklahoma Land Title Association Vice President Toney D. Foster reported a record attendance of 200 and the largest representation of underwriters in the Association's history at the 1985 OLTA Convention.

ALTA President Jack Rattikin, Jr., addressed the convention and presented the ALTA videocassette recruiting presentation entitled, "Commitment to Excellence." Other speakers included Senator Rodger Randel, president pro tem of the Oklahoma State Senate; Cliff Scott, Oklahoma state auditor and inspector, and Obera Bergdall, abstracter registrar in Scott's office.

Newly installed OLTA officers are: Gary Boatright, Vinita Title Company, president; Jack Dolezal, Powers Abstract Company, president elect; Toney D. Foster, Rogers

County Abstract Company, vice president; Kenneth McBride, American First Abstract Company, treasurer; Wynona Cathey, The Bryan County Abstract Company, treasurer; and Ollie Askins, Stephens County Abstract Company, Dale Astle, Guaranty Abstract Company, Sharon Gotcher, Pioneer Abstract Company, and Merkle O'Halloran, Fleming Abstract Company, all directors.

High CLTA Award To Robert Morton

Robert H. Morton, Western Title Insurance Company, is the recipient of the newly established "CLTA Title Person of the Year" award during the recent California Land Title Association Convention held in Palm Springs. **Morton** was recognized for 39 years of service to the industry and his outstanding contributions to CLTA.

The convention featured a special panel entitled, "The Future of the Title Business," moderated by ALTA Treasurer and 1984-85 CLTA President **William H. Little**, SAFECO Title Insurance Company, and featuring ALTA Immediate Past President, **D.P. Kennedy**, First American Title Insurance Company; **William D. Klimback**, Ticor Title Insurance Company; and **David R. Porter**, Transamerica Title Insurance Company. During the discussion, **Little** announced plans for the implementation of a new, intensive CLTA educational program.

CLTA Vice President Public Affairs **Derick Young** reported that other speeches and panels covered a variety of topics. ALTA Abstracters and Agents Section Chairman **John R. Cathey**, The Bryan County Abstract Company, Durant, Oklahoma, discussed ALTA activities and Republican State Senator **Ed Davis** spoke on deregulation and federal and state issues.

Panel discussions included: "Claims and



At left, newly-elected officers and directors and speakers (and honored guest) at the Oklahoma Land Title Association convention are, from left, Merkle O'Halloran, Owen Lee Harper, Sharon Gotcher, Toney D. Foster, Wynona Cathey,



ALTA President Jack Rattikin, Jr., Dale Astle, Jack Dolezal and Gary Boatright. In the other photograph, at the annual OLTA Indian beaddress awarding ceremony, are, from left, Harper, Boatright, Rattikin, and Dolezal.

More Claims—Prevention and Handling”; “Productivity—Personnel Turnover—Measuring Productivity—Employee Goals”; “Controlling Expenses and Increasing Profits”; and “County Recorders and the Underwritten Company.”

CLTA officers elected for the 1985-1986 term are **Joseph D. Gottwald**, California Counties Title Company, president; **John C. Collopy**, Founders Title Company, first vice president; **Klimback**, second vice president; and **Jerrel L. Guerino**, Transamerica Title, treasurer.

The CLTA Board of Governors elected for the 1985-1986 term are: **Edward A. Blaty**, Continental Land Title Company; **Warren J. Eljenholm**, SAFECO Title; **Arvid B. Erickson**, Ticor Title; **Edward L. Lorette**, Guardian Title Company; **Joseph C. Mascari**, SAFECO Title; **Dennis L. Plank**, Transamerica Title; **E. Russell Sherman**, Chicago Title Insurance Company; **Wayne A. Hone**, Santa Clara Land Title Company; **Morton** and **Kennedy**.

ALTA Past President George Harbert Dies

Services and burial were in Rock Island, Illinois, for ALTA Past President George E. Harbert, 87, a title man for 43 years who died at his home there May 11. He served as ALTA president in 1953-54 and also was a past president of the Illinois Land Title Association. In 1984, he was named an honorary member of ILTA.

A graduate of the Notre Dame University school of law and recipient of an honorary doctor of jurisprudence from that institution,

he was president and owner of DeKalb County Abstract Co. from 1946 to 1949—and of Rock Island County Abstract & Title Guaranty Co. from 1954 to 1966. He sold Rock Island County Abstract to engage in the practice of law.

Earlier, he was associated with Chicago Title and Trust Company as a title officer from 1929 to 1946. From 1929 to 1946, he taught real estate law at John Marshall Law School in Chicago.

Survivors include his wife, Margaret, and two sons, William and David.

Seminar VCR Tapes Available for Loan

ALTA has four videocassettes of presentations from its October, 1984, Regional Seminar held in Jantzen Beach, Oregon, that may be borrowed by Association members.

Since early 1985, a growing number of members have borrowed these tapes for various educational purposes. Borrowers include affiliate title associations, seminar coordinators, and title company officers. There is no charge other than return postage.

Each tape has a running time of a little under an hour and is available on a 30-day loan basis. VCRs can be obtained in standard Beta and VHS form for use, with equipment to be provided by users.

Content of the presentations is structured toward title company owners and managers. Following is a list of each presentation, the speaker(s) and approximate running time:

—“Improving Employee Productivity,” Darrel Truby, vice president and director of

administration, SAFECO Title Insurance Company (50 minutes)

—“Title Insurance Management Forum,” ALTA Title Insurance Forms Committee Chairman Oscar Beasley, senior vice president and senior title counsel, First American Title Insurance Company (58 minutes)

—“Escrow Clinic,” Mike Magnus, secretary and general counsel, Oregon Title Insurance Company, and George Peters, vice president, SAFECO Title Insurance Company (55 minutes)

—“Automation in the Local Title Office,” ALTA Land Title Systems Committee Chairman John Haviland, president, South Ridge Abstract & Title Co., and Committee Member Dennis Johnson, president CWP Software (45 minutes)

Here are some comments from users of the tapes.

Florida Land Title Association President Dennis Peters, Chicago Title Insurance Agency, Inc., found “Title Insurance Management Forum” to be “very interesting and educational.” He said, “Improving Employee Productivity” is “most interesting.”

Oregon Land Title Association President C. T. Hemphill, Jr., president, Bend Title Company, “enjoyed the tape” (“Improving Employee Productivity”) and complimented ALTA on such efforts.

Education Committee Chairman Carleton Hubbard, Jr., president, Stewart Title of Glenwood Springs (Colorado), Inc., felt “Improving Employee Productivity” was “good.”

ALTA Governor Cara Detring, The St. Francois County (Missouri) Abstract Company, reported that “Improving Employee Productivity” was well received at the Missouri Land Title Association title school. She viewed “Escrow Clinic” and commented, “good tape.”



California Land Title Association convention participants in “The Future of the Title Business” panel discussion are, from left, William D. Klimback, Ticor Title Insurance Company; David R. Porter, Transamerica Title Insurance Company;



D.P. Kennedy, First American Title Insurance Company; and moderator, William H. Little, SAFECO Title Insurance Company. In the photograph at right, CLTA Immediate Past President Little, left, installs Joseph D. Gottwald, right.

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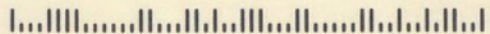
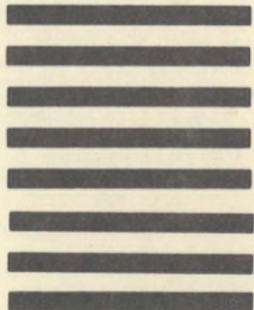
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Mark Fehrs Haukohl, senior vice president, Century Corporation, borrowed all four tapes and said he "found them to be most helpful."

Requests for the tapes are processed on a first come, first served basis. Interested parties may contact Jennifer Phillips in the ALTA Washington office. Written requests must specify name of presentation desired, Beta or VHS form, preferred date for showing and two alternative dates, and borrower address, phone number and affiliation. Upon receipt of written requests, available dates will be confirmed. The tapes may be dubbed and also are available for purchase.

Now Available An ALTA Classic In Videotape

The popular 21-minute, 16 mm, animated, color sound film, "A Place Under The Sun," now can be purchased by Association members in videocassette form at money-saving prices. Single copies of this film describing the basics of title evidencing are available at \$80 each; discount of 10 per cent on orders of five or more.

Be sure to specify whether Beta or VHS tape is desired.

Send check made payable to American Land Title Association to ALTA, Suite 705, 1828 L Street, N.W., Washington, D.C. 20036. You will be billed for postage charges.

Eastern Regional Includes Full Agenda



Discussion of a wide range of topics meant a full agenda for those attending the Eastern Regional Title Insurance Executives meeting April 28-30 at The Greenbrier, White Sulphur Springs, West Virginia. Shown in the top photograph is one of the discussion sessions. In the other view are Herbert L. Toms, Jr., right, president and general counsel, United Title Insurance Company, Raleigh, North Carolina, who chaired the meeting, and ALTA Executive Vice President Michael B. Goodin.

New Plaque Mountings Include All ALTA Presidents



Recently-completed plaque mountings of photographs of all ALTA presidents since the founding of the Association in 1907 are studied by Association Executive Vice President Michael B. Goodin, left, and President-Elect Gerald L. Ippel. The framed mountings hang in the conference room of the ALTA Washington office and will be joined by other photographs from the archives that capture moments in the history of the Association.

Rucker Honored



Arkansas Land Title Association Executive Secretary Gay Cameron recently presented Donna Sue Rucker, shown here, with the "Arkansas Young Title Person of the Year" award for 1985. Rucker joined Arkansas Abstract Company and Guaranty Title Company, Hot Springs, as courthouse certifier following graduation from high school in 1977. She currently serves as bookkeeper, administrative assistant and escrow and closing officer. Company Manager Lloyd A. Henry nominated Rucker in recognition of her competence and "high level of expertise in all major areas associated with the abstract, title and escrow fields."

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Activity Includes New Informational Literature

Members of the ALTA Public Relations Committee are developing three new pieces of public information literature for the Association—one for consumers, one for real estate professionals and one for use in abstracter regions. These will be available to ALTA members later this year.

During the Association's Mid-Winter Conference in March, Committee Chairman Parker S. Kennedy, executive vice president, First American Title Insurance Company, Santa Ana, California, interviewed ALTA members on videotape for their views on why membership is important. These commentar-

ies have been incorporated in the ALTA membership recruiting videotape, "Commitment to Excellence," which has been made available to affiliated regional and state title associations.

Committee members also have decided to make the existing ALTA 21-minute 16 mm color sound film, "A Place Under the Sun," available to members of the Association in videotape form.

In other activity, the committee has completed plans for ALTA to sponsor the Consumer Information Category of the 1985 National Association of Realtors Real Estate Journalism Achievement Competition, and through ALTA staff is continuing work on news media contact, backgrounding and placement on behalf of the Association.

Other committee members in addition to Chairman Kennedy are Geraldine H. Brown,

Productive Discussion Highlights Tampa Seminar



ALTA Abstracters and Title Insurance Agents Section Chairman John R. Catbey, president, The Bryan County Abstract Company, Durant, Oklahoma, welcomes those in attendance to the Association's Tampa Regional Seminar. Also shown, from left, are Section Education Committee Chairman Carleton L. Hubbard, Jr., president, Stewart Title of Glenwood Springs (Colorado), Inc., and Jon C. Hall, Miami attorney, who led a discussion on safe handling of funds at closing. Other seminar topics included issues facing the title industry and the bar, local title office automation and improving employee productivity.



Discussing the program for the ALTA Regional Seminar in Tampa are, from left, Myron C. Ely, president, East Tennessee Title Insurance Agency, Inc., Knoxville; Frank X. Coman, vice president and title attorney, First Title Insurance Company, Charlotte, North Carolina; Paula R. George, president, Landmark Title Agency, Inc., New Orleans; and Chris G. Papazickos, senior vice president, general counsel and secretary, American Title Insurance Company, Miami. Chris, a member of the ALTA Title Insurance Forms Committee, led a program discussion on title insurance coverages.

owner and abstracter, Page County Abstract Company, Clarinda, Iowa; Lawrence H. Edger, president, American Realty Title Assurance Company, Columbus, Ohio; Warren J. Eljenholm, president and chief operating officer, SAFECO Title Insurance Company, Los Angeles, California; H. Randolph Farmer, vice president and director of public relations and advertising, Lawyers Title Insurance Corporation, Richmond, Virginia; Barbara J. Harms, vice president, corporate communications and advertising, Chicago Title Insurance Company, Chicago; David C. Marker, executive vice president, Homestead Land Title Company, Topeka, Kansas; Linda R. Smith, secretary, Cherryland Abstract & Title, Ltd., Sturgeon Bay, Wisconsin; and Carla G. Pfeiffer, office manager, Sterling Title Company of New Mexico, Rio Rancho, New Mexico.

ALTA Executive Committee Member-at-Large, Title Insurance and Underwriters Section, Richard A. Cecchetti, who is executive vice president, Title Insurance Company of Minnesota, Minneapolis, serves as Association Board of Governors advisor to the committee.

Revision, Updating Work Continues on ALTA Forms

After receiving approval of proposed changes involving two ALTA forms during the General Session limited to Active members at the Association's 1985 Mid-Winter Conference, members of the ALTA Title Insurance Forms Committee are continuing their work to revise and update existing forms of the organization.

In the Mid-Winter Conference action, Active members approved a complete revision of the 1961 ALTA Facultative Reinsurance Agreement form. The revision is designed to balance the interests of ceder, reinsurer and insured while reflecting current market practices and concerns. The new form also incorporates a direct access provision.

Also approved at the Conference were minor changes in ALTA Endorsement No. 2, dealing with affirmative coverage for the exercise of rights of recession under the Truth-in-Lending Act. The changes remove federal regulatory references from the form and thereby eliminate the need for future updating amendments.

During an extensive work session at the Conference, members of the committee concentrated on proposed changes in the ALTA Loan Policy.

Committee members include Chairman Oscar H. Beasley, senior vice president and senior title counsel, First American Title Insurance Company, Santa Ana, California; Gordon

Granger, senior vice president and national counsel, Stewart Title Guaranty Company, Houston, Texas; Robert T. Haines, senior vice president and general counsel, Chicago Title Insurance Company, Chicago; Russell W. Jordan, III, assistant general counsel, Lawyers Title Insurance Corporation, Richmond, Virginia; Irving Morgenroth, senior vice president and chief counsel, Commonwealth Land Title Insurance Company, Philadelphia, Pennsylvania; Chris G. Papazickos, senior vice president, general counsel and secretary, American Title Insurance Company, Miami, Florida; Joseph M. Parker, Jr., vice president and general counsel, Lawyers Title of North Carolina, Inc., Winston-Salem, North Carolina; Bernard M. Rifkin, first vice president and chief counsel, The Ticor Title Guarantee Company, New York, New York; Robert G. Rove, senior vice president and general counsel, Title Insurance Company of Minnesota, Minneapolis, Minnesota; Clark F. Staves, senior national underwriter, SAFECO Title Insurance Company, Los Angeles, California; Richard L. Turley, senior vice president and senior title counsel, Ticor Title Insurance Company, Los Angeles; and Richard A. Welder, executive vice president and general corporate counsel, Industrial Valley Title Insurance Company, Philadelphia.

Representatives from the California Land Title Association and the New York State Land Title Association also are participating in the forms project. Representing CLTA are Clifford L. Morgan, counsel, First American Title Insurance Company, Santa Ana; Robert L. Reyburn, senior vice president, Ticor Title Insurance Company, Los Angeles; and James C. Wickline, vice president and regional counsel, Chicago Title Insurance Company, Pasa-


dena. Representing NYSLTA are Association President William A. Colavito, vice president and regional counsel, Chicago Title Insurance Company; Harry Gold, senior vice president and chief counsel, USLIFE Title Insurance Company of New York; and Edward M. Norton, vice president and national underwriting counsel, National Attorneys' Title Insurance Company—all New York City.

ALTA Title Insurance and Underwriters Section Chairman Marvin C. Bowling, Jr., is Association Board of Governors advisor to the committee.

Research-Accounting Task Force Formed

Members of the ALTA Research Committee have designated two from their number to work with two members of the Association Title Insurance Accounting Committee and ALTA Director of Research Richard W. McCarthy as a task force in liaison with National Association of Insurance Commissioners staff concerning NAIC activity to develop an Insurance Regulatory Information Service, a financial early warning system.

Task force members from the Research Committee are Frank J. Giovinazzo, senior vice president and controller, Ticor Title Insurance Company, Los Angeles, California, and George E. Hursig, rate administrator, Lawyers Title Insurance Corporation, Richmond, Virginia. Serving on the task force from the Accounting Committee are Charles G. Gregory, vice president-finance, Title Insurance Company of Minnesota, Minneapolis, and Dean W. Maynard, vice president and trea-



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While attending the ALTA Annual Convention, visit Ramona in the LTI booth near the ALTA Registration Desk, Second Floor, Hyatt Regency San Antonio, October 6-9, 1985

More ALTA Directories?

Have you ordered your extra copies of the ALTA Directory? They are available to members of the Association at \$6.00 each and to non-members at \$15.00 each (plus postage). Address orders to American Land Title Association, Suite 705, 1828 L Street, N.W., Washington, D.C. 20036.

surer, SAFECO Title Insurance Company, Los Angeles.

Research Committee members also have decided that McCarthy will represent the committee at NAIC meetings in general, with any additional representation to be determined by the committee as individual meetings arise.

The committee also is at work on development of a data base for an industry-wide title insurance loss study that will include computer analysis—and has scheduled publication of a 1985 title industry statistical fact book.

Other Research Committee members include Chairman Richard L. Pollay, president and chief operating officer, Chicago Title Insurance Company, Chicago; J. L. Butler, Lawyers Title vice president and controller, Richmond; Donald J. Davids, president, Elkhart County (Indiana) Abstract Company, Inc.; Victor Gillett, senior vice president and national marketing director, Stewart Title Guaranty Company, Houston, Texas; Leroy F. King, senior vice president, Commonwealth Land Title Insurance Company, Philadelphia, Pennsylvania; Joseph W. McNamara, Jr., Security Land Title Company, Omaha, Nebraska; and Jerome M. Smolar, vice president and chief financial officer, SAFECO Title, Los Angeles.

ALTA Governor Herbert Wender, Commonwealth chairman of the board and chief executive officer, Philadelphia, is Board advisor to the committee.

ALTA-ACSM Liaison Group Plans Brochure

Following a meeting with their survey profession counterparts early in the year, members of the ALTA Liaison Committee with the American Congress on Surveying and Mapping have joined with these individuals in work on a joint brochure describing the work of their respective memberships.

Plans are to focus distribution of the consumer-oriented text through real estate bro-

kers, attorneys, abstracters and title insurance agents. Among its content will be the following.

- A working lay description of a land survey
- A working lay description for an owners title insurance policy
- An explanation of the difference between lender and owner title policies, emphasizing that the lender policy does not protect the owner but that the owner's policy is available for this purpose.

Members of the group also agreed that a standard surveyor's certification for mortgage surveys should be developed for consideration by both organizations which, if approved, could replace the many existing certifications, some of which are outdated.

Besides Chairman Mary C. Feindt, president, Charlevoix (Michigan) Abstract & Engineering Co., members of the ALTA committee include Bruce S. Bobo, president, Lauderdale Abstract Company, Florence, Alabama; J. Carmichael Calder, assistant vice president and national title officer, First American Title Insurance Company, Santa Ana, California; Thomas E. Horak, vice president and senior plant officer, Commonwealth Land Title Insurance Company, Philadelphia, Pennsylvania; Philip D. Kingman, assistant vice president and manager, Chicago Title Insurance Company, Providence, Rhode Island; and Charles A. Meyer, vice president, secretary and general counsel, Mid-South Title Insurance Corporation, Memphis, Tennessee.

ALTA Governor John R. Duffy, president, Hayward (Wisconsin) Land Title Company, is Board advisor to the committee.

Recruiting Contest Moves Into High Gear

Published in this issue of *Title News* are the names of new members of ALTA, who are welcomed into the Association, and the existing members who recruited them in the 1985 ALTA Membership Round-Up.

All the new arrivals have become members since the 1984 ALTA Annual Convention.

Each new member and an employee, or a new member and spouse, will receive a \$50 credit on their registration fees for the 1985 ALTA Annual Convention and will be invited to the Convention ALTA President's Breakfast on October 7.

Recruiters identified on the back of a member's application as recommending membership to that person, and spouse, also will be invited to the President's Breakfast.

A recruiter also will become a member of the ALTA President's Club and will be eligi-

ble, depending on number of new members signed up, for one of three Convention prize drawings.

Additional new members and recruiters will be listed in future issues of the magazine. Questions about Membership Round-Up may be directed to Senior Vice President William J. McAuliffe, Jr., in the ALTA Washington office.

New ALTA Members

Active

Alabama

Autauga Abstract Co., Inc., Prattville, (Bruce S. Bobo, Lauderdale Abstract Company, Florence)

Arkansas

Forrest City Abstract Co., Inc., Forrest City

Indiana

Action Title, Inc., Martinsville

Iowa

Delaware County Abstract Company, Inc., Manchester, (Joyce L. Wiltse, former owner)

Security Abstract Company, Iowa City, (F. H. Leonard, Hardin County Abstract Co., Eldora)

Fremont County Title Co., Sidney, (Stewart A. Hall, Hall Abstract Co., Sidney)

Louisiana

Greater Louisiana Title Insurance Co., Monroe, (Claudius Mayo, Mayo Land Title Co., Inc., Lake Charles)

James K. McCay, A Professional Law Corporation, Baton Rouge, (J.H. Boos, First American Title Insurance Co., Plantation, FL)

Michigan

St. Joseph County Abstract Office, Inc., Centreville, (Joseph W. Yogus, Sr., former owner)

Minnesota

Wright Title Guarantee Co., Buffalo, (A.L. Winczewski, Jr., Chicago Title Insurance Co., Edina)

Missouri

Arcadia Valley Abstract Co., Inc., Ironton

Nebraska

Platte Valley Abstract Title Co., Scottsbluff

New Hampshire

Accurate Title Corp. (ATCO), Bedford

New Jersey

James V. Loughman, Morristown, (Richard J. Lutz, Rockaway)

New Mexico

Dona Ana Title Company, Las Cruces, (Robert Flores, Las Cruces Abstract & Title Co., Las Cruces)

New York

LTIC Assoc., Inc., New York

Lex Terrae Ltd., New York

North Carolina

SAFECO Title of North Carolina, Inc., Charlotte

Ohio

Olde Reliable Title Agency, Inc., Cleveland, (Jack Rattikin, Jr., Rattikin Title Co., Fort Worth, TX)

Oklahoma

Albright Abstract & Title Guaranty Company, Newkirk

Pennsylvania

Chelsea Title & Abstract Co. of Pennsylvania, Inc., Trevese, (William J. McAuliffe, Jr., American Land Title Association, Washington, DC)

County Abstract Co., Ridley Park

D.J. Malatesta Associates, Inc., Philadelphia, (William Funk, Chelsea Title & Abstract Co. of Pennsylvania, Inc., Trevese)

PAMICO Abstract Co., Blue Bell, (William J. McAuliffe, Jr., American Land Title Association, Washington, DC)

Pennsylvania Abstract Co., Morrisville

Texas

USLIFE Title Agency, Decatur, (Jack Rattikin, Jr., Rattikin Title Co., Fort Worth)

Southwest Abstract Company, Inc., Del Rio, (Jack Rattikin, Jr., Rattikin Title Co., Fort Worth)

Tarrant Title Co., Fort Worth, (Jack Rattikin, Jr., Rattikin Title Co., Fort Worth)

Reliance Title Company, Houston, (Jack Rattikin, Jr., Rattikin Title Co., Fort Worth)

Flowers-McDowell Abstract Co., Lockhart, (Jack Rattikin, Jr., Rattikin Title Co., Fort Worth)

Title Escrow Services, Inc., Plano, (Jack Rattikin, Rattikin Title Co., Fort Worth)

Pacific Title Company, Plano, (Jack Rattikin, Jr., Rattikin Title Co., Fort Worth)

Plano Title Company, Plano, (Jack Rattikin, Jr., Rattikin Title Co., Fort Worth)

Utah

Professional Title Services, Price

Wisconsin

St. Croix Valley Title Services, Inc., River Falls, (Roger Bevers, St. Croix Abstract Co., Hudson)

Washington

MacDougall Title Company, Spokane, (George A. Finney, Title Insurance Co. of Minnesota, Seattle)

Wyoming

Sagebrush Land Title Services, Douglas

Associate

California

Gary York, Los Angeles, (Ray E. Sweat, Tigor Title Insurance Co., Los Angeles)

David W. Cartwright, Los Angeles, (Robert J. Irvin, Steel Hector & Davis, Miami, FL)

Maryland

I. John Ritterpusch, Silver Spring

Bar-Related Title Insurer Liaison Group Meets



Members of the ALTA Liaison Committee with the National Association of Bar-Related Title Insurers recently met in the ALTA Washington office to discuss legislation and other matters of mutual interest. Seated from left are Douglas E. Miles, NABRTI; Robert J. LeMaistre, Ohio Bar Title; ALTA Committee Chairman and Past President Thomas S. McDonald; and Harold Drees, Attorneys' Title Insurance Fund (Florida). Standing from left are ALTA President-Elect and Board Advisor Gerald L. Ippel; ALTA Vice President-Government Relations Mark E. Winter; Stewart Boban, Connecticut Attorneys Title Insurance Fund; ALTA Executive Vice President Michael B. Goodin; ALTA General Counsel James R. Maber; and Kevin Cooney, Attorneys Title Guaranty Fund, Inc. (Illinois).

Michigan

John G. Cameron, Jr., Grand Rapids

Benham R. Wrigley, Jr., Grand Rapids, (Gerard Knorr, First American Title Insurance Co., Troy)

Missouri

Edward E. Sterling, Kansas City

Pennsylvania

Carol A. Eckert, Philadelphia

Texas

M.C. McLain, Austin, (James P. McAndrews, Benesch, Friedlander, Coplan & Aronoff, Cleveland, OH)

Roland M. Chamberlin, Houston

Billie J. Ellis, Jr., Fort Worth, (Robert Irvin, Steel Hector & Davis, Miami, FL)

Washington

Stephen A. Cray, Seattle, (Richard D. Bonesteel, Seafirst Mortgage Corp., Seattle)

Wisconsin

William L. McCown, Milwaukee

Member Emeritus

Stephen D. Daley, Glen Ellyn, IL

FIRST YEAR—continued from page 9

ately getting to the point and advising members of recent and upcoming activity involving the Board of Governors, Executive Committee and other committees. The general response to *Update* has been favorable. We are continually working to improve the publication.

Once we've informed members through *Update* and they respond that they want to participate in a particular activity, the appropriate officer, committee chairman or staff coordinator will be notified. If a member notices that there is a forthcoming committee meeting of particular interest, he or she is welcome to attend that meeting or any other reported in *Update*. ALTA will not be in a position to reimburse their travel expenses; however, a meeting may be scheduled in their city and it would be an excellent opportunity to be in attendance.

As a more direct approach, members are invited to contact the staff coordinator for a particular committee as published in the *Man-*

ual of Organization, concerning activity of that committee.

I think that a trade association is naturally subject to some criticism, and members should express themselves whenever they have concerns. There will always be those who are not totally happy with what is going on with the association. It's a natural process and it is healthy when informed views are provided. As more members become involved in the process, more will better understand how ALTA works. I've seen that happen on many occasions with people who evolve into more effective members as their participation increases.

GG: It previously has been reported that the ByLaws Committee is recommending substantial changes in the ALTA ByLaws that, among other things, would allow bar-related title insurance funds to become Active members of the Association; permit a wider range of real estate professionals to apply for Associate membership; abolish the present Executive Committee and establish a new Board of Governors with 11 members including the present Executive Committee and two additional members and increase the size of each section executive committee to nine and a chairman. If these proposed amendments are approved by the Board of Governors after considering input from the total ALTA membership, what do you see as the immediate effects on the Association?

MG: In terms of the change in membership requirements and expanding the qualifications for both Active and Associate members in areas related to our membership, I believe that this is a healthy move. There are many professionals in the real estate industry who for years have wanted to become Active or Associate members of this Association. I think their involvement in Association activities would be a healthy development for the entire industry. The more segments of the overall real estate industry that are involved in ALTA activities, the healthier the climate is, the stronger the Association becomes, and the greater the overall benefits are for the industry. These amendments at the present time are under consideration by our Board of Governors and I do not know what final action will be taken on them. These are matters that can only be decided by the leadership and membership.

Regarding the proposal to change the composition of the Board of Governors and reduce the number of members, I think it would be beneficial to streamline the leadership of the Association in this manner. Under the existing structure, we have an Executive Committee which reports recommended actions to its Board of Governors and there is somewhat of a duplicative process. Many times, our Executive Committee members must hear reports, the same reports, two or three or more times before final action is taken by the Board. I

think streamlining the decision-making body is a step forward for the effective management of the Association.

As for the proposed expansion of the section executive committees, this would bring in additional people from other geographic areas to represent their regions.

GG: Recently, the ALTA dues structure has been revised so there are caps on the amount of dues paid by individual agent and underwriter members. What implications does this have for activities and services of the Association?

MG: This places a high priority on the current ALTA membership drive. With the cap that has been placed on dues for both underwriters and agents, it is readily apparent that we must expand our membership base.

Our Association is no different from any other or, for that matter, from any ALTA member company. Our expenses increase every year in the same fashion that our member companies encounter. Strong, professional ALTA programs that truly benefit the title industry require adequate financing. We are closely examining the ALTA financial situation at the present time. We need to bring in and retain many additional members in the years to come, and we are working hard in that area.

GG: Those who are familiar with your accomplishments as executive vice president of the Texas Land Title Association, and those in similar proximity to your work as chief staff officer for ALTA, have praised your management of people. How would you describe your approach to human resources management in an association setting? Do you find the parameters substantially different from those encountered in the management of a company?

MG: Managing an association is not that much different from running a company. The basic concept involved in managing people is similar with both types of organization. The key to effectively managing people is communication, letting them know that your door is open and that you are ready to listen to their ideas.

There are many employees out there, ALTA staff included, who have great ideas, ideas that managers may not have thought of. All managers need to listen to what their people have to say. If you are going to have people respond to you, if you are going to be an effective manager, they must know up front that you are there to talk with them.

In my experience, walk-around management is essential in the success of any chief executive. If you're locked away in your office, I don't understand how anyone could really know what is happening with his or her staff. Again, you need to be accessible—to be supportive, to provide guidance and constructive criticism, and to keep up to date on what is happening.

GG: ALTA work to maintain liaison with

other organizations of the real estate and lending community recently has intensified although it has been carried on for years. How can this kind of liaison be made most effective?

MG: Once again, we're talking about communication. All of the real estate related trade associations have a mutual interest, and that is to preserve their respective industries as well as the over-all health of the real estate economy. I think that productive liaison is basically a grassroots situation. Communication at the local level with Realtors, mortgage bankers, savings and loan association officials, and others—perhaps attending meetings of these groups in your own town and establishing a good relationship—will help all the way up to the national level. Our industry needs to continually maintain this liaison.

GG: Should this grassroots participation be interfaced with the liaison committees that work with these various organizations at the ALTA level and at the state or regional title association level?

MG: Yes. If an individual within our industry is very active in maintaining grassroots liaison, his or her activities should be reported to the chairman of the appropriate ALTA liaison committee.

METROPOLIS—continued from page 23

the Union on March 2, 1861 and was readmitted March 30, 1870, it was never heavily involved in the fighting of the Civil War. And San Antonio was never part of the "Old South." Although there were a few skirmishes and some resentment between supporters of the North and South, the largest effect of the war was to increase San Antonio's importance as a military and commercial center. War stimulated manufacturing and the shipping of hides and cotton from the surrounding region. Prices skyrocketed. One woman recorded that, after standing in line for hours, she bought a bolt of cloth, a pair of shoes, and a dozen candles for \$180.

What were the effects of San Antonio as a cattle kingdom?

The town continued in its role as a major military headquarters after the Civil War, but real prosperity came from a new source. This was the era of the cowboy. Young men signed on here for the long drives to midwestern railheads via the Shawnee, Chisholm and Western trails, and San Antonio merchants benefitted handsomely. Here, drovers were hired and the drives outfitted. Boot, saddle, and harness-making flourished. Successful trail bosses came with hard cash and roistering cowhands pounded it into the economy in innovative ways. The town soon had to expand to hold all the saloons, vaudeville theaters and bawdy houses which proliferated along and behind the plazas. In 1870, the population

reached 12,256, the largest of any town in Texas.

What are some of the highlights of San Antonio's twentieth century history?

The modern metropolis of San Antonio dates from the period of the first world war. Like the rest of the nation, San Antonio saw the advent of the airplane and the motor car, development as a military complex, and the birth of the new "skyscraper" silhouette. Military history was made time and again in San Antonio, and, by the 1930s, three of the four large Air Force bases had been constructed, joining the army's Fort Sam Houston. Seventy thousand troops trained in the vicinity, and almost all of the legendary flying figures passed through the city: Lindbergh, Arnold, Chennault, Hawk, Doolittle, and Mitchell.

In the 1920s, San Antonio boasted the tallest office building in the state and radio stations KABC and KONO went on the air. In 1925, San Antonio Junior College was organized.

The thirties saw the beginning of the San Antonio Symphony Society and the completion of Alamo Stadium. A new federal courthouse and post office were built on the old site at Alamo Plaza.

During the forties, an airport bond issue passed, the local military bases underwent enormous wartime expansion, and the Southwest Foundation of Applied Research was established.

In the fifties, Trinity University constructed its skyline campus using the then-new Youtz-Slick concrete method. The Air Training Command was established at Randolph Air Force Base, and the new National Bank of Commerce building went up, the first major downtown building erected in a generation.

The sixties were punctuated by HemisFair '68. This world's fair drew millions of visitors and international attention as the city celebrated its 250th anniversary. Much of downtown was revitalized for the fair.

The seventies became the decade of educational and medical expansion. The University of Texas Health Science Center became the cornerstone for the South Texas Medical Center, and the University of Texas at San Antonio opened its doors in June, 1973.

PRESIDENT'S REPORT—continued from page 27

Legislative, Regulatory Action

As always, our industry has been affected by federal legislative and regulatory action. Several actions have dramatically impacted the title industry. You are all no doubt aware of the recent complaint filed by the FTC against

six underwriter members of the ALTA for participating in certain rating bureau activities. Now I won't try to discuss this matter in detail. Marvin Bowling, chairman of the Title Insurance and Underwriters Section, during the closed session tomorrow will discuss a legislative proposal intended to isolate the industry from these private class action suits resulting from the FTC's enforcement action. I would only note that this industry is acting openly pursuant to specific state sanctions since the inception of title insurance rating bureaus. The industry's actions are uniformly supported by case law, and I believe we ultimately will be vindicated.

In the meantime, however, all of us, agent and underwriter alike, abstracters also, whether in a rating bureau jurisdiction or not, have been or may be significantly affected by this particular issue. It is certainly not an underwriter issue. It undoubtedly represents the most serious threat to our industry in modern times. Your continued interest and support will be essential in the months ahead if this matter is to be brought to a successful resolution.

We also continue in our efforts to revise or revoke the action of the IRS in its Revenue Ruling 83-174. As you will recall, this action essentially would have brought most underwriter's unearned premium reserves into taxable income for 1984. We have engaged legal and economic consultants, and they have made a number of submissions in our behalf. In a recent meeting, IRS's officials largely admitted the error of their original position but did raise serious new concerns which our legal consultant, former IRS Commissioner Randolph Thrower, has attempted to address. We remain hopeful of a successful resolution of this issue.

I would note that the cost of this effort has already exceeded the \$150,000 limit which was imposed on it by the ALTA Board of Governors. Costs in excess of that figure will be allocated to the affected underwriters, although the project will continue to be monitored and assisted by the ALTA Board of Governors and staff.

Financial Deregulation

Financial deregulation remains an area of concern, and with the return of Congress this last January, three new bills were introduced which addressed in one form or another the so-called South Dakota, or nonbank bank, loophole and expanded powers for financial institutions. Perhaps of greater concern, however, is the continuing wide gulf between the House and Senate approaches to the deregulation problem in the face of renewed administrative efforts toward deregulation by the FDIC, Federal Home Loan Bank Board, and possibly even the Federal Reserve Board, which heretofore has chosen to defer to a congressional solution.

With limited time to enact legislation in both Houses, and hammer out an acceptable compromise measure, these regulatory agencies may pre-empt the question. ALTA staff will continue to monitor these developments closely. One such development which has already occurred is the publication by the FDIC of proposed regulations which would permit subsidiaries of insured banks to insure, guarantee or certify title to real estate. Inasmuch as the agency appeared to appreciate earlier comments of the Association, regarding the operational, safety and soundness concerns which would be raised by permitting such activity, the most recent proposal prompted the submission of comments by the Association in opposition.

ALTA ByLaws Amendments

Now on another front, the ByLaws Committee has undertaken, at my direction, a major re-write of the Association ByLaws. Their first proposal was considered by the Executive Committee yesterday. That proposal also will be considered by a joint meeting of the Executive Committee and the Board of Governors later this afternoon.

This change involves procedures for amending the ByLaws. Under this revision the Association ByLaws could be amended in one of three ways.

First, after all members had 60 days advance notice, and an opportunity for oral and written comments, the Board could adopt an amendment by two-thirds affirmative vote.

Second, if a majority of the Board approved a proposed amendment, it could be submitted to the entire membership for a vote by mail. If a third of the membership voted negatively, the proposal would not be adopted.

Finally, in cases of emergency, the Board could adopt an amendment without direct membership participation upon a three-quarter affirmative vote by the entire Board.

The ByLaws Committee feels that the existing ByLaws procedure—an Annual Convention floor vote—is inefficient and fails to directly involve in the amendment process more than the relatively small percentage of members who actually attend the Annual Conventions. The ByLaws Committee anticipates that work on its major re-write task will be completed in time for consideration at the Annual Convention in San Antonio. A mailing of the proposal to the general membership will occur this summer.

ALTA Membership Roundup

Broadening our base of representation and increasing our dues revenues have long been objectives of ALTA. The Board of Governors and the Membership and Organization Committee have taken the first steps toward implementing a comprehensive membership campaign designed to accomplish these objectives.

The campaign theme will be the "ALTA 1985 Membership Roundup." Naturally, "Roundup" in keeping with the location of our Annual Convention, where else but in Texas. Details of the campaign will be provided in the upcoming flyer to all members. The principal elements, however, of the campaign will be promotion of ALTA membership through a number of these items. I won't go into all of them here, but it includes, awards, cut-rates for the Annual Convention, special breakfasts, membership in the President's Club, and a number of other items that you will be reading about shortly. It is a great campaign, and that is what we are all about, membership. That's the only way we can have our Association fully represent our industry.

Since the Annual Convention, your ALTA Board has already approved 76 new Active members, 12 new Associate members, and have reinstated four others.

Earlier this year, the Association distributed the *Manual of Organization and Procedures* to all members. Now this is a brand new document. We haven't had it before. You all received it. This document, in a small, handy-size, contains the names, addresses and telephone numbers of the members of all governing bodies of the Association, including the Executive Committee, Board of Governors, section executive committees, and all standing and special committees of the Association. In addition, the manual contains all of the information about the duties of the committees, their phone numbers, addresses, and everything else you ever wanted to know about the Association but were afraid to ask. It is hoped that the *Manual of Organization and Procedures* will enable members to better utilize the services and activities of the Association.

VCR Recruiting Presentation

The Public Relations Committee has produced a videocassette recording, dealing with the advantages of ALTA membership. The VCR presentation shows the ALTA staff discussing and performing their various responsibilities in an entertaining, storyline context. It also includes candid testimonials of various members. You probably noticed last night at the reception that the testimonials were being taped outside as you came in. We picked a number of members as they came by and asked for their comments about their feelings of ALTA involvement. The VCR presentation is available for use at all regional state association conventions, during which ALTA chair officers will be available to discuss the various services performed by our staff and all the benefits of ALTA membership. The committee believes this presentation will be an effective device to communicate the ALTA message to members and nonmembers alike.

The Executive Committee, at its January meeting, voted to direct the staff to develop a new ALTA publication which would provide

more timely information on upcoming committee meetings and other Association activities and to report the actions taken. This was in direct response from a request by a number of you members and certain segments of the industry because there may have been a lack of communication as to what was going on. We developed the *ALTA Update* in response to that request. You've already received the first issue of the *ALTA Update*, and you will be receiving more, and they will be better done each and every time so that you can know what is going on within this Association.

The Executive Committee also voted to change the policy of alternating the location of the Mid-Winter Conference every year in Washington, D.C. At this particular time, in response to your request, the Conference will be held every third year in the nation's capitol.

General Registration Information

Finally, I would like to say a few words on registration for the Mid-Winter Conference. Planning for this meeting occurred, as with all ALTA conventions, several years ago. The entire hotel was booked. It is not possible on such advanced planning to anticipate upturns in the business cycle and other reasons for large turnouts. Notice of the meeting was sent in accordance with procedures mandated by the Executive Committee. Nonetheless I know that many of you had a great deal of difficulty in obtaining hotel reservations, particularly here at the Contemporary. I raise this point because of the Annual Convention.

The ALTA staff and I have reviewed the facilities in San Antonio, and I can assure you that we are going to have a tremendous Annual Convention. We will be doing a great deal of different, exciting things and I think you all will have a great deal of fun. Starting with the reception right on down the line, it will differ from any convention you have ever been to before, and I know you look forward to an exciting Convention. But an extremely large turnout is expected there also, and while we have reserved rooms in overflow hotels, room space is going to be a significant problem, especially at the host hotel. I implore you to get your reservations in early, particularly if you desire to stay at the host hotel, which will be the San Antonio Hyatt. We will be rewarding early registrants with reduced registration fees. As always, advanced planning for future meetings will take into account our changing needs. We, however, can do our own advanced planning individually in order to get the most out of these meetings.

Tomorrow morning, I will report to you on any actions taken this afternoon during the Board meeting, to keep you up-to-date on items that I did not cover this morning.

March 15, 1985

We gave you—considering last night and

yesterday afternoon, and the sun and everything—a few extra minutes today. We do appreciate you coming out and getting started relatively early this morning. Hope you have had your breakfast and have a good day.

Board Meeting Activities

As I stated yesterday, I will report this morning on some of the activities of the Board meeting of yesterday in line with our promise of communication with you. Certainly, we had a relatively long meeting yesterday, and I won't attempt to go over all the items. We have three or four matters we would like to report to you.

In connection with the FTC problem that is so much on all of our minds at this time, you will receive a full report later today at this meeting. It is the view of the Board expressed yesterday that ALTA should join in financial support of the effort to resolve this issue.

Another action—we voted to adopt the proposed change in Article X of the ALTA By-Laws concerning procedures for amendment. I described that in detail yesterday, also, so I won't attempt to do so again. The primary amendment process will now be by a vote of the Board of Governors after full membership notification and opportunity for hearing.

Thirdly, we approved a project of the Title Underwriters Counsel Committee to consider the feasibility of sharing information on fraudulent acts against the title industry. The committee was directed to report to the Title Insurance and Underwriters Section Executive Committee regarding the legality, liabilities, and mechanics of such a project.

Dues Modifications

We approved two modifications effective for the 1986 dues year. Now, it wouldn't be an ALTA meeting if we didn't discuss dues, and we did vote to modify, and as you might think that they would be raised, not so in this case. We did vote basically to lower the dues in some areas.

Effective for the 1986 dues year, the ALTA's dues schedule for agents and abstracters was modified. One of the modifications would further graduate—by \$100 increments—the dues for members whose gross revenues were between \$500,001 and \$1 million. As it is now, there is only one break, \$500,000 and \$1 million, and we voted to graduate that by \$100,000 so as to lessen the dues of those that go over each bracket. The other modification would lower the existing cap, which is right now \$5,000 on agent/abstracter dues, and that cap will in 1986 be \$2,500.

These actions were in response to many hearings and requests by the agents and abstracters in our Association. They are designed to assist the Membership and Organization Committee in its efforts to promote increased membership in the Association.

Another action, we adopted official ALTA guidelines on escrow internal control for title insurance companies and agents as recommended by the Internal Auditing Committee. You either already have or will receive a copy of these guidelines.

Another action, we approved the guidelines for the publication of research data. Guidelines would require presentation of aggregate data with a historical perspective in order to avoid giving an incorrect view of the general industry profitability in any given year.

The Board also approved the 1985 Annual Convention Registration fees, setting them for the meeting at San Antonio at \$180 for members, \$160 for spouses, and \$330 for nonmembers. Now it is hoped that there will be a revision of the registration fees starting next year on that structure, perhaps a difference in the structure between members and spouses for upcoming Mid-Winter Conferences in accordance with what we feel the membership wants.

Just as a note, in the Land Title Institute, I have appointed Ray Martin with Minnesota Title from Jacksonville, Florida, as a member of the Board of Directors of the Institute.

Lastly in my report, I do want to remind you that we have a drawing this morning sometime for a trip to the Bahamas. You do have to be present to win. And it will be this morning. Please be present if you want that opportunity to go to the Bahamas.

I want to take just a minute before I go on to our subject. Many of you see the staff running around all the time, and I thought it would be appropriate to bring them up front to let you see what their positions are and who they are, and I would like to take this prerogative to do that. I would like the people to come stand up here in front in a line if they will as I call their name: Michael Goodin, executive vice president; Bill McAuliffe, senior vice president; Jim Maher, general counsel; Mark Winter, vice president-government relations; Gary Garrity, vice president-public affairs; David McLaughlin, vice president-administration; Richard McCarthy, director of research; Susan Perry, Mike's executive assistant; Linda Purdue, our new legislative assistant; Dorothy Harting, administrative assistant.

Now these people are not all of the staff. There still are about four left at the office to run the ship during this week. But this group is probably the unsung heroes of this entire year and in this meeting itself. Too many times we praise the staff. We say thanks to them and that sort of thing, but these are the people you need to know. The president from time to time will say it's been a great Convention, you put on a good Convention, etc., but it is them that makes this happen. It is just phenomenal. I've learned to appreciate what they do more than you can imagine, and the organization is fantastic. Not just in setting up these conferences, which take a whole year to pre-

pare for, but in work that has been going on for the Annual Convention for six months already.

It is phenomenal what they do and their work and their dedication to this job. You see a lot of the men here all the time at all the meetings but rarely see the support staff, and we have three of them here today. At the Annual, we will have the others. We want to give the opportunity for the entire staff to come to the ALTA meetings and take part. I just want to personally thank them, and I wish you all would do so by giving them a standing applause, please.

NICKLES—continued from page 29

like yourselves, business persons throughout the country to contact Congress, and say to get it under control right now! We need a couple of other things. We need to give the President line-item veto authority.

Last year, out of appropriations bills, we passed four by the end of the year. We bundled up the other nine of them, over \$500 billion in one package, and sent it down to President Reagan and said, "Hey! Sign it all or veto it all." Now that defies our system of checks and balances. That's not giving him any real option. Let's give him a line-item veto like every chief executive in this room and every head of household. My wife has it. Let's give it to President Reagan as well.

Congress, when passing the Budget Reform Act in 1974, did a couple of other things most people weren't aware of. They took away the President's right to rescind. In other words, Congress makes the President spend every dime that the federal government gets, even if it isn't needed, even if the agency head says, no. I can't use it effectively. This is an extraordinary waste. But, we make the executive branch spend it unless we vote by both houses.

In other words, it is almost impossible for them *not* to spend the money. They have to spend it. So we could make some changes there as well.

Just think, if Congress would really get their house in order, we get those unbelievable deficits down where the federal government is gobbling up a couple hundred billion dollars more than it takes in, you could have real interest rates in the neighborhood of 3 or 4 per cent above inflation. Think what would happen in your business. I think what would happen in my business; I am a manufacturer. Think what would happen in agriculture, where we could sell overseas; the price of the dollar could come down. This country could have an economic revolution that it hasn't seen in years. It could really take off and fly like an eagle. And the people that would most benefit would be the people on the lowest end of the economic scale. It would be the best job program we could ever have, if we would get

our deficits down, get interest rates down, you could see new jobs created in a number of areas. You would be employing the unemployed. You would be helping people help themselves. Now that is an exciting concept. It can be done if we just have the will and the conviction to do it.

Involvement and Support Required

Our country is great, I think basically for two reasons—I think God has blessed our country and he has given us people committed to preserving and protecting our freedom. The Declaration of Independence in 1776 stated: "We hold these truths to be self-evident that all men are created equal. They were endowed by our Creator with certain inalienable rights. Among these are life and liberty and the pursuit of happiness. To secure these rights governments are instituted among men." The real reason our government was instituted was to protect, to secure, to preserve our God-given liberties, our God-given freedom.

That's a challenge before us today whether we are talking in Geneva or in Washington, D.C. That's quite a challenge. It was a great challenge over 200 years ago. It is a great challenge today. And to be successful we are going to have to have the support of a lot of people—not just congressmen or senators—not just the President of the United States. It is going to take the support of all the people. It is going to take the support of business persons like yourselves getting active. Come into Washington, D.C., and say, wait a minute, I am concerned about this. This makes a difference, speaking out, letting people know. I talked to a reporter the other day and he said, well, people really don't seem to be concerned about deficits. A lot of people aren't concerned, but I know the majority of the people are, but we need to speak out.

The fact is that we have been spending ourselves into bankruptcy so we've got a real challenge. So we need to speak out. Come to Washington, D.C. Let the people know that you are interested in it. Speak out. Have a voice. Preserve that freedom. Abraham Lincoln in the Gettysburg Address said that this nation under God should have a new birth of freedom. I just hope and pray that we will preserve and protect that birth of freedom, not just for ourselves but for future generations as well.

DRISCOLL—continued from page 30

sent out a bulletin to companies alerting them that I will not tolerate the practice of such midterm cancellation. I realize the companies are going through financial problems but at the same time it isn't fair to the consumers

and the agents involved to put this burden on their backs.

There is a serious doubt on the part of many insurance experts that recovery can occur much before three years because of the present financial situation that is so much worse than prior cycles. That fact added to others, such as a very tight re-insurance market, means that insurers will be facing a capacity shortage over the next few years. As I have just mentioned, we are facing it already in our state and nationwide.

My foremost concern and that of other regulators in these serious times is the solvency of companies. There is certainly cause to believe that industry could be shaken even further by the demise of companies not able to survive the tremendous loss experience of the last few years. In the four years since I have been insurance commissioner in my state, I have presided over insolvency of a health maintenance organization and presently a rather large domestic property casualty insurer. We also were able to avert about three other potential insolvencies. In addition to that, we have about 15 ancillary receiverships. Those are companies that are domiciled outside of our state, but have operated in our

state.

Insolvency Detection and Aversion

Insolvencies are not good for anyone including the employee of the insurer, the industry as a whole and, most important, the consumer. It should come as no surprise that state regulators are currently searching hard for additional methods of early detection of financial problems of companies. The events of the last few months and few years, including the domestic insolvency of our company in Oregon, the Baldwin United problem and many others in lots of other states, enforce the belief that regulators have to move firmly and decisively to prevent further and more serious problems.

We have the regulatory authority to intervene at that critical point when a certain company is on the verge of major problems. The hard part is getting enough credible information soon enough to make a timely decision to intervene. To that extent the activities of the National Association of Insurance Commissioners becomes very significant. We believe that the NAIC's early warning system has been a vital source of information to regulators in past years. I am pleased with the progress made at our new headquarters in

Kansas City where the organization's data base has been enhanced to further develop the insurance regulatory insurance system, or IRIS, as you know it.

NAIC Defined

By way of background, the National Association of Insurance Commissioners is an organization of the chief insurance regulatory officials in the 50 states, District of Columbia and four U.S. territories. Our prime function is to protect the interests of the insurance-buying public. The organization helps commissioners, individually and collectively, with assistance that is built around common objectives of financial and market conduct regulation.

Since the inception of the NAIC, regulators have been conscious that they were regulating a national business on a state-by-state basis. Although the diversity and experimentation which are the strength of the state regulatory system are maintained, commissioners realized that the basic structure of insurance regulation requires some degree of uniformity throughout the several states. As a result, we plan model laws and regulation that are formulated for use by the states.

The business of the NAIC is conducted through a committee system that is designed to allow specific regulatory attention to virtually every area of the insurance business. We have an Executive Committee which is comprised of the three officers and three representatives from each of the four zones. We have a number of subcommittees and standing committees that report to the Executive Committee and, before any action is taken in adoption of a model rule or a regulation, it must be put to the vote of the total plenary, which is all the membership of the NAIC.

Time does not permit me to review the specific charges for all the NAIC committees and I know that some of your membership have worked on many of our committees. The issue of insolvency that we have been discussing can be used as a good example of the resources that are being brought to bear in order to make the IRIS a most valuable tool for regulators. That is the system that carries the information to the individual regulator. In order to provide the best information possible, financial ratios are calculated for each insurance company. These ratios serve as preliminary tests of the company's financial condition. We have a large computer system which has just been enhanced and measures the solvency, liquidity, profitability and other aspects of the company's operation. If the company is not within acceptable parameters, it is identified for further regulatory attention and that attention comes from examiner team and individual state insurance departments.

At the present time, we have data from the annual statements of over 4,700 insurers being fed into our system in Kansas City. That is the first step of gauging the financial condition

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of the individual companies. Each state regulator will have instantaneous access to the IRIS results as soon as data is entered into the computer. We are anticipating within the next two years that every insurance division in the country will have a computer that will be directly tied into our NAIC computer bank at Kansas City so that we can get instant information on any company. That ability will be made available by a computer network which connects each state with the NAIC data base. This will allow states to conduct their own analysis and thus will give much more prompt action on an individual state basis. We can also specify customized reports, on individual lines of insurance or companies in which an interest is developed. This is very exciting to me because we have individual companies that will come in with different rates for different lines of insurance and we will be able to instantly see what their experience has been in those lines and whether or not such rates are justified.

Other Areas of Concern

The issue of solvency is but one of the operating characteristics that NAIC is addressing at the present time. Committees and task forces are looking for, among other things, market conduct, consumer affairs, agents licensing and integrated financial services. The NAIC opposes banks getting into the insurance business and adopted a resolution to that effect. The issue of taxation of life and property casualty companies laws has been introduced in Congress. We do participate actively in testifying before Congress on bills that affect the insurance industry. And naturally, I guess, we are rather possessive of the fact the McCarran-Ferguson Act has given the regulation of the insurance industry to the various states and we want to keep it that way. We are working very hard toward that end and getting much more involved on a national level.

I'll give you a little example of the type of thing that we have to go through. The National Federation of the Blind introduced legislation last year to prohibit unfair discrimination against the blind. In 1977, the National Association did adopt rules prohibiting such unfair discrimination based on actuarial data and so forth. We were unaware as an association that there was a problem until the legislation was introduced. We have had many, many discussions since and I have personally testified in Congress and when . . . this was a real tough one and, as I read in the press, this was going to be a very difficult bill to testify against and guess who got to do it. I am the only woman in the organization at that level. The thing is that it is difficult to stand in front of a committee and say we are opposed to this legislation. We are not opposed to what the legislation is trying to do, but we were opposed to the legislation itself giving the federal government that authority over the business

of insurance in the various states.

What was even more difficult was that, when we asked the federation for examples of abuses, there were only a very few nationwide.

If there is legislation on the federal level just because of five complaints nationwide, think what they are going to do when they think that there is a lot of abuse in any particular area. So it makes it that much more difficult to try and justify what we are doing but we are very pleased to say that the federation is holding off on any additional legislation and giving us an opportunity to take care of the problem. The NAIC adopted a new rule in December, 1984, which we (in Oregon) implemented in our state immediately. Many other states are also adopting the new rule and the federation is willing to hold off until they see what we get done. It is a continual battle (federal intervention) and I want you to know that we are dedicated to preservation of state rights.

I was rather pleased, also, in learning a few days ago that my governor was able to defer some action by the governors. They were meeting and the governor from New York wanted them to adopt a resolution encouraging the banks to be in the business of insurance and our governor was able to defer any action on that at least until August, so be sure and talk to your governors and be sure and talk to your attorneys general, because they are getting more and more involved in our business each year. We are rather pleased that the attorney general from the state of Kansas is going to be the next president of the association and Insurance Commissioner Bell from Kansas tells me that he is very responsive to the true needs of state regulation.

In the past few years, the NAIC has looked rather closely at your industry—title insurance. And I guess for many years, those of us who have been around for a long time, you would say title insurance, and we would say, "What?" No one seemed to pay any attention to title insurance. Some states still don't. We just conducted a survey in trying to gather more information and in fact there is at least one state that doesn't regulate title insurance at all and there is one state that doesn't allow title insurance in their state. There are very diversified methods of handling title insurance in the various states.

We (NAIC) did adopt model language and have a model rule or law on title insurance and some of the states have proceeded to adopt that. We are very interested, of course, in the current issue which title insurers have with the Federal Trade Commission. The question of involving the various nuances of title insurance as the "business of insurance" is one which will be discussed at our meeting in Williamsburg where I am going tomorrow. We are anticipating that we will be making a decision at this meeting as to if we are going to inter-

vene in that particular lawsuit. I personally believe that, if indeed you are the business of insurance, and I feel that you are, then we will protect the rights of the states to regulate your business.

The Federal Regulatory Issue

As I said earlier, the system of state regulation is alive, well and growing stronger—which we need to do. We fully recognize in our association that we have not been as strong as we could have been in the past. I don't believe in over-regulation but I truly believe that the insurance industry is one that needs regulation. I believe that the support role played by the NAIC is one of the major reasons that the state regulatory function is a viable and proven method of consumer protection where the insurance product is concerned.

There are those representatives of consumer organizations and those members of Congress who continue to test the possibility of federal regulation for our industry either by piecemeal attack on state regulatory practice or by advocating outright the repeal of the McCarran-Ferguson Act. And to those persons, I call upon my almost 20 years of regulatory experience in Montana and Oregon to explain that insurance issues, for the most part, have different meanings in different states. I also believe that state regulators and state legislators are in a much better position to recommend and respond to the concerns of the insurance consumers on a more timely and effective basis than any federal body could. We have always heard, if you like the post office system, you are going to love being regulated by the feds.

Finally, I offer to those who advocate overall federal regulation, the opportunity to look closely at the work that we are doing now at the national association, attend our NAIC meetings, participate in them, participate in our committees, such as I know some of you have. If you are in the Kansas City area, get a firsthand look at our facility there. I think you would be very impressed. We are organized for a change. It is really great. The staff that assists the individual regulators is very qualified and professional. That pleases me because I am spending a lot of time in that area. We should never get complacent about where we are. We always have to keep working hard.

Mike Ferry said some things that really struck home to me because one of the things I found in my new office is you ask, "Why are you doing this?" and you hear, "Oh! we've always done it that way!" and it is maddening. There are so many things on an everyday level in your own offices that we don't take the time perhaps to look into, but, that need to be changed and need to be updated.

We were hit very hard by budget cuts and so, when looking for ways to save money, I started looking around my office. I found, believe it or not, that we were printing annual

statements in our state to send to all of the companies that were admitted to do business in the state at a cost of about \$15,000 a year by the time you figure \$3 or \$4 of postage.

I said, "Why?"

And the answer was, "We've always done it." "Why? Show me in the insurance law where we are required to do it."

It wasn't there. We stopped. There wasn't one person who even knew they didn't get the statement from us. You know, your own companies, you get tons of these things and who cares if you get another one. So that sounds really silly and it was silly. I was a little bit embarrassed, only we stopped it the very first year I was there.

There are so many of these things that we need to change and we need to continue to change and need to take the time to do it. I know that we are so busy that sometimes you forget to look at the things that are right under your nose and you should.

I guess I am beginning to. No I shouldn't say I am beginning to. Everybody who knows me knows I am sort of referred to as the "plain language Commissioner." I sort of say what is on my mind and some people like it and some people don't. At least you know exactly where you stand with me.

I can't help but feel a little frustrated, however, when the insurance industry manages to fall on its face every 10 years, like it did in 1984 and then the regulators bear the burden of hearing all the ensuing complaints.

We've seen this, especially in my own state, because we were the first state to have competitive rating on workers compensation and everyone went wild. They wrote rates at the lowest possible rate that they could without having to get our prior approval and as a result have lost millions of dollars and now some are in real financial problems.

Whenever I would talk to insurers about their rates, they would say well, we can't increase our rates, we won't get our share of the market. What good does a lot of the market do if you keep losing money? I am hoping now that every insurer in the room and nationwide has come to realize that this has got to stop, and I think it is stopping, but as a result when this cycle happens, then what happens? The consumers and policyholders are angry. Companies must cease operations. Policies are cancelled. And claims are handled through guarantee funds.

The state legislators get concerned when constituents call because their insurance rates are going up, or they are getting their coverage cancelled, and believe me our legislature is in session, I guess all of yours are, too, and every legislator has a constituent at this particular point in time that is angry about something to do with insurance.

I guess what happens is the insurance industry sort of does it to themselves. As a

result we have some laws that were introduced—that are not good laws—and are going to take quite a lot of work to make sure that they are not passed or not passed in their present form. And these problems, we feel *all* of them, end up at my door and we are understaffed. I am asking for additional staffing.

First Dedicated Fund Agency

Incidentally, and for you that are in states that do not have dedicated funds, the state of Oregon was the first state to have a total dedicated fund and perhaps that is basically because of our size—we are not that big. We were a general fund agency at one time but in January of 1982, at our special session with the support of the governor and the insurance industry in our state, we were placed on a dedicated fund.

That means our budget is totally funded by the fees that we charge for the services that we perform—licensing of agents, licensing of companies, approval of forms and that type of thing. It is working out very well. All of the premium tax dollars, of course, go into the general fund and any violations or anything like that goes into the general fund.

Our budget must be approved by the Ways and Means Committee and by the legislature in the same manner as in the past. We made a commitment to the Ways and Means Committee that we would charge only those fees that we would need and we are pleased to say that we were able to reduce our agents' appointment fees from \$5 to \$2.50. We kept that commitment and some of the press actually had nice things to say about us which was rewarding to me. It is usually the other way around.

In any event, 1985 will be a year of transition and I am hoping that allowing the marketplace to set the rates for the sake of the cash flow and short term investments that has had such a disastrous effect will cease.

Discipline Essential

Companies must get their houses in order and once again use sound underwriting and rating principles if profitability is to result. As recovery takes place, I sincerely hope that the industry will constantly remind itself that this past down-cycle was the worst in history and that discipline will be needed to prevent the future recurrence of this past year.

Good old common sense must prevail for them to recoup losses while still being fair to the insurance consumer. If the industry does not take a more responsible approach to providing stability of operations over many years at a time, much more serious consequences will result. At this point to be frank with you, I am not sure how much more serious it can get. Hardly a day goes by that my office isn't advised of an insurer going into insolvency in some state and we hear all sorts of rumors

about giants about to fall. So it can happen even to the big ones. I had a fellow call me. I was questioning the action that a certain company was taking in my state making some promises I didn't think they could keep on life insurance and annuities and that sort of thing, and he said, "Do you mean to tell me that this company—it is an A-rated company by Best—that I have to worry about their not being able to keep those promises?" And I said I have a company in receivership in Portland, Oregon, that was rated A in Best's.

You as professionals will face a more hostile consumer and additional scrutiny at the federal level. And state regulators will be forced to intervene to a greater extent because of public and legislative pressures.

I want to thank you for inviting me to be a part of your program and I sincerely hope that the good news is not only state regulation is alive, well and strong, but that your industry is starting back on the road to a rewarding and stimulating future.

WHITMAN—continued from page 32

and somebody says, "Well, if you get mortgage financing, you need to get title insurance, too."

The title insurance is not the product that most consumers are interested in buying. It is almost incidental from their point of view. Granted, the owner's policy may be a very great and very valuable protection to consumers; I certainly agree that it is. But, the average consumer has no concept of that fact.

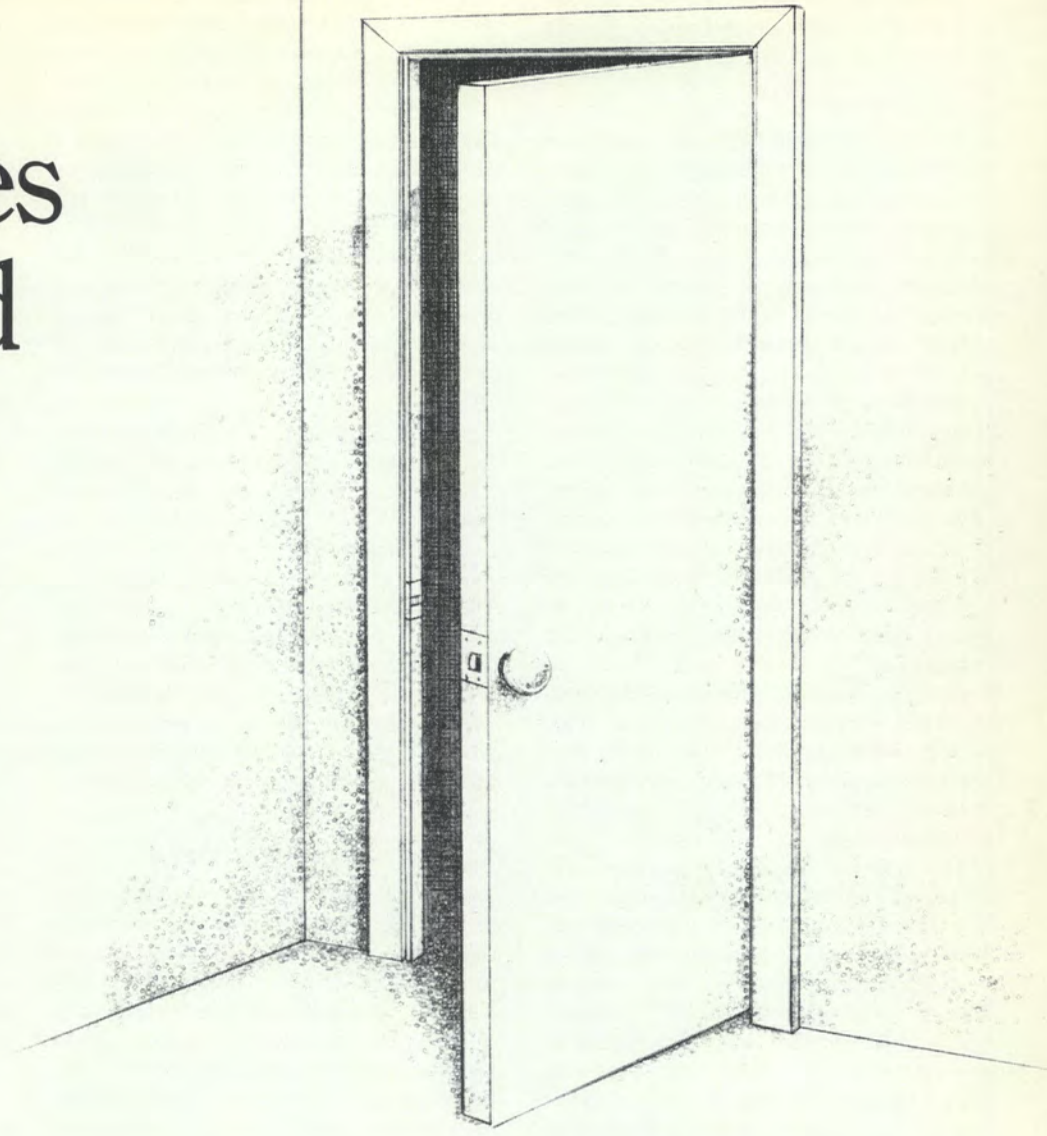
Another reason for the lack of price competition is that consumers are usually under time pressure when they are buying a house and getting title insurance. They are often in a strange city. The atmosphere is not very conducive to a lot of intense price competition. There are plenty of professionals around, particularly the real estate broker and the loan officer at the institutional lender, who are happy to guide the selection of the title insurance agent and underwriter so that the consumer can easily pass along that decision. It is one less thing to worry about. Those are all perfectly obvious factors. None of them is your fault, if indeed fault is the right word to use in describing them. They are just facts of life.

Do consumers pay higher prices for title insurance because of this lack of price competition? I might say that I do not necessarily believe that. I don't know if it is so or not. I know of no empirical way of proving or disproving it. But if one believes that, then one might think about what could be done about it. There are three approaches that have been talked about. All of them have, in essence,

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These materials may be obtained by writing the American Land Title Association.



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This promotional folder emphasizes the importance of owner's title insurance..... \$22*

Protecting Your Home Ownership

A comprehensive booklet which traces the emergence of title evidencing and discusses home buyer need for owner's title insurance \$30*

Closing Costs and Your Purchase of a Home

A guidebook for homebuyer use in learning about local closing costs. This booklet offers general pointers on purchasing a home and discusses typical settlement sheet items including land title services \$30*

Things You Should Know About Homebuying and Land Title Protection

This brochure includes a concise explanation of land title industry operational methods and why they are important to the public..... \$22*

The Importance of the Abstract in Your Community

An effectively illustrated booklet that uses art work from the award-winning ALTA film, "A Place Under the Sun" to tell about land title defects and the role of the abstract in land title protection \$35*

Blueprint for Homebuying

This illustrated booklet contains consumer guidelines on important aspects of homebuying. It explains the roles of various professionals including the broker, attorney and titleperson \$40*

ALTA full-length 16mm color sound films

A Place Under The Sun (21 minutes)

Animated film tells the story of land title evidencing. \$155

1429 Maple Street (13½ minutes)

Live footage film tells the story of a house, the families owning it, and the title problems they encounter \$140

The American Way (13½ minutes)

Live footage film emphasizes that this country has an effective land transfer system including land recordation and title insurance..... \$140

The Land We Love (13½ minutes)

Live footage documentary shows the work of diversely located title professionals and emphasizes that excellence in title services is available from coast to coast \$115

Miscellaneous

ALTA decals \$3
ALTA plaque \$3

now faded away. They are no longer very hot issues, but let me just take a moment and review them for you.

Three Approaches

The first one was RESPA, and the notion that disclosure and education of consumers would bring about a higher degree of price competition for a variety of closing services including title insurance. The fact is that RESPA has had a small impact. The Peat Marwick study, done for HUD and completed in 1971, suggests that in reality the amount of consumer shopping that has been engendered by RESPA is pretty minimal. This is not surprising. I think most of us who were involved when RESPA was being developed (and I was somewhat involved) had a pretty limited view of what might be accomplished by that notion of educating consumers. They are not very interested in being educated. They have more important things on their minds. So RESPA has not been a very startling success in that regard.

A second idea was that of prohibiting kickbacks (which RESPA does, of course) and controlled business (which RESPA probably does not prohibit, although that's not absolutely clear and might still be subject to some litigation in the future).

The notion of prohibiting kickbacks and controlled business does work in a sense. That is, it works to avoid the kind of concentration in the industry, the kind of favoritism toward one title insurance provider at the expense of another, which otherwise tends to arise as a result of controlled business and kickbacks. In other words, it allows more slices of the market pie for more title insurance providers.

But it really doesn't do much at all to encourage price competition in the industry. It merely shifts the competition from the direct kickback to other, perhaps more subtle, means of attracting the attention of the referers—primarily brokers and lending institutions, of course. So the prohibition of kickbacks and controlled business has been largely ineffective as a means of encouraging price competition.

The third approach is the idea of mandatory packaging of settlement or closing services and inclusion of the title insurance service as an element in that package. I happen to believe that that's fundamentally a sound idea. HUD recommended it in 1981 after it received the Peat Marwick report. The theory is that the consumer is more likely to shop vigorously for a single package of services, with a single price attached to it, than for six or eight or ten different services which are variegated and are differently priced.

For example, the lending institution might be required to offer a package of those other services, tied to the loan, and with a single front end price. The lender is concededly the

most price-competitive actor in the market for real estate related services, so it might actually have some effect in terms of creating a more price-competitive market.

Now, that's the theory. In practice, when it was presented to Congress by HUD it drew a gigantic "ho hum." Nobody in Congress got the least bit excited about it. The Reagan administration immediately took control of HUD and put the idea on the "back burner." The title industry didn't even really have to fight it. It died of its own weight and had no political viability at all. It is interesting to go back and look at the testimony before Congress in 1981.

Jim Boren, president of ALTA at that time, made a statement opposing the lender packaging idea but at the same time calling for legislation which would specifically prohibit controlled business, certainly a position that is consistent with your needs and objectives. That fell on equally deaf ears. Congress was simply not very interested, and probably will not get very interested, in any kind of legislation relating to the business of controlling or making more competitive the prices of title insurance or other settlement services. I think that this is about as dead a political issue as one can find right now.

Voluntary Lender Packaging

I give all of that by way of background. From a regulatory viewpoint, the settlement cost controversy has been a tempest in a teapot... a lot of talk, but really nothing very important happening as a result. At the same time, however, a great deal has been happening in the business world. Jim Boren, in his testimony in 1981, said that, if lender packaging were such a good idea, lenders would do it voluntarily. The truth is that they have begun in some cases to do it voluntarily.

In Utah and some other states in the mountain West, a degree of lender packaging of settlement services has been common for many decades. Lenders there conventionally close the loan. They provide the closing service and do it without any explicit fee. It is just considered part of the front end or origination fee that the borrower pays to get the loan.

In recent years several lenders in other areas of the country have begun experimenting with providing additional services, over and beyond the loan itself, as part of the total package. From the title insurer's viewpoint, this is controlled business by another name. It doesn't really matter whether the lender owns an interest in the title insurance company or the credit reporting company or the surveyor or whatever the entity might be. If there is a contractual relationship there, the lending institution will feed the business to that particular contractor, and as a result will widen the share of the market pie for that provider at the expense of other providers. So it is, in effect,

controlled business. But it is beginning to happen.

Invasion of One-Stop Shopping

I think a great deal more important is that we have been witnessing, in the last few years, the invasion of the real estate financial services market by a group of corporations which previously had little or no interest in real estate except as a place to build their offices. I think primarily of Sears and Roebuck, which has been busily acquiring financial service companies and is probably going to continue doing so.

I think also of the CLO. I don't know whether "CLO" is a familiar term to you, but people in the mortgage banking industry are very interested in the CLO right now. CLO stands for computerized loan origination. That's a concept under which a large financial institution—a large mortgage banker, for example, or a large savings and loan—might wholesale funds, or mortgage money, to a real estate brokerage firm with many different branches; and the brokerage firm would then actually close the loans in its office, using a computer terminal with routines and money supplied by the wholesaling financial institution. You can imagine that many mortgage bankers are acutely uncomfortable with that idea, because what it means is that the particular lender who establishes that network through a contractual relationship with a real estate agent, or a brokerage company, has a type of market contact with the consumer at a very early stage in the process. This may allow it to vastly increase its market share at the expense of other mortgage bankers or other savings and loans.

This is a highly controversial notion, but it is beginning to take hold. The notion is increasingly being accepted that people who provide one kind of financial service ought to provide other kinds as well, and thereby become a sort of one-stop financial center. The savings and loan industry and the commercial banking industry are obviously intensely interested in the possibility of putting themselves into that posture.

One of the most interesting developments involves a large mortgage banking company, Margaretin and Company, which has just signed a contract with K mart under which they will place mortgage banking offices in 13 K mart stores in Las Vegas and in New Jersey. The notion is that these mortgage banking offices will prequalify K mart customers for mortgage loans.

Imagine that you can see the blue light flashing. The P.A. system says: "Attention K mart shoppers. Get your mortgage loan over beside ladies wear." People will flock to that counter, and in three minutes they will be prequalified.

Now, that is the theory. Whether it will

work, I don't know, but it is an intriguing idea. K mart has indicated that it intends to evaluate this in those pilot locations that I mentioned, and also to evaluate a whole host of other financial services that might be provided in K mart stores. They didn't say anything about title insurance, but I cannot believe that the possibility of offering title insurance has escaped their thinking in this area. So we see this trend toward retail institutions moving into the residential area for the first time and offering packages of financial services.

Now let me close by asking whether you ought to fight fire with fire. The traditional attitude of your industry has been to oppose this sort of tying agreement or controlled business arrangement, and instead to try to keep the market open so that any provider of title insurance services is in a position to compete for the referrals of business from lenders and real estate brokers.

Packaging 'Pros' and 'Cons'

What I am asking now is, instead of opposing this trend, should you join it? Should you begin to bundle services yourself, and offer packages of services instead of the single service or very limited range of services that you have traditionally offered? There are some reasons that might cause you to think positively about this.

On the "pro" side, you do understand real estate. You have a broad, thorough understanding of the way real estate transfers take place.

Second, there are some obvious efficiencies in bundling of services. If you think about all of the time and energy we spend in the real estate industry moving paper around from one office to another, and you begin to think about shorter tracks for that paper and more efficient communication of the information that is now written on that paper, it is obvious that there are some inherent efficiencies in packaging services.

A third point is that there is very little risk of illegality, at least at the federal level, as long as you do it properly. It is very unlikely that HUD or Congress is going to step in and say that there is something improper about a title insurance company packaging other settlement services with the title insurance.

Fourth, you may very well already have the computer systems and the computer expertise which would be needed to get into this sort of packaging.

Now, there are some potential disadvantages as well. On the negative side, first, you don't have the natural direct contact with consumers that real estate brokers have and, to a considerable degree, financial institutions have. There may be ways of developing that. I am not suggesting you go out and open a K mart. What I am suggesting is that you might possibly enter into a contract with a real

estate brokerage company or a lender that does have those natural contacts. And you might offer a range of services—a package—in connection with that provider. I realize this runs very much contrary to the established wisdom on this subject in your industry. But I suggest that you might think about it.

A second negative feature is that you must avoid *mandatory* tying together of services or you will probably end up violating the federal and in some cases state anti-trust and consumer protection laws. Some of you saw the *Wall Street Journal* of February 26, in which ITT's credit companies were being severely taken to task, and had been sued by several state attorneys general, because of their alleged practice of pressuring their consumer loan customers into buying various forms of insurance along with the loan, such as credit life, credit disability, and property insurance. They had four or five kinds of insurance that were being sold to loan customers, and there were a number of illustrations of people who had paid nearly as much for the insurance as they had gotten by way of the loan itself.

The point is not that you cannot offer those things, but that you can't tie them mandatorily to the product that the consumer wants to buy. Further, you had better make it absolutely clear that the consumer has a choice or an option to go elsewhere or not to buy those services at all, if indeed that option is available. In many cases, of course, settlement services are required by the lender as a condition of making the loan. So there is no option about whether to get them but there may be an option to get them from a variety of sources. If you insist that they all be bought as part of a package, you may be running the risk of violating anti-trust laws.

A third negative point is that it is very tricky to include attorney services in a package of settlement services, particularly in areas where lawyers still insist on a monopoly in drafting the documents or conducting the title examination. Even though in many cases there really is no meaningful lawyer-client relationship, lawyers have nevertheless traditionally insisted on maintaining the fiction of a lawyer-client relationship.

I have very little sympathy, as a lawyer, for the somewhat nonsensical position that the bar in some states takes in the unauthorized practice field. I consider that they are acting largely in self-interest and not in the public interest in maintaining those rules; but the fact nevertheless remains that the rules exist, and, if you try to include lawyer services in a package, you've got to proceed very carefully and make sure that you are not running into potential litigation with your state bar.

A fourth disadvantage is that if you move into *lending* and actually include the financing as part of a package, you have begun to play a very fast game indeed. The financial markets

are extremely volatile and extremely sophisticated. Your expertise in a variety of other fields does not give you expertise in the secondary mortgage market. Unless you are sure that you have that kind of expertise or can go out and buy it, you had better move cautiously in getting into the provision of lending services to consumers.

And a fifth disadvantage is that your state insurance regulator may or may not think that provision of packaged services is a good idea for you. You need to evaluate your regulator's attitude.

Bundling, a Growing Phenomenon

Well, that's my list of some of the negative aspects of getting into the packaging of settlement services. There are, as I said, some "pros" as well as "cons." It is well worth thinking about. Some wise person once said, "May you be cursed to live in interesting times." Well, you have been so cursed. These are interesting times. This drift toward "bundling" or "packaging" or "controlled business" (and those are really all names for about the same phenomenon) is a fact. It isn't going to go away. In the long run, it is very unlikely in my judgment that any governmental regulation is going to stop it. It stems partly from the fact that there are some inherent efficiencies in bundling. It stems partly from creative marketing efforts, especially by people who are moving into the real estate field for the first time, but who are very imaginative and successful marketers.

It stems even a little, perhaps, from RESPA, because at least some consumer shopping has been engendered by RESPA, and that may have been a factor in encouraging this move toward bundling or packaging. But it is a fact. It is happening and it is going to continue to happen. It is going to cost you some of your market share as an individual provider of title services unless you do something to make it work for you instead of against you.

The decisions are very complex. I would never underestimate the difficulty of making business judgments about how to proceed in this area. The future is murky. Nobody can tell which way things are going to develop. I hope you will continue to provide the good product and the good service that you have in the past. I congratulate you for your previous successes. I wish you success in this area in the future.

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COTTER: I would like to point out something. We had an employee leave another company and come to us precisely because of

that reason. He was not getting the feedback from the company he was with and, when I asked him, "Why do you want to leave your job?" he was very specific. He said, "I don't know where I stand with my boss."

DANCE: Along with feedback and the job description, there is also the accessibility to management, which is extremely important. The employee should be able to come in and discuss what he thinks might be a potential problem. The employer has to have an open door arrangement. The employer should never be too busy or pretend to be too busy to talk to the employees about business problems, personal matters or other concerns of theirs.

We had a situation in one of my offices where a *very* small problem smoldered into such a large proportion that the employee was ready to quit. When I became aware of it, we sat down and discussed the problems. And, you would be surprised, you discuss it, catch it early, and, although you don't always have to agree, or say, yes that is what we are going to do, you address the issue. That's feedback on a personal matter as well as to some problems in the office and on job performance.

COTTER: That's important. It is also important when you are dealing with a supervisor, when you are talking with supervisors that are under you. Basically, I think that, within the title insurance industry, we range from SAFECO, which is a large national organization, to an abstracter with five or six people, perhaps, in their employ, and you say, "Does the same thing apply to everybody?" In reality, it does.

The management problem becomes perhaps more intense when you begin adding levels of management, or you begin losing control because of a geographic problem. You are branched in another county and you don't get to that other county, or what have you. But, the point that you made, which is that sometimes you are better off just stepping back a bit and saying, "I want to reserve judgment," that can also be applied to your supervisors. If you tell your supervisor, "Look, if you get something that you just don't know what company policy is, rather than have a policy procedure manual yea thick, just call for a time out and tell the people," I understand your problem. I understand what you are saying. Let me think about it." And that supervisor can get back to you and the two of you talk, as opposed to a situation where you cut your supervisor's legs off because you make a decision over that supervisor's head when the supervisor was in a quandry and didn't know what to do.

TRUBY: Your point has triggered this response. When you hire an employee, the employee begins an immediate exercise. He listens to you tell him what you expect and how things are. Then he compares what you have said with what is actually going on within the

department. If what you tell him and what he observes are the same, then you have the foundation for developing a good, productive employee. Your success will be greatly enhanced if the rules and regulations that you communicate to a new employee are actually being practiced. If they are not being honored by the other employees, chances are great that the new employee will forget what you said and join the group and probably adopt their attitudes and habits.

COTTER: One thing which I would like to get back to for just a second, on standards of performance and job descriptions, is this. I said it is something you can do Monday morning and we will probably get back and not do it, but let me suggest that you really give it a try. If you don't have some standards of performance, it is not a big exercise. It is not something that is going to take a great deal of time. My personal suggestion is this. When you get back Monday morning, just ask everybody in particular levels within your company, to write down (1) the activities, what do you do, and (2) what you think is expected of you. How do you think that job is going to be done when it is well done?

It does a number of things. Number one, it gives them the feeling of input and that is very, very important. Number two, from your personal, selfish standpoint, you've been away from the office for two days, three days, a week, whatever it might be. You've got a stack of mail like that. It puts you in a position where you really don't have time for this. I guarantee, if you don't do it Monday, Tuesday or Wednesday, you are not going to do it, so, by letting the employee do it, you are shifting that burden.

And, a third thing it does—is that it is going to surprise the hell out of both of you when you sit down and see what they say, because it is not going to be anything like what you thought that job description and standard of performance was. You are expecting one thing and that employee is thinking something else. Even in our company where we happen to have many of these job descriptions written down.

And, you know, it is funny. We had a situation right before I left to come to the conference where one of our people in a very important job didn't appear to be doing the job correctly and we brought some of the supervisors in and discussed it, and we said, "... what about the job description." We called the person in. She had never received a copy of the job description. Now it did a heck of a lot of good sitting on a shelf someplace in some manager's room that he had this very, very nice job description and standard of performance and he never, in this particular case, communicated it.

When you go back, if you ask those people to do that, and get the time burden off of

yourself, it gives you the opportunity to sit down with the employee and really get into it. Really discuss it. Once they come back to you, tell them to make it simple. Keep it as simple as possible. But be as specific as possible as far as time limits and things of that nature. When you make your assignment, delegate this responsibility; be sure to say, "I want it back by a certain time." Whatever time you think might be appropriate, depending upon the complexity of the job, but don't let it go to a situation where the employee thinks, well, the boss doesn't really want me to do this.

You are going to get fantastic feedback. Feedback that you never expected. And you are going to find out that that person is doing something counter to what you want him to do and, quite frankly, they are not doing it because they have any evil intent, they are doing it because they just don't know. So it is something you start Monday morning with.

DANCE: I think, along with that, you are getting back to job descriptions, then you flow into goals and teamwork. How do we do this? Well, I just mentioned how we did it. The word, "We." I know that my company, for example, at the last staff meeting put "We" in our planning assignment in a task to people who were weak in a certain area. Get them to feedback to you and by them admitting their weakness in an area, they are identifying some of their own problems and the two of you or you and your supervisor work on the same thing. For example, at the staff meeting last month, we recognized Shirley and John, who joined forces on the APOC project and look what our company did. Look what we did versus our competition with this. They build a team and derive pride and recognition doing such a thing. Recognition is sometimes far better than a \$5 a week raise.

COTTER: That's true and it doesn't have to cost all that much money either.

TRUBY: That's a good point. Two things I think employees have the right to demand are: (1) that they report to a supervisor who actively supervises them, and (2) that they know how they are being measured.

We have a habit in the title industry of promoting and building a layer of middle managers who are very, very ineffective. We promote them because they are technologically strong. We honor them because of their seniority and we allow them to screw the whole thing up by acting as our managers. An employee should know exactly what it takes to succeed. An employee should know the direction in which he should aim himself. Don't expect productive employees unless you have a yardstick which can be held up to clearly show that employee that he is being measured.

COTTER: I think one of the reasons for that also is sometimes we all have a tendency not to analyze the job that is required. Again,

this goes under job descriptions. Another good point. You know, you take somebody who is a good technician, you go through the basic steps, they come on doing small bring downs and then they get into title searching and they get into title review and examination, etc. You finally get that person to a point where, for some reason, you feel that you've got to make that person part of management. And you bring the person into management, and management by necessity and by definition deals with people. But many people in title research basically are not people oriented. They are very good examiners or very good reviewers because, quite frankly, they like research. Now, a good researcher generally is not a good decision-maker. A decision-maker by definition is somebody who goes like that [snaps his fingers]. A researcher is someone who prolongs.

By definition, the people who are involved in the technical end many times are not people oriented. They like to delve into books and things of that nature. Whereas, a manager by necessity almost has to be people oriented and talk to people and want to interact with people. What makes us think sometimes that someone who is technically proficient even enjoys the concept of being put into a managerial role? Maybe what we should do is say, "Joe, you are excellent and I am going to give you a title and I am going to give you more money because you are excellent. But, because you are excellent, I am not going to lose that excellence and make you a manager and then lose my best title examiner, or whatever it might be, as well as half of the staff walk out on me," which is a major investment from the corporate standpoint.

DANCE: You, management and everywhere there is a team captain or the guy who runs the courthouse crew for you, right on down to the girls, who is in charge of some binder policy typers. You have to recognize an employee's talents and the best utilization of these talents.

Some years ago, our company had an abstractor trainee whose daily work took him 20 miles from our main office working the courthouse records. George was having great difficulty adjusting to the title business. He was making too many simple and dumb mistakes. We were very seriously thinking of a career adjustment for him—that means firing him in my office. We had numerous conversations and what derived out of that was that George had not only a real estate license, he had worked with the Board of Realtors, he had print shop experience, he liked people and he had the extreme good knowledge of the ready data maps and tax roll. That information was assessed through early morning conversations that I would have with him when he was picking documents up to go to the courthouse.

One morning I was deep in thought in new

marketing ideas—our company believes in educational seminars as well as free pens and scratch pads—so I asked George to join me in a Realtor's office meeting where I was a guest speaker, and to be prepared to answer questions relative to the ready data maps and microfilm of the tax rolls, the aerial books and things of that nature.

He did an excellent job. George was well and alive at Gold Coast Title some five years later. His abstracting and examinations are above average, not the best, but in addition to that we have utilized him.

His responsibilities include a monthly two-hour time slot at a required orientation course at the Board of Realtors. He does our company a great deal of good. He gives these mini-seminars on the ready data maps with the Realtor's office and the commercial division as well as throughout our town. He furnishes current ownership and other information needed by Realtors in the courthouse. We've got two toll-free hotlines and those belong to George. He solicits business for our company. George has made a solid path with our company and never stops thinking of new ways to keep the name highly visible in the community. You have to listen and pick up on how you can best utilize employees. He was just about to lose his job before we decided on expanding on what he had brought to our company.

TRUBY: Good point, Herman Dance.

COTTER: One of the things you were referring to, Herman, when we had breakfast this morning, this particular individual, George, had a bad eye. Had a problem with his eyesight.

DANCE: Yes, at the time that we started talking about doing other things, it came to me he had a real bad stigmatism in one of his eyes and I wasn't aware of that when I hired him.

COTTER: That brings up two things. First, it is obvious that if you have a person with that kind of a problem in the role of title research, you've got a good chance of missing a mortgage or something. I think, again, that what it says is play to your people's strengths and avoid their weaknesses. To do that requires exactly as you said Herman, and exactly as you said Darrel, it requires that you sit down and talk with your people, that you communicate with your people, particularly when in a remote geographic situation.

If you have a situation where you have a branch office or you operate in two or three counties, you have to create a new management technique. They talk about it in some of the management literature today. Managing by visitation. You know, visible management. Whatever the buzz word happens to be for a particular company. But, if you have a situation where your people are operating one place, or some of your people are operating one place, and you are someplace else, either you have to have awfully good first line super-

visors, or you've got to get out there yourself and be visible and talk to people because it all boils down to communication. Management is very little more than communication and motivation.

The other thing that it pointed out to me is the idea of testing. You said testing for eyesight. We are strong believers in our company, in tests, particularly for promotion. We feel that there are certain things that we can identify as being valuable to a particular job. One example, I alluded to before—the title researcher. I never thought of this. We found that one of the people in our company who was being considered for promotion was given the choice between a settlement escrow operation and a title courthouse operation. The person chose the courthouse.

Now, this is a very gregarious person. A person who truly enjoys being around people and, for the life of me, I could not figure out why this person chose that end of the business. It turned out that the people we used to do the testing said that he made the right choice. The reason he made the right choice is because he likes to be physically active. An escrow officer, by definition, sits and is behind a desk most of the time. Management people sit and are behind desks most of the time. This guy wants to be in the courthouse. He wants to walk around. He wants to be free, and if you put that person in a job that requires that he sit, he is going to leave you in six months. Many times we don't think through what a job is and what a job entails, at least I don't, and for that reason we have actually gone out and employed people to take a look at what types of people we need to fill the job requirements we have.

You might say that's very expensive. The fact of the matter is it certainly is less expensive to spend a few thousand dollars to come up with the right definitions of what you need and who you need—the right types of people—than it is to go out and make two or three mistakes in hiring. Because two or three mistakes in hiring, I guarantee you, will cost ten thousand bucks each. I don't care what you are paying or how quickly you find out about it. It is going to guarantee you \$10,000 or \$15,000 in expense right off the bat.

TRUBY: Well, your concern over the square peg in a round hole is certainly real. The way we build a management team requires some kind of dissecting. We assign a supervisor to a department as a promotion and we literally demand that he continue that department in exactly the way it is running now. We assign to that new supervisor, whether we like it or not, the prime objective of having all your employees remain in motion. He will be considered successful if there are no bumps or grinds and if nothing comes to a halt. I think what we really should be doing is emphasizing the fact that he is responsible for trying to

figure out better ways of producing our product. With facing the challenge of trying to produce more with less employees or take on more tasks with the same number of employees. He has the responsibility of soliciting the ideas and participation of those people who are actually doing the work.

DANCE: I think, along with promotions, you've got Shirley who has done an excellent job. She has been with you five or six years. She is running your closing department. She is cranking out 60 units a month along with lender packaging, communicating here, going to the Board of Realtors, it is very natural to say, that's my next one to bring up in management. Unfortunately, it doesn't necessarily qualify this person to be a good manager.

We brought Shirley up. She does a good job. In my mind, I am still looking at those 60 units that she has been producing. I am still looking at the lender packaging. I am still looking at what she did at the Board and quite often it is not fair to that person when you bring her up in management unless you have again a *clear job description*.

You are not going to do 60 units now, you are going to do maybe 20, but your job is to see that these are spread out. We bring other people up. Coming back to job description, then they know what they are doing, what direction they are going. Get back to team player and also goal setting. But not only goal setting. What happens at the end of the year if you didn't meet the goal? Where did we go wrong? How could we change that next year? Do you need an assistant? I think in bringing people up, to be very fair with them, you have to be very cautious as to how you handle that.

COTTER: Darrel, you had mentioned before and we talked at breakfast about this, what actually motivates people. Most of us, I think, because we are in a labor intensive business, are very concerned about keeping that motivation at a reasonable level. Herman, you had mentioned that you had a particular employee that you rewarded in a non-monetary way by a trip or whatever, I think it is important when you think in terms of your budgeting for your own shop—be it a four-person shop or a 400-person shop, or a thousand-person shop—to think in terms of putting something in; it might only be one-half of one per cent of your total payroll; but, put something in to allow your supervisors—people under you—to reward people in what I would call non-monetary ways. Allow them a certain amount of flexibility.

One of the most successful programs we have each and every year involves us buying a little plaque that costs us around \$40, engraved with the person's name and the date and their accomplishment. A dinner for the person and spouse at a nice restaurant and a picture in a local newspaper.

The whole program costs us \$200 a year

but we get fantastic results because the person looks at that award every day of his life. Customers see. He sees. And he will say to himself, "Wow! I got that. I accomplished that. Isn't that wonderful." And it cost \$200. That's not an awful lot of money. There are a lot of programs if you use your imagination. A little suggestion box program, perhaps, or whatever. They can be extremely productive and cost so little as compared to adding an extra person.

DANCE: Non-monetary rewards, I think, are real good. For example, in our company, I had overheard one of the girls casually mentioning the soapbox derby. Well, I had never entertained the idea of doing anything like that. Although we do reach out in the community, everything from T-ball to swim teams. And I said, "Gee, do you have a sponsor?" She said, no, I don't know if we can find one.

Well, to make a long story endless, we are now on our third soapbox car. She has placed in the top three in the last two years. We are building a new car. And I couldn't have got this much gusto if I had given her a huge raise or sent her on a vacation in the islands.

TRUBY: When I have an opportunity to communicate with department heads and supervisors, I try to send the message that their role is to produce results, not just keep employees in motion. That they have employees working for them only because they cannot handle the work load without those employees. I tell managers that while it is understandable that their supervisors are mediocre or marginal.

That makes no sense at all. It's about as logical as leaping off a building and going out of your way to land on your head!

The person that you appoint as a supervisor should do as good a job as you can do. If you are really smart, you will appoint one who can do a better job than you can do. To appoint someone to manage the work for you on your behalf while you are absent is why we have department heads and supervisors in the first place. To allow someone who does not know how to manage people or the work, to separate you from the very people you are paying money to do the work, is very questionable.

In my company, where size is a disease we live with every day, we are well aware that the farther away from the president, or the entrepreneur, or the one individual who really set that company on fire in the beginning, the more adamant you must be in your selection of individuals who deal with the workers directly.

COTTER: I think that is very true, especially with entrepreneurs. The tendency of somebody who owns their own company is to always want to be the decision maker. That is just a natural tendency. That is a natural thing that as management we have to fight. Years ago, when I attended a seminar, the one idea I took out of it was, "Everybody should strive to

be the dumbest person in their company." Now, I want you to know I have accomplished that. I hope you can as well. It really is very important. If you have people who manage better than you, and/or are better technicians than you, you are going to be growing because of them, and your company is going to be growing because of them, and that is a very, very important idea to promote.

TRUBY: We talked about the importance of job descriptions, that it was necessary to communicate to the employee and his co-workers what is expected of him. We talked about goals and whether you call it management by objectives or just deciding ahead of time what to do; it should amount to you and the employee agreeing on precisely what you expect to accomplish and then debating on how you are going to pull it off. What's my share? What can I do to accomplish this? In the business world, we compound our planning difficulties because often we have not first selected a precise destination.

If I asked someone in this audience to plan on this whole group going to lunch across town, it wouldn't be a challenge at all. You would hire the bus. You would pick out the restaurant, etc. Your employees are also quite able to do this kind of planning. Why is it then, that we seem to have trouble planning our business? Maybe it's because we do not place enough emphasis or spend enough time first deciding what we want to accomplish or what conditions will be like when we no longer have an unacceptable situation.

We talked about team players. We talked about the tremendous importance of listening to your employees. We hire an employee who worked across the street and that employee notices we have a problem his last company has solved. He would like to make a contribution but he has brains enough to know that you don't say, "This is how we did it across the street." So he asks some little introductory question, "Why are those cards red?" His supervisor will usually say, "Don't worry about that, let's get on with your training."

The employee will try again, "Why does the red card have black letters?," and the supervisor will counter, "We will worry about that some other day," or words to that effect. Chances are good the employee will dry up and never present his solution and will learn to put up with a condition he knows to be dumb.

That supervisor may have missed an opportunity to pull off one of his biggest coups simply because he did not listen. Every idea should be shook, turned upside down, twisted, and studied for its value. A supervisor or department head should have the responsibility to not only encourage ideas and suggestions,

Continued on page 78

Names in the News

ALTA Finance Committee Chairman **Richard P. Toft**, chairman and chief executive officer, Chicago Title Insurance Company and president and chief executive officer of Chicago Title and Trust Company, announced the following appointments within the general counsel offices of the companies in Chicago, Illinois.

Leonard C. Donohoe is now general counsel and senior vice president of CTIC and Chicago Title and Trust; he also is secretary of Chicago Title and Trust. **Donohoe** is a past president of the Wisconsin Land Title Association and succeeds **Robert T. Haines**, who retired this April after 34 years as a titleman and a decade of service as a member of the ALTA Title Insurance Forms Committee.

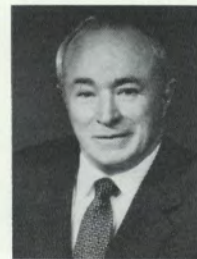
Other appointments within CTIC and Chicago Title and Trust general counsel offices are **Richard J. Pozdol**, general underwriting counsel; **Hugh A. Brodkey**, remains vice president and associate general counsel, assumes additional responsibilities for corporate training programs and has been appointed to the New York Advisory Board of CTIC; **Raymond J. Werner** remains vice president and

associate general counsel and assumes additional responsibility for the underwriting supervisory audit function; **Thomas J. Adams**, general corporate counsel and secretary, CTIC; **William L. Greene**, associate general counsel and vice president, Chicago Title and Trust, and **Donald N. Memmer**, general claims counsel.

Reginald D. Babcock has been appointed resident vice president and remains manager, northern Virginia operations in the Fairfax, Virginia office of Chicago Title Insurance Company. **Robert P. Mooney** and **James William Bray** have been named resident vice president and remain manager in their respective Jacksonville and Ft. Lauderdale, Florida, offices. **Sally Dolph** has been appointed

manager, Cook County title plant operations and remains assistant vice president in the Arlington Heights, Illinois, office.

Chicago Title also announced the following appointments: **Randy Howard**, assistant vice president and area manager and remains counsel, Richmond, Virginia; **Jack A.**



Donohoe



Haines



Pozdol



Werner



Adams



Greene



Memmer



Babcock



Bray



Noblitt



Roney



Parkinson

O'Leary, assistant vice president and manager, Oak Forest and South Holland, Illinois; **Nancy Hallman**, assistant vice president and remains state manager, Columbia, South Carolina; **Carol Creighton**, assistant vice president sales-Gulf Central region, Kansas City, Missouri; **Nancy Beck**, manager Chicago metro residential sales and remains assistant vice president, Skokie, Illinois; **John Noblitt**, assistant vice president and remains manager, Charlotte, North Carolina; **C. Lawrence Plank**, assistant vice president and remains manager, Merritt Island, Florida; **Stephen Steining**, assistant vice president and manager, Edina, Minnesota; **Stephany Addis** and **Barbara Cukierski**, manager and remain title operations officer in the Skokie and Arlington Heights offices respectively.

Palmetto Land Title Association Secretary **Joby C. Castine**, has been appointed office counsel in the Columbia office of Chicago Title and Minnesota Land Title Association Secretary-Treasurer **Anthony L. Winczewski, Jr.**, has been appointed title operations officer and remains title production manager in the Edina office.

The following individuals were promoted in the Chicago, Illinois office of Chicago Title: **Jeri Crittenden**, residential sales representative, special search department; **Charles Pichla**, manager, title production, Division III and remains title operations officer; **Dorothy Roney**, manager, title production, Division I and remains title operations officer; **Mark Parkinson**, manager, title production and title operations officer, lenders division; **Patricia Towns**, manager, governmental services division and remains assistant title officer; **Gayle Altur**, manager, special search department; **Peggy Boynton**, manager, customer services division; **David Smith**, title supervisor, builder/developer services division and **Josie Carlson**, assistant escrow officer.

Additional Chicago Title promotions are: **Beth Nelson** and **Mary Lucille Dorwart**, office counsel in the White Plains, New York and Edina offices, respectively; **Jack D. Stokes, Jr.**, assistant regional counsel and remains underwriter, Tampa, Florida; **Thurman Q. Thompson**, assistant regional counsel, Dallas, Texas; **Janett B. Lowes**, county operations officer and manager, Indianapolis, Indiana; **Patricia Provansano**, operations supervisor, South Holland; **Courtney G. Stultz**, agency operations officer and remains agency representative and administrative assistant, Richmond, and **Mary Brown**, agency operations officer and remains agency representative, Atlanta, Georgia.

Howard Oken was promoted to vice president and assistant chief counsel of First American Title Insurance Company of New York. In

the Garden City, New York, office, **Marjorie J. Scharff** was appointed vice president and branch manager. **A. Anthony Dalessandris** was promoted to vice president of the New York City operation; **Patricia Donaldson** was named assistant vice president and assistant branch manager and **Perley D. Cooper** was appointed assistant vice president.

First American Title Insurance Company announced the promotion of **Walter M. Reeves** to vice president and assistant senior title officer and **Bette A. Hollenbeck** to assistant vice president in the Santa Ana, California, office.

Richard G. Valenti has been named Alameda division manager for First American Title Guaranty Company, Oakland, California.

James R. Belardi has been appointed vice president, agency development department, in the Scottsdale, Arizona office of Fidelity National Title Insurance Company.

Fidelity also announced the following appointments in its California operations: **Robert W. Johnson**, vice president and Sonoma County manager, **Leslie Broaddus**, escrow technician and **Sandra Petersen**, receptionist, Santa Rosa; **Steve Payne** and **Patrick Presiado**, sales representative, San Bernardino; **Bob McLaughlin**, commercial-industrial special projects marketing director and **Ernie Napolitano**, senior escrow officer and escrow training director, Walnut Creek; **Paul Diffenderffer**, senior account manager and **Jorge Herrera**, sales account manager, Ventura; **Matt Helbert**, assistant manager, **James Johnson**, subdivision manager and **Lisa Christ**, sales representative, San Diego; **Diane Sanders** and **June Lee**, title officer, **Sandy Dow** and **Teri Heath**, sales representative, Santa Ana.



Towns



Provansano



Oken



Scharff



Dalessandris



Donaldson



Cooper



Reeves



Hollenbeck



Valenti



McLaughlin



Napolitano

The following individuals have joined the new San Ramon-Walnut Creek, California, operation of Fidelity: **Cindy Smith**, branch manager and senior escrow officer; **Terese Fensterer**, marketing manager; **Jean Guerra**, escrow officer and **Cindy Burkett**, assistant escrow officer.

The San Jose, California, operation of Fidelity has transferred its office from Moorpark to Cupertino and has appointed the following individuals: **Beverly McPherson**, branch manager; **Carol Falk**, escrow officer and **Julie Ondi**, escrow secretary.

A. Roger Blauvelt has joined the Paterson, New Jersey, operation of Commonwealth Land Title Insurance Company as vice president and New Jersey state counsel. **James R. Evans, Jr.**, has been named vice president and Austin operating manager, responsible for overseeing Commonwealth's subsidiary, Commonwealth Land Title Company of Austin, Austin, Texas.

Commonwealth also announced the following appointments: **Kaz Lojko**, vice president, Garden City, New York; **Terrance P. Miklas**, assistant vice president, National Title Service, Boston; **Susan E. Lackemacher**, title officer, Summit, New Jersey; **Nancy Karen Hunsinger**, closing officer, National Title Service, Philadelphia; **Philip M. Champagne**, assistant counsel, Providence, Rhode Island; **Jeanne M. Koelsch**, sales representative, National Title Service, and **Linda L. Groman**, record officer, and **Sherry Bon**, sales representative, Philadelphia, and **Ruth M. Thurlow-Phillips**, assistant secretary, Linwood, New Jersey.

Lawyers Title Insurance Corporation announced the election of **J. Robert Walker** as vice president and mid-eastern states manager in the Richmond, Virginia, office. He is currently Georgia state manager in the Marietta, Georgia, operation. Other appointments

include: **Daniel J. Harris**, senior title attorney, White Plains, New York; **Janice E. Carpi**, assistant Southwest states counsel, Dallas, Texas; **Nicholas M. Moroz** and **Pierre Chagnon**, branch counsel, Cleveland, Ohio, and Ft. Lauderdale, Florida, respectively; **James A. Long** and **Darryl E. Pebbles**, branch manager, Largo, Florida, and Indianapolis, Indiana, respectively.

American Abstract Company, Inc., Des Moines, Iowa, announced the purchase of outstanding stock by **Jay D. Stewart** and **Robert F. Barnett** from **Bruce E. Longstreet**. **Stewart** succeeds **Longstreet** as president and treasurer, **Barnett** remains vice president and **Longstreet** remains with the company as business manager.

Joseph P. Turso, esquire, has joined Tigor Title Insurance Company, King of Prussia, Pennsylvania, as vice president, national title services.

Penn Title Insurance Company, Reading, Pennsylvania, has announced the appointment of **John A. Medinger** as vice president in charge of operations in Pennsylvania, Delaware and New Jersey.

Anthony C. Naimoli has been appointed vice president of marketing, Industrial Valley Title Insurance Company, Philadelphia, Pennsylvania; **James B. Keane** has been named branch manager, Chestnut Hill, Pennsylvania

and **William I. Quigley** has been appointed office branch manager of the Radnor, Pennsylvania operation.

William S. Evans has joined American Realty Title Assurance Company, Columbus, Ohio as special accounts representative of the Mid-West region. Also with ARTA, **Lyn Nelson** has been named assistant vice president-market development for the east and south regions of Franklin County, Ohio, **Kathy Fahy** has been named assistant vice president-administration and **Lynn Zapp** has been named assistant branch manager and escrow officer of the south office, Ohio. **Robert Holmes** has been appointed manager of ARTA's new office in Clearwater, Florida.



Blauvelt



Evans



Lojko



Miklas



Hunsinger



Champagne



Koelsch



Bon



Thurlow-Phillips



Walker



Long



Pebbles



Chagnon



Stewart

Title Insurance Company of Minnesota has announced the promotion of **James A. Gatlin** to manager of the Tucson branch office, Tucson, Arizona. **William L. Rohrbaugh** has been promoted to assistant secretary and Clark County manager, Las Vegas, Nevada. **Linda F. Hawthorne** has been named general manager of Conroe Title & Abstract, Conroe, Texas, a TIM subsidiary.

Universal Title Insurance Company announced the promotion of **Monica Hoover** as Hennepin County manager, Edina, Minnesota, and the addition of **Rudy Wahlsten** as Dakota County manager, Burnsville, Minnesota.

Plano Title Company announces the appointment of **Cathy Senger** as escrow officer, Plano, Texas.

PRODUCTIVITY—continued from page 74

but make an earnest effort to discover whatever value that idea or suggestion may have.

We talked about the apprenticeship program and how important it is to grow your own employee. At breakfast, the three of us talked about the fact that out there is a new breed of cat that doesn't want to serve an apprenticeship. He wants and expects to go from the bottom to the top in about three months. That's a very challenging situation that we all now face.

We did not have time to talk about the challenges of the three and four-man office. Where there is no time to train and yet we must take the time to train anyway. There is no time to manage and yet we cannot succeed without managing.

We talked about standards of performance. Standards that you can communicate to the employee. The employee needs to know how he is being measured. The employee needs an environment where, if he wants to demonstrate that he is superior, he knows exactly what to do. Now, many of you feel that there



Barnett



Naimoli



Keane



Quigley



LTI Registrar Ramona Chergoski

While attending the ALTA Convention

Ask Ramona

about title industry education through employee correspondence courses of The Land Title Institute available to subscribing employers

The Land Title Institute

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Winter Haven, Florida 33880

Telephone 813-294-6424

are important jobs in the title industry that are almost impossible to quantify. I have a very convincing argument that everything from the top job to the bottom job can and should be measured. We must have an answer to the question: "I am going to be the best damn supervisor this company has ever had, so please tell me what I will be doing and what the results will look like when I am scored as such."

We talked about management training programs. We talked about the importance of testing our employees. My company has a tremendous program for hiring people. As a result of losing lots of money due to turnover, we created a wonderful program for picking new employees. We at first failed to recognize that we should use that same program for selecting employees for promoting within. When we used to pick a supervisor, instead of asking is he a natural leader, is he well liked, can he communicate, does he like helping others, we simply noted how long has he worked here, what does he know about the title business, and do we dare not promote him. We talked about the great difficulties of trying to get things done through others if you don't communicate.

GOVERNMENTAL—continued from page 42

TIPAC, we would practically have this years budget raised. It's a meager budget to start with. The only thing that saves this small industry, and makes our PAC viable, is the \$5,000 lid. The American Medical Association can't give more than \$5,000 to a candidate, and that's the only thing that saves us. If it wasn't for that, we have comparatively so little funds raised that it just wouldn't make any impression.

It's your business, and I frankly cannot understand people that will not contribute to it. It's like Don said in being politically active at home, it costs time, and it costs your money. But by George, if you want to have a business, and if you want to have some say in what happens, you need to support the industry PAC, and I can't say it any plainer than that.

EDUCATION—continued from page 46

form. The attendees were asked to rate the topics and speakers and make suggestions. It is these evaluations on which the committee builds and improves the program.

The responses have shown us we are reaching the grassroots members, who can't or don't attend the annual national ALTA meet-

ings. Nearly all participants indicated that they seldom, if ever, attend these annual meetings. In June, 1984, the Executive Committee allowed \$5,000 in case the seminars went into the red. The committee appreciates this support, and most of all the support of you, the ALTA members. On April 5 and 6, the third seminar in the current series will be held at Tampa, Florida. We are currently arranging the program for a November 1 and 2 Regional Seminar in Kansas City. We do hope that those of you in these regions will attend.

In addition to this, the committee is charged with helping state and regional associations establish title schools and seminars. We are anxious to help you in these areas. All you have to do is contact one of the committee members or ALTA staff, and we will help. We are preparing a new survey at this time so we are sure that we give you what you want. Please respond as soon as you get it.

To sum up, the committee has been working very hard on carrying out what you have wanted us to do, and continues to do so. Please let us know what you want, and respond to that survey, and we will continue to do our part.

HUBBARD: To give you just a little more insight as to the content and the success of the two seminars held last year, I'd like to ask John Cathey, Chairman of the Abstracters and Title Insurance Agents Section to give that review. John . . .

CATHEY: You know, Phil, I feel like maybe I should have given the history report. I don't feel quite as old as Mr. Kennedy, but the first committee I served on in ALTA was the Education Committee, and then Ray Frohn from Nebraska had the audacity to retire, and the first thing I knew I was the chairman of the Education Committee.

Of all the committees I've served on, it has to be the most frustrating committee that I've ever worked with. It's very difficult to determine and come up with an education program that will be of interest to everyone in the United States. We've tried and considered a library to be established at the ALTA office to provide educational material. That did not work very well. Phil's Education Committee, when he chaired it, came up with the regional meetings.

We had a little trouble getting them off the ground. We varied the programs for the districts, and, at Bridgeton, we had 100 paid attendance, which we felt was very good. Some of the topics covered were title insurance coverages, a discussion on converting from abstracting to title insurance, which is an interesting subject—not too well received sometimes in certain areas of the country, but it's something that's happening . . . and people need to be aware of it, and see how they can make the best of it.

Also, we had an automation program.

And when we went into the northwest part of the country, at Jantzen Beach, we had an excellent turnout. We had 110 paid attendees. It rained the entire weekend, which I understand it normally does in November in Portland. I asked for a show of hands on the first day of the number of people who had attended the 1984 ALTA Reno convention, which was the previous week, and we only had 10 out of 110 who had attended the Reno convention.

We were in hopes that we were reaching a different group, and we determined that with only 10 in attendance at the national meeting out of 110, that we were reaching this group. And, again, in this area we discussed title insurance coverages, employee motivation, and one topic which was a little foreign to us in Oklahoma . . . and just scared the dickens out of me . . . I don't know why you all do some of this, but we had an excellent panel discussing escrows and the responsibility and the liability. I used to be with an underwriting company in Oklahoma City, and we had some closing departments and . . . sitting there in Jantzen Beach, they were talking about how you need to explain this, but you need to be very careful how you explain it and what your liability is.

I had one real cute little closer in Oklahoma City, and her explanation of a loan closing was very simple. She said here's the papers—if you don't sign 'em, you don't get the money. But I found that the escrow process is a little more serious than that.

But we had an excellent program, and we're looking forward to the program coming up in Tampa in April. Our attendance is a little bit low right now, but I would anticipate that we'll have probably a different group. And before I turn the program back to Hub, we have another educational program that is not utilized . . . I say it's not utilized . . . we have 1,100 people participating in the Land Title Institute Program, which is a correspondence course.

We have some brochures here, there are some brochures at the desk, and if you'd like to pick them up and take a look at them, it's an excellent program . . . and it's very beneficial to both the small and large abstract companies. And Hub, with that, I'll let you have it and kind of tell them where we're going. We'll show our videotape to give these people some idea of what our educational seminars are about.

HUBBARD: Well, that's the history of the committee—the recap of the two seminars held—and as Phil and John both alluded to the fact that videotapes were made of the session in Jantzen Beach. Through the efforts of Gary Garrity and ALTA, they have edited some of those to a shorter version, which we would like to present for your pleasure at this time. And we do urge you to support the seminars if they are in your area by sending people from your office or attending yourself, and we hope to put on four of them next year.

Calendar of Meetings

July 14-16

Michigan Land Title Association
Hilton Shanty Creek
Bellaire, Michigan

July 18-20

Wyoming Land Title Association
Tower West Lodge
Gillette, Wyoming

August 8-10

Montana Land Title Association
Yogo Inn
Lewistown, Montana

August 9-10

Kansas Land Title Association
Holidome
Manhattan, Kansas

August 15-17

Minnesota Land Title Association
Holiday Inn
Willmar, Minnesota

August 15-18

Idaho Land Title Association
Sun Valley Lodge
Sun Valley, Idaho

September 7-10

Indiana Land Title Association
Holiday Inn North
Indianapolis, Indiana

September 8-10

Ohio Land Title Association
Quaker Square Hilton
Akron, Ohio

September 8-11

New York Land Title Association
Sands Hotel & Casino
Atlantic City, New Jersey

September 11-13

Dixie Land Title Association
J. Wheeler State Park
Rogersville, Alabama

September 12-14

North Dakota Land Title Association
Radisson Hotel
Fargo, North Dakota

September 12-14

Wisconsin Land Title Association
The Abbey
Lake Geneva, Wisconsin

September 12-15

Missouri Land Title Association
University Plaza
Springfield, Missouri

September 18-20

Nebraska Land Title Association
Cornhusker Hotel
Lincoln, Nebraska

September 18-21

Washington Land Title Association
Cavanaugh's Inn
Spokane, Washington

October 6-9

ALTA Annual Convention
Hyatt Regency
San Antonio, Texas

November 7-9

Arizona Land Title Association
Radisson Resort Hotel
Scottsdale, Arizona

November 20-24

Florida Land Title Association
Don CeSar Beach Resort
St. Petersburg, Florida

December 4

Louisiana Land Title Association
Iberville Hotel
New Orleans, Louisiana

1986

March 5-7

ALTA Mid-Winter Conference
Washington Hilton
Washington, D.C.

September 24-27

ALTA Annual Convention
Century Plaza
Los Angeles, California

1987

March 25-27

ALTA Mid-Winter Conference
Albuquerque Hilton Inn
Albuquerque, New Mexico

October 18-21

ALTA Annual Convention
Westin Hotel
Seattle, Washington

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