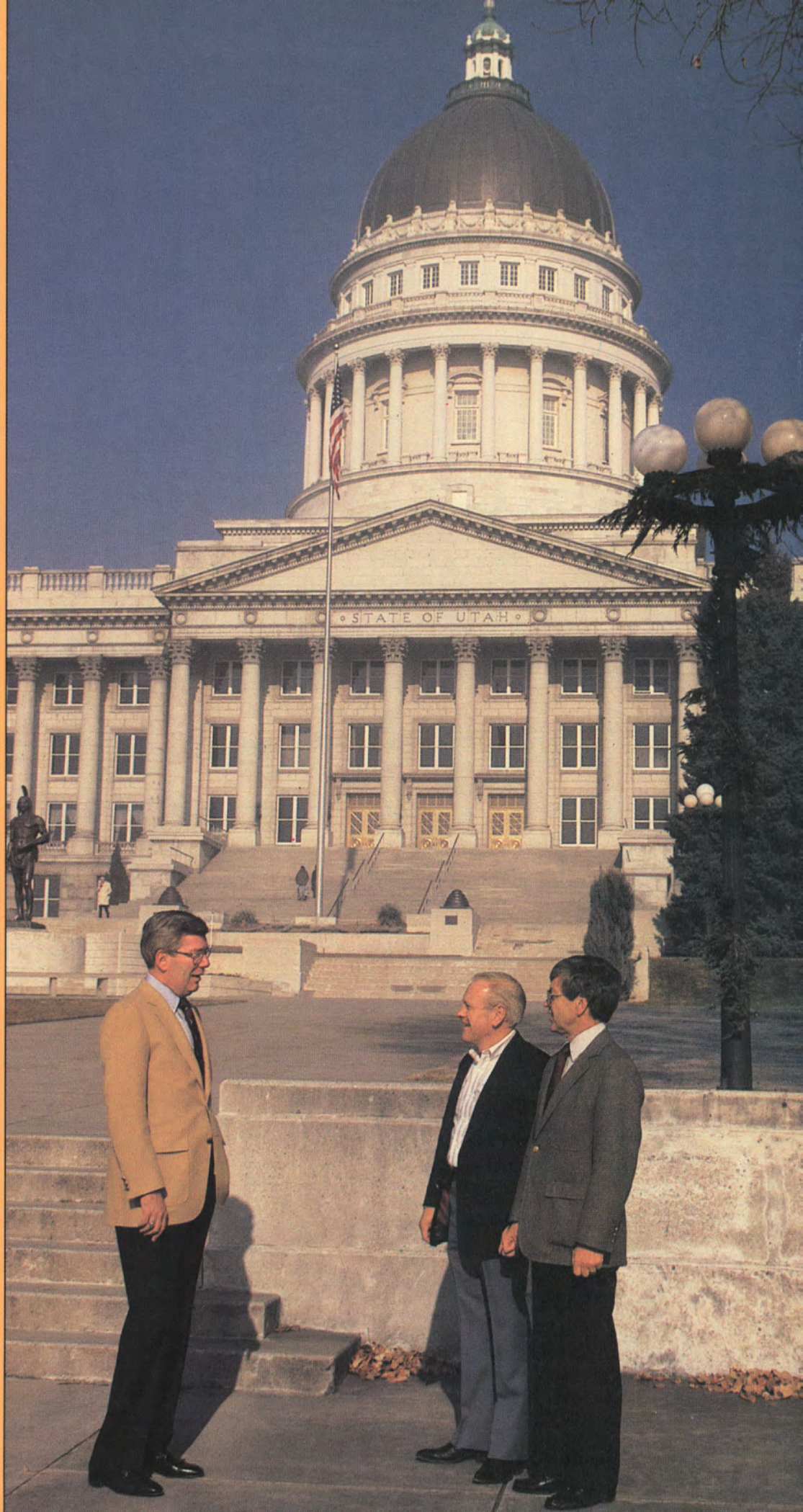
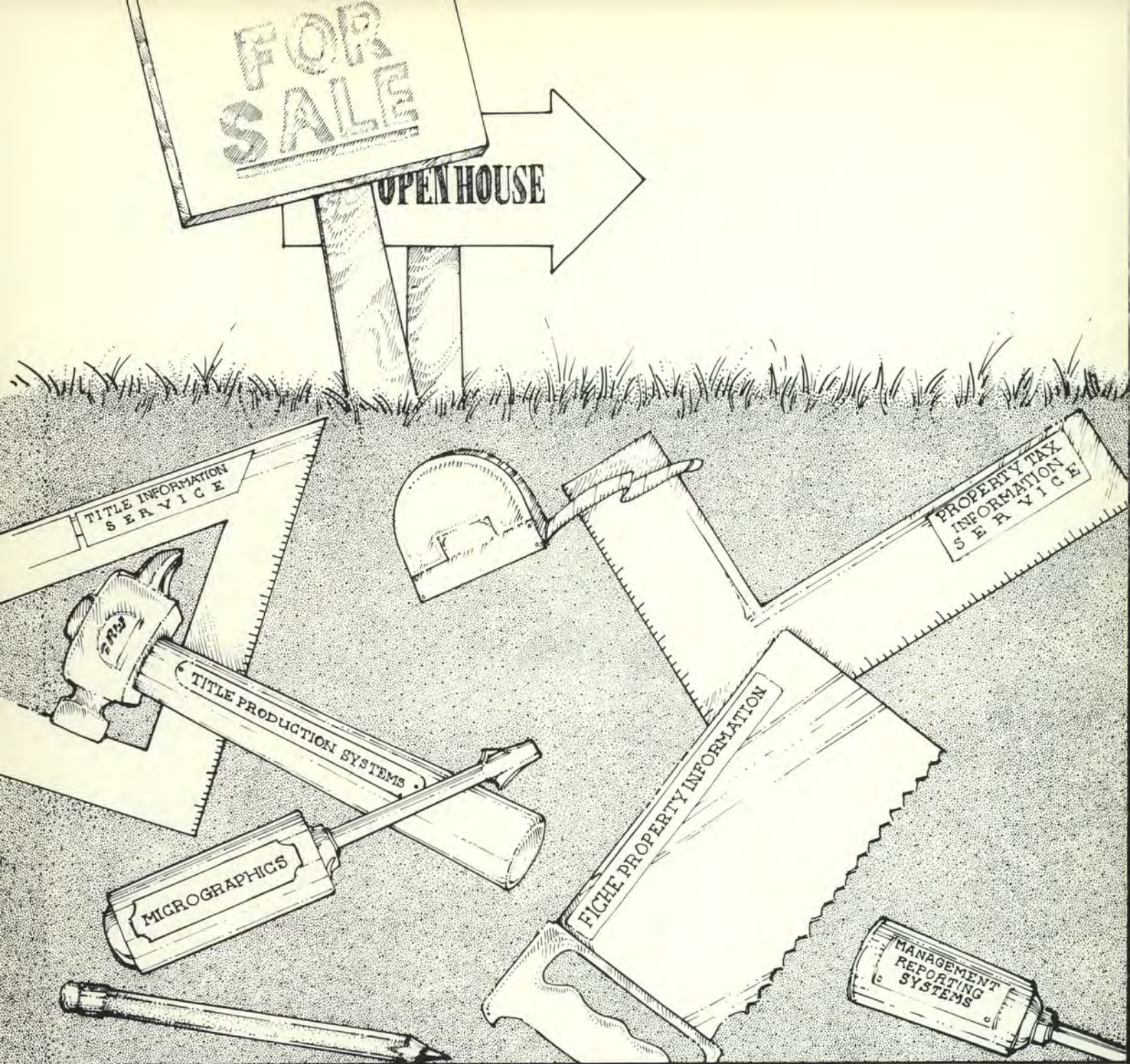


Title News

MARCH/APRIL, 1987

*State legislative
communication
now under way
across the nation*





Build your business with the right tools . . . services and systems from TRW.

From automated title plant indexes and on-line real estate property tax records to systems like Genesis that perform all your office functions, TRW has a wide range of services to help you build your title business.

Our years of experience have taught us that service means much more

than just providing products. You can depend on us for quick and convenient access to property title and tax information, along with the continued support you need.

We offer the most complete title industry services anywhere. It all adds up to enhanced growth for you

and quality of service for your customers. Give us a call and let us show you how the right tools can perform all your title office functions.

TRW

Real Estate Information Services
714.385.2100



**AMERICAN ARBITRATION ASSOCIATION
NATIONAL PANEL OF TITLE INSURANCE ARBITRATORS
PANEL DATA SHEET**



American Land Title Association

Introduction

The American Land Title Association adopted new ALTA basic policy forms last September, effective June 1, 1987. One significant aspect of these new policy forms is the inclusion of an arbitration provision. Either the insured or insurer may request arbitration and such request is binding upon the other party. In addition to the basic contractual provision, extensive Title Insurance Arbitration Rules were also developed and adopted.

As a result of the adoption of an arbitration provision and the corresponding procedural rules, one necessary step toward implementation has become the establishment of a National Panel of Title Insurance Arbitrators. The procedural rules provide that a list of names chosen by the AAA from this panel shall be provided to each party to the dispute and the arbitrator or arbitrators shall be chosen from that list. Consequently, it is imperative that this list contain the most qualified and knowledgeable individuals possible in order to assure the effectiveness of the arbitration process.

Currently, the AAA has over 16,000 names on other panels which bear some relationship to title insurance and typical disputes thereunder. These panels include appraisers, real estate attorneys and others with a general familiarity with real estate.

The AAA, however, has requested the American Land Title Association to disseminate the Panel Data Sheet appearing on the facing page in order to begin the development of a specialized panel to handle disputes arising in connection with title insurance policies and services. The AAA has also requested individual members of ALTA to further distribute this sheet throughout their organizations and to customers, counsel and others who, in their opinion, possess the requisite knowledge and willingness to perform the arbitrator function. This sheet may be duplicated for that purpose.

It is important to note that an arbitrator on the National Panel of Title Insurance Arbitrators does *not* have to be an attorney. All that is required is prior experience in the real estate field as broker, appraiser, title insurance agent, underwriter employee or attorney. Current and past employees and principals in the industry are equally eligible. Current and past company retained claims counsel are also eligible as are plaintiff counsel and counsel for customers.

If you are considering submission of the facing Panel Data Sheet or are consulting a potential appointee, you should be aware that compensation for the arbitrator is provided for in the Title Insurance Arbitration Rules (see Rule 51—per diem fee shall be agreed to by the parties prior to commencement).

Please forward the Panel Data Sheet to the **American Land Title Association, 1828 L St., N.W., Washington, D.C. 20036, Attention: James R. Maher, General Counsel.** The role of the ALTA in panel development is as advisor only except that the AAA, for its administrative ease, prefers the sponsoring group to aide them in the solicitation and collection of proposed panel appointees. All final decisions on the appropriateness of individual appointments is made by the AAA.

Title News

Contents

Volume 66, Number 1

A Message from the Abstractor-Agent Section Chairman	7
A Message from the Executive Vice President	9
Update: Indian Land Claims (Chris Papazickos, David Smith)	11
Grassroots Lobbying with Results (D. P. Kennedy)	12
LTI—Industry Education for 16 Years (Hart McKillop)	27
Imagination and Creativity (Ray Bradbury)	30

Front Cover: The high priority task of communication with state legislatures has begun for 1987 in the land title industry across the nation. Typifying what is taking place in other states as well, Utah Land Title Association leaders visit with a senior state senator near their capitol in Salt Lake City. More on this is found on page 13, along with an article on the importance of grassroots lobbying, written by ALTA Government Affairs Committee Chairman D. P. Kennedy.



Title News is published by the American Land Title Association, 1828 L St., N.W., Washington, D.C. 20036. Telephone (202) 296-3671.

ISSN 0040-8190

Editor: Gary L. Garrity

Editorial Assistant:
Lisa S. Kim

ASSOCIATION OFFICERS

President

John R. Cathey
The Bryan County Abstract
Company
Durant, Oklahoma

President-Elect

Marvin C. Bowling, Jr.
Lawyers Title Insurance
Corporation
Richmond, Virginia

Chairman, Finance Committee

Richard A. Cecchetti
Title Insurance Company
Of Minnesota
Minneapolis, Minnesota

Treasurer

David R. Porter
Transamerica Title
Insurance Company
Los Angeles, California

Chairman, Abstracters and Title Insurance Agents Section

Charles O. Hon, III
The Title Guaranty
& Trust Co.
Of Chattanooga
Chattanooga, Tennessee

Chairman, Title Insurance Underwriters Section

Richard P. Toft
Chicago Title Insurance Company
Chicago, Illinois

Section Representatives, Board of Governors

Cara L. Detring
The St. Francois
County Abstract
Company
Farmington, Missouri

Parker S. Kennedy
First American Title
Insurance Company
Santa Ana, California

Bert V. Massey, II
The Brown County
Abstract Co., Inc.
Brownwood, Texas

Herbert Wender
Commonwealth Land
Title Insurance Company
Philadelphia, Pennsylvania

Immediate Past President

Gerald L. Ippel
Ticor Title Insurance Company
Los Angeles, California

ASSOCIATION STAFF

Executive Vice President

Michael B. Goodin

Senior Vice President

William J. McAuliffe, Jr.

General Counsel

James R. Maher

Vice President—Public Affairs

Gary L. Garrity

Director of Government Relations

Robin E. Keeney

Director of Research

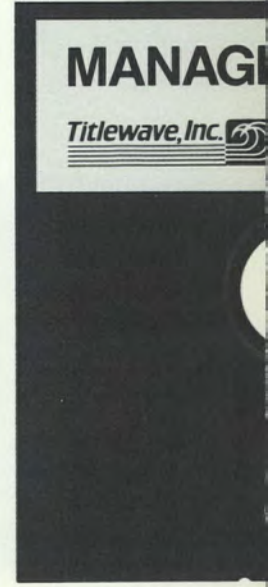
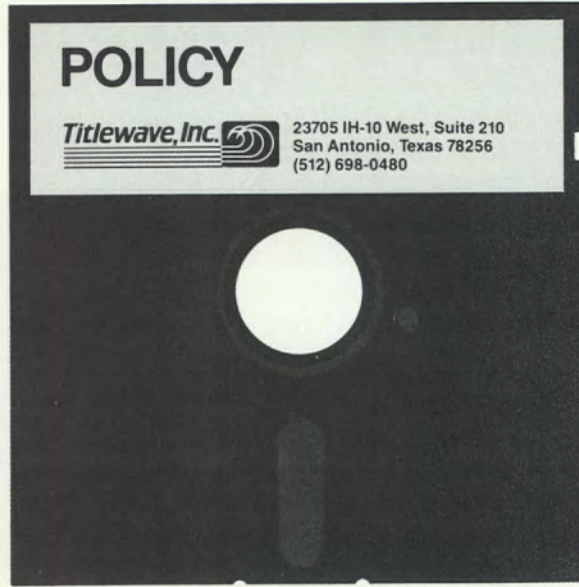
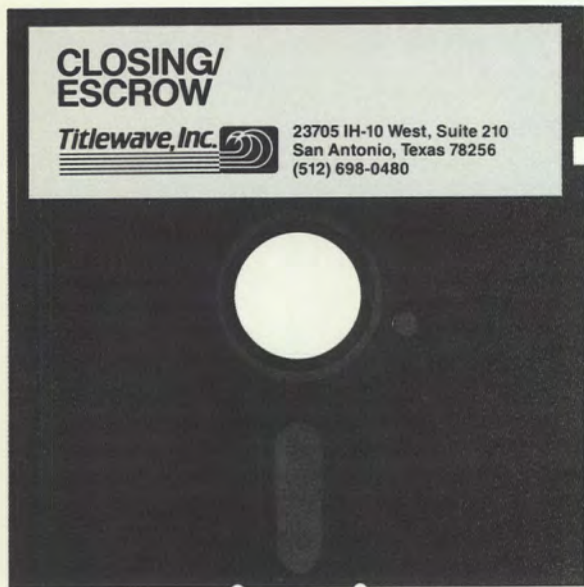
Richard W. McCarthy

Director of Meetings And Conferences

Susan E. Perry

Vice President—Administration

David R. McLaughlin



Take Your Pick A

Titlewave Demo Diskettes — Seeing Is Believing.

Titlewave, Inc. has exciting news! Now you can order demo diskettes for some of our software programs used by title professionals across the nation. The choice is yours and the cost is very minimal. Take a peek at what Titlewave software can do for your company for only \$25 per diskette. When your curiosity gets the best of you remember, seeing is believing. Order today!

Closing/Escrow

This software package actually creates closing statements, checks, escrow ledger sheets, disbursement worksheets, final disbursement worksheets, escrow bank accounts reconciliations, and more. It even does amortization schedules. A fast "change file" mode is featured, as is integration with our Policy and Document Preparation programs. It is totally menu driven.

Policy

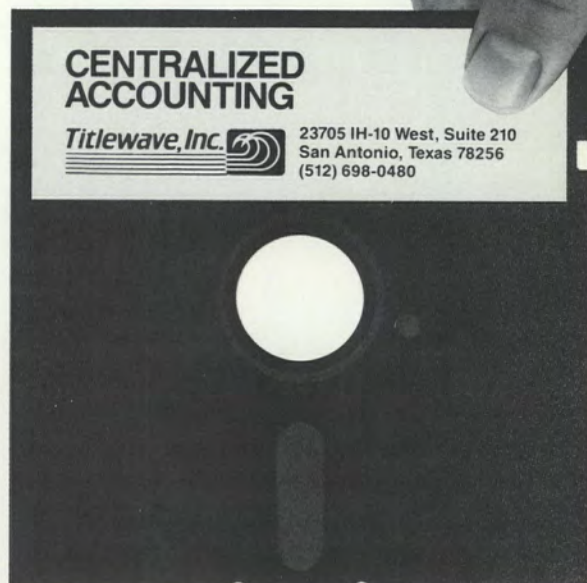
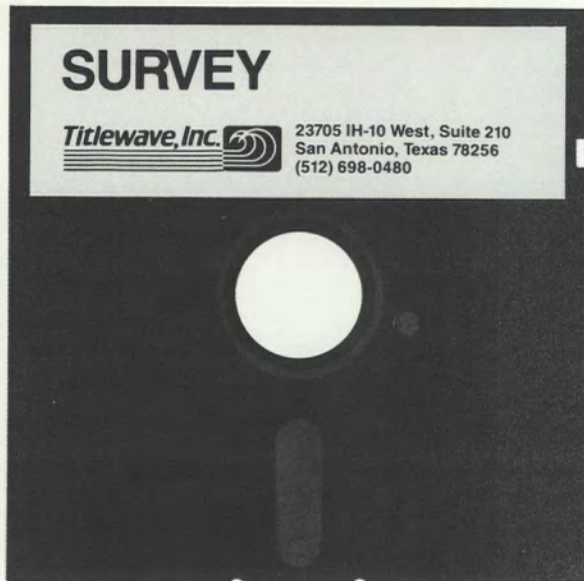
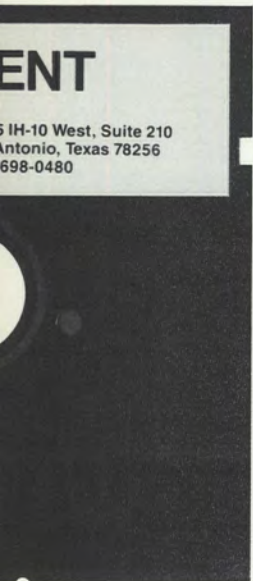
Quickly create examiners reports, waivers, commitments, interim construction binders, mortgagee's policies, and owner's policies with this program. It also features an underwriters remittance report by underwriter and integrates the commitment into the OTP and MTP automatically. 150 hard coded wordings are stored in the existing system. Additionally, wordings may be created by the user and stored for future use. This program integrates with our Document Preparation Software.

Management

Designed to control new orders and track each order as it flows through your office, this software package features statistical and management reports such as log sheets, buyer/seller listings, order status of all orders, ordered by report, and more. It is capable of locating an order by number, property description, seller/buyer/lender name, and special codes.

Survey

Calculate closure error, acres, total length traversed, closure ratio, and more with this software program. It will plot field note calls to a variety of commonly used scales including a user definable scale. Plats may be plotted on transparencies or paper as large as 22" x 34". This software can also plot



and Take A Peek.

multiple tracts, tract within a tract or adjacent tract. It even calculates curves including compound and reverse curves. Surveys may be filed away and recalled quickly. A fast "change file" is featured as are easy to understand menus.

Centralized Accounting

If you have branch offices, this program is for you. Considering all accounting is performed at the main office, this software will post checks and deposits, produce escrow ledger sheets for each file, produce check and deposit registers, calculate trial balances for each escrow account, reconcile escrow bank accounts, and more. It also features totally menu driven screens and discrepancy reports.

There you have it, innovative software programs from Titlewave, Inc. that can be of great benefit to your company.

To see them in operation, simply complete the order form to the right and send it to the address given along with the appropriate payment. It's time to take your pick and take a peek!



TITLEWAVE DEMO DISKETTE ORDER FORM

Yes, please send me the Titlewave, Inc. demo diskettes marked below. I have enclosed a company check for the agreed upon amount.

Company Name _____

Address _____

City _____ State _____ Zip _____

Telephone _____ Contact _____

Quantity	Unit Cost	Total
_____ Closing/Escrow	@\$25.00=	_____
_____ Policy	@\$25.00=	_____
_____ Management	@\$25.00=	_____
_____ Survey	@\$25.00=	_____
_____ Centralized Accounting	@\$25.00=	_____

Grand Total _____ (Texas firms add 6.75% state sales tax)

Make check payable to Titlewave, Inc.

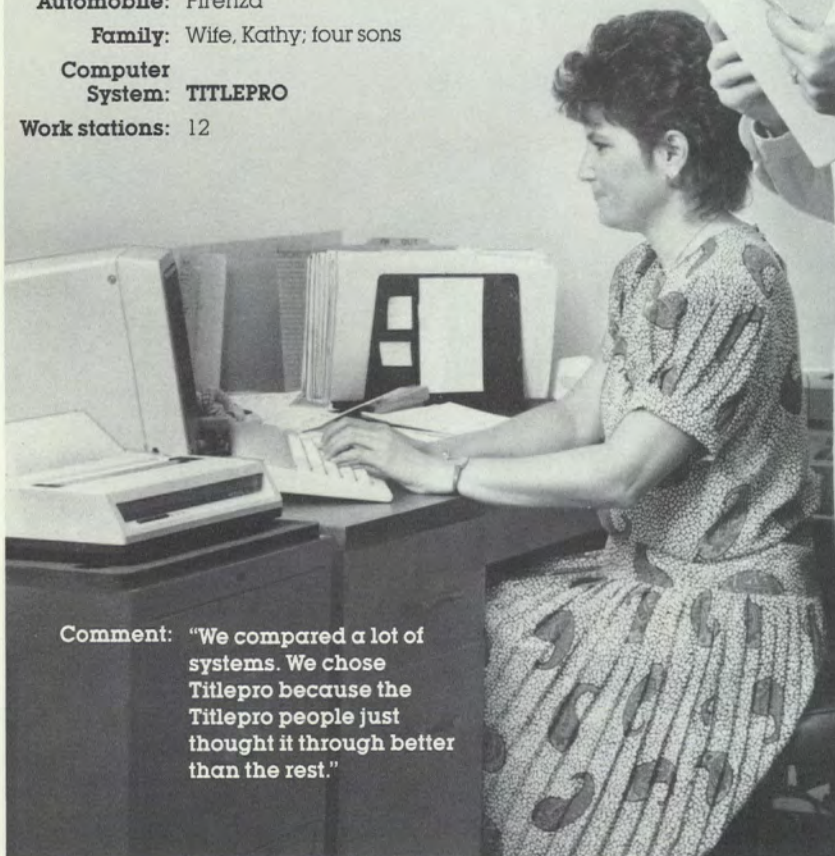


23705 IH-10 West, Suite 210
San Antonio, Texas 78256
(512) 698-0480

A TITLEPROFILE

Company: Guardian Title Services Corp.
Location: Fort Myers, Florida
Southwestern Florida
Executive: Dick McKinlay
Favorites:
Author: Robert Ludlum
Music: Jazz
Film: Islands in the Stream
(Hemingway)
Vacation spot: Colorado Springs (hiking)
Sport: Fox hunting
Automobile: Firenza
Family: Wife, Kathy; four sons
Computer System: TITLEPRO
Work stations: 12

*Dick McKinlay,
President of
Guardian Title,
with Linda
Gregory, Director
of Sales and
Marketing, and
Linda Brown,
Director of
Operations.*



Comment: "We compared a lot of systems. We chose Titlepro because the Titlepro people just thought it through better than the rest."

TITLEPRO: The System of Preference for Independent Title Agents

Titlepro is a multi-user, multi-processor computer system developed by title people for title people.

Titlepro is modular, so you may select the modules you need, for your binder, policy and forms production; for closings, disbursements and escrow accounting; for indexing, scheduling, and more. Titlepro provides many reports, including a remittance report tailored to your needs.

Titlepro saves time, because title information is entered just once, and used throughout the system without retyping.

Titlepro is fully IBM-PC/XT/AT compatible, and is provided on Novell Netware for the ultimate in multi-station performance.

Titlepro provides installation and training at your office, and courteous, dependable follow-up assistance.



1-800-221-8776

(In Pennsylvania call 717-299-2100)

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



I rarely have the opportunity to combine all my "thank you" notes in one writing, and I am not about to miss this chance. Thanks to all those state associations and their members who were so hospitable to me during their 1986 conventions. These pleasant experiences will never be forgotten, although I have yet to discover how to make airport layovers something to enjoy. I can honestly say that title people are the greatest.

ALTA, under the leadership of highly dedicated governors and committee members, and an excellent staff, has made great strides within the last two decades. The Association has become a viable and recognized force on Capitol Hill in Washington. Our input is sought on important issues, and even the battles where we have been unable to prevail could be classified as inconveniences rather than disasters.

ALTA also has put much emphasis on education of its members, as well as those outside the Association. Many professional and trade associations recognize the need for continuing education of their members, and many go so far as to require continuing education as a prerequisite to continuing membership.

We have the opportunity to educate ourselves through many programs offered by ALTA at its Annual and Mid-Year Conventions, as well as during its Regional Seminars. I am sure that none of our members feel there is nothing more to learn about the title insurance business. As Samuel Johnson said: "Knowledge is of two kinds. We know a subject ourselves, or we know where we can find information upon it." ALTA is where those of us who need information about our business can find it. That includes the following general categories: abstracting and policy underwriting, sales (marketing), employee relations (hiring, training, motivating, terminating), planning and budgeting.

Let's look at some recent topics of ALTA convention workshops in each category. Abstracting and Policy Underwriting: "Carriers Under a Microscope," "Defending Contractual and Extra-Contractual Claims Against Title Insurance Companies," "New ALTA Policy Forms—Meeting the Challenge," and "One-Stop Financial Services Shopping—The Key to the Future." Sales (Marketing): "How to Survive and Be Profitable in a Changing Market," "How to Improve Your

Title Business and Improve Your Bottom Line." Employee Relations: "An Ounce of Prevention in Human Resources Management—Avoiding Legal Pitfalls," "Stress Management—Beyond Sanity and Survival," and, "Improving Employee Productivity." Planning and Budgeting: "What's Ahead for the Economy," "Business Planning and Budgeting for the Entrepreneur," "The View from Washington," and "What's Really Ahead for the Economy."

At the 1987 Mid-Year Convention in Albuquerque, topics for the workshop are: "Management Skills in Marketing, Advertising and Public Relations," "Modern Financing Techniques After the 1986 Tax Reform Act," "Effective Time Management," and "Managing Employee Conflict."

The ALTA Education Committee, ably chaired by Cara Detring, also is planning three regional seminars to be held this year. The Kansas City seminar (see article in the January-February *Title News*) will be held April 10 and 11 and should be well attended. In the fall, seminars will be held in Boston and Salt Lake City. These seminars are structured to present the topics of most interest to land title owners and managers at the local level. The ideas that flow freely during question and answer sessions, and individual conversations, alone are worth the registration charge.

It has been my experience that while attendance at ALTA seminar and workshop programs is very worthwhile, an impressive amount of knowledge and good ideas also can be gleaned merely by visiting with your peers during any ALTA meeting. These meetings are invaluable for the friendships that develop, and the business that is generated through those friendships.

As Cornelius Vanderbilt, Jr., said: "Lack of confidence and lack of information sleep in the same bed, locked in the closest kind of embrace. When a man has confidence, he gets along in business; but, without confidence, he might just as well not enter business at all. For confidence is the son of vision and is sired by information."

I hope to see you at the Mid-Year Convention workshop in Albuquerque.

A handwritten signature in cursive script that reads "Charles O. Hon, III".

Charles O. Hon, III



The Tax Reform Act Of 1986
requires that real estate
transactions must be reported
by settlement agents to the IRS.

“APD PROVIDES THE SERVICE”

- APD will mail 1099B to taxpayers.
- APD will provide magnetic tape to IRS.
- APD will furnish all required forms.
- APD will produce monthly proof reports.
- APD will assume liability with IRS.

**To obtain this required service,
call an APD representative.**

 **Automated Processing &
Development Corporation**

3215 West Warner Avenue, Santa Ana, CA 92704

714-241-9955 or 800-354-5020

800-833-8638 *outside of California*

A Message from the Executive Vice President



This issue of *Title News* represents a concentrated new effort to make the magazine brighter and more interesting for ALTA members and others. Its content and that of future editions will place more emphasis on people-oriented features while continuing to bring readers an informed perspective on the land title industry.

Members of the Association are encouraged to participate more actively in the editorial voice of ALTA through contributions to the new "Title Management Question" department and other assignments when requested by the staff. If you have not been contacted and have something to share with fellow readers, please write Gary Garrity, editor of the magazine, in the ALTA office.

Through your involvement, *Title News* will remain a magazine that our members want to pick up and read.

There are other publications in the ALTA family. These include three newsletters—*ALTA Update*, the bulletin-style publication with information on developments of widespread interest; *Capital Comment*, our government relations periodical; and *ALTA Abstractor-Agent*, reporting on matters of particular concern to this segment of our industry. And, there are the annual *ALTA Fact Book* containing financial information on the title industry and the annual *ALTA Directory*.

It is the objective of your ALTA governors and staff to make *all* publications of the Association as attractive and useful as possible. If you have comments on any of them, please let me know.

A handwritten signature in dark ink that reads "Michael B. Goodin".

Michael B. Goodin

Has the IRS got you down
with the 1099-B blues?

We've got the solution:

TAXPC

A PC Compatible program
designed to help you meet new
government reporting requirements.

Please call or write
for a free 30 day trial
copy of TAXPC.

Marketing Division
American Lender Services, Inc.
2010 Hogback Road, Suite 2
Ann Arbor, Michigan 48105-9749
(313) 973-2100

Please send a free 30 day trial copy of TAXPC

Name: _____

Company: _____

Address: _____

City: _____

State: _____ Zip: _____

Phone: () _____

AMERICAN LENDER SERVICES, INC.

Innovations

in Automated Mortgage Banking

Since 1982

Update: Indian Land Claims

Chris G. Papazickos

David F. B. Smith

Some 10 years have passed since President Carter in March, 1977, appointed former Georgia Supreme Court Justice William B. Gunther as the President's special representative to develop recommendations for resolving Indian claims to land in Maine and Massachusetts. Justice Gunther's appointment acted as a catalyst to focus public and governmental attention on the issue of Indian claims to privately-owned land and coincided with the beginning of the title industry's active concern with the threat posed to private land titles by ancient Indian claims. This tenth anniversary of Judge Gunther's appointment is an appropriate time to review the status of Indian land claims.

Since 1977, a number of Indian land claims have been resolved through federal legislation, including all tribal claims in Maine and Rhode Island, and claims by the Miccosukee tribe in Florida, the Western Pequot tribe in Connecticut, the Shoalwater Bay tribe in Washington, and by members of the White Earth Band of Chippewas in Minnesota. Other Indian land claims have been defeated in court, including claims by the Oglala Sioux tribe in South Dakota, the Mashpee tribe in Massachusetts, the Chitimacha tribe in Louisiana, the Pechanga and Chumash tribes in California, and by members of the Kaw tribe in Kansas.

Despite this activity in Congress and the courts, there are at least 20 Indian land claims in litigation today, several involving large amounts of land. For example, the Oneida Nation is litigating a claim to 5.8 million acres of land in New York based on the theory that the Articles of Confederation prohibited the states from acquiring Indian lands within their borders. The Cayuga Nation in New York, the Catawba tribe in South Carolina, and the Oneida Nation in New York are each claiming

thousands of acres on the basis of alleged violations of the Nonintercourse Act. The Puyallup, Suquamish, and Swinomish tribes are each pursuing separate claims to large amounts of tidelands in Washington. The Navajo tribe is litigating a claim to 1.9 million acres of land in New Mexico, and the Pueblo of Santo Domingo is claiming roughly 24,000 acres of land in New Mexico.

In addition to the claims now in litigation, there are numerous potential Indian land claims that have been identified but never filed in court. The current litigation regarding Indian land claims shows that such claims are not simply a distant cloud on the horizon. Cases are moving through the courts on a regular basis, resulting in judicial decisions that shape and define the law governing Indian claims.

It is beyond the scope of this article to discuss the numerous judicial decisions that have been issued in Indian land claims cases just in the past several months, let alone decisions

that have been issued in the past 10 years. Recent significant decisions include decisions by the U.S. Supreme Court applying state statutes of limitations to the Catawba tribe in South Carolina and applying a federal statute of limitations to the assertion of secretarial transfer claims against the United States, a decision by the Ninth Circuit dismissing the claims of the Chumash tribe in California, and decisions by federal district courts dismissing land claims brought by the Oneidas in New York (involving the Articles of Confederation), by the Shoshone-Bannock tribes in Idaho, and by the Chappaquiddick, Herring Pond, Christiantown and Troy tribes in Massachusetts, and upholding a claim to individual aboriginal title in Nevada.

Oneida Decision Significant

While each of these decisions would be worthy of discussion, perhaps the most significant court decision on Indian land claims in recent years was the Supreme Court's March, 1985, decision in *County of Oneida v. Oneida Indian Nation of New York*, which involved a claim by the Oneida Nation that it was entitled to recover trespass damages against Madison and Oneida counties in New York on the ground that the State of New York's purported purchase of the tribe's land in 1795 was void because the purchase violated the Nonintercourse Act. In a five to four decision, the Supreme Court ruled that:

1. Indian tribes have a federal common law cause of action to recover trespass damages arising from tribal land claims (the court's ruling almost certainly means that tribes have a federal common law cause of action to recover possession of land as well);
2. The federal common law cause of action was not pre-empted by Congress when Congress passed the Nonintercourse Act;
3. The cause of action was not barred by the doctrine of abatement when the



Co-Author Papazickos has been chairman of the ALTA Committee on Indian Land Claims since 1984 and a member of the Association Title Insurance Forms Committee since 1975. He is senior vice president, secretary and general counsel, American Title Insurance Company, and received his LL.B. degree from the University of Michigan Law School.



Co-Author Smith is a partner in the Washington, D.C., law firm of Pierson Semmes and Finley, and works with ALTA in Indian land claim matters. He earned his juris doctorate at the Georgetown University Law Center.

Continued on page 39

Getting to the Grassroots: Lobbying with Results

D. P. Kennedy

Based on my experience in the title industry, I can tell you that measurable, visible support from ALTA members in all parts of the country can make or break a legislative effort of the American Land Title Association. By "grassroots lobbying," I mean virtually any kind of legislative involvement by our members in the government relations of their national Association.

Your Participation Can Make The Difference

You might ask, "What difference can I make in ALTA's lobbying activities?" Simply put, as an individual title person, you have limited impact on the activities that take place in Congress. Consider how last year's Tax Reform Act will change your business and personal tax considerations. In particular, the real estate reporting requirements will have a lasting effect for years to come. Without the lobbying efforts of many ALTA members and the staff, both the legislation and the resulting regulations would have been many times more burdensome. Effective grassroots lobbying on the state or federal level builds industry unity and a more positive public image.

Benefits of Grassroots Lobbying

If you're not already active in the legislative arena, 1987 is a good time to start. You might feel confident in our industry's leaders to fight the battles for you on Capitol Hill. Or, you might feel that ALTA's professional staff can do the work for you. Let me tell you that we have *never* won on the legislative level with merely the efforts of the Board of Governors and staff alone. To make an impact, we need *everyone* to get involved. You, and others like

you in your state and across the country, joining together as one voice—THE voice of the title industry.

Three Levels of Grassroots Involvement

I see three different levels of grassroots support through which you can participate: 1) the "information and education" level, 2) the "influence and persuade" level, and, 3) the "pull-out-all-stops, crisis management" level. All are vitally important and, depending on the circumstances, will have the desired impact on Congress. With a "fresh" 100th Congress, the Democrats now as the majority party in both houses, and new legislative challenges facing us, NOW is the time to start building a relationship with our lawmakers.

Level One: Informational/Educational

The first level of grassroots lobbying is on the educational and informational level. This level lays the foundation for all future interaction with your elected officials. If you don't already have the basic information on your state and U.S. representatives, you should become acquainted with who they are and their basic responsibilities in Congress. ALTA staff in Washington can help you with names, committee assignments, key staff, addresses and



The author is chairman of the ALTA Government Affairs Committee, and is a member of the Title Industry Political Action Committee Board of Trustees. He is a past president of both ALTA and the California Land Title Association, and is president of First American Title Insurance Company, with offices in Santa Ana, California.

phone numbers at the Capitol and in your state, and even tell you such information as the types of voting records or background of various members of Congress. Armed with such information, you're ready to undertake an ongoing campaign to make sure those congressional leaders become familiar with the unique characteristics of the title business, and the important service we provide to homeowners, mortgage lenders, Realtors, banks and others involved in the real estate industry.

There are numerous ways you can become involved on this level. Keep in mind that many on Capitol Hill and on the state level lack a working knowledge of the title business. They need to hear from you, a voting constituent, in order to make informed decisions. Send them your company literature that explains what title insurance covers and the protection it offers. Be sensitive to local media reports on your elected officials; if you find that they have voted or are considering action on a piece of legislation that interests you, write a one-page letter, expressing your views. Keep the communication simple and straightforward. Don't go to the extreme and write so often that the member or the congressional staff thinks you are "crying wolf." For greatest impact, carefully choose the types of issues you cover in your letters. Your activities on this level set the stage for future interaction with Congress.

Level Two: Influence and Persuade

Here, your objective is different in that you have a specific request in mind and are seeking a specific response. Again, letters or calls to lawmakers must be direct and to the point. State your purpose for writing in the first paragraph. The next part of the letter should explain the problem, or the solution you seek. You should personalize the letter by explain-

ing who you are and why you, your company and your industry are so interested in a particular subject. Conclude with clear reasons why the legislator should support your request. Then, ask for a response to your letter. If you get a reply that is not satisfactory, don't hesitate to respond again and request a more concrete answer. If the legislator answers by telling you that he or she appreciates your views and will consider your side when voting on a bill, keep on top of the topic so you can measure the response.

Examples of targeted grassroots lobbying on this level include the reporting requirements in the tax bill and the "Antitrust Damages Clarification Act." You might want to write your U.S. senator or representative about the reporting requirements, explaining how you will be adversely affected and how the regulations went into effect on January 1, 1987, but were not published until long after that date. Relate the difficulties of being required to fulfill such regulations. On the other subject, write to Washington about the treble damages protection bill, using ALTA's "urgent action needed bulletin" and sample letter. Request a quantitative action such as co-sponsorship or a vote in favor of the bill when it comes before the entire House of Representatives or Senate.

Of course, level two of my definition of grassroots lobbying also involves personal visits with your elected officials. When you go to Washington, D.C., on business or pleasure, try to schedule time for a visit to Capitol Hill. Call at least a week in advance to make an appointment. The ALTA staff would be glad to help

Continued on page 40

Front Cover:

Lobbying Major Task For State Associations

State title associations around the country are taking an increasingly active role in lobbying their state legislatures. On the front cover of this issue, Utah Land Title Association President Robert J. Taylor, right, Security Title Company, and ULTA State Legislative Chairman Alfred J. Newman, center, Utah Title and Abstract Company, talk with State Senator K. S. Cornaby, chairman of the Senate Insurance and Retirement Committee, member of the Council of Legal Advisors to the Republican National Committee and former Senate Majority Leader, near the Utah State Capitol building, Salt Lake City. (Photograph by Thomas Q. Bailey)



Author Kennedy presents ALTA testimony during a congressional hearing in Washington.

ALTA Congressional Contact Card

ALTA invites you to participate in our lobbying efforts for the land title industry. Help us know your Congressional contacts by taking a minute to fill out this simple card and return it to ALTA immediately. If you have questions, call ALTA Director of Government Relations Robin E. Keeney at 202/296-3671. All information will remain confidential.

Name/Title _____

Company _____

Work Address/Zip _____

Work Phone _____

List your U.S. senators and representative (If you don't know, call ALTA):

U.S. senators, political parties _____

U.S. representative, political party _____

Do you have a business or social relationship with a senator or representative? If so, with whom?

Briefly describe that relationship. For example, you may have written or called your senator or representative on an issue, personally met with him or her, or he/she is your personal or family friend.

**Please clip and mail immediately. Thanks.
Send to:**

Ms. Robin E. Keeney
ALTA Director of Government Relations
1828 L Street, N.W., Suite 705
Washington, DC 20036

Why do more than 400 title professionals nationwide use **Genesis**?*

Ask the experts.



Bennehoff



Shillady

"Genesis is a proven system developed by a company with years of experience in title automation. That's the reason we chose it," says Linda Bennehoff, president of Chicago Title Agency of Rockford, Inc. and buyer of our 100th Genesis system.

"We needed to start with a system that would let us grow within the same system. With Genesis we can use the title production and closing packages now and add the general index and tract-book index as our growth permits."

Dale Shillady, Executive Vice President, agrees. "What impressed me most was that Title Data has installed plants all around the country. That's expertise I'll want when we start using Genesis for our own plant.

"Basically, Genesis is a marvelous tool that will enable us to market the quality and professionalism of our product and the services we provide."

* Why do more than 400 title professionals at 100+ title companies nationwide use Genesis? With Genesis you can select your

own programs and equipment from a wide range of products including:

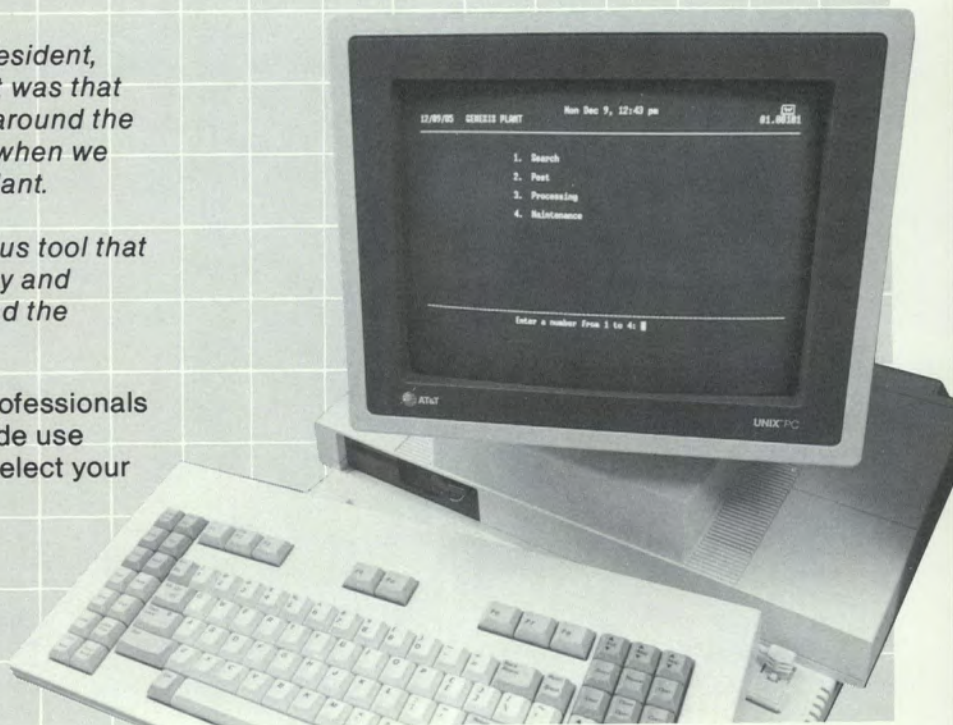
- Specific title programs for plant maintenance, title production, closing, management reports, and more;
- Hundreds of office automation, general accounting and management programs written for UNIX® systems; and
- Hardware from AT&T.

You can add capabilities as you wish. And the entire system is personalized to your specifications. With Genesis the system you get now is the same system you'll want tomorrow.

Genesis

The choice of experts

(800) 525-8526



TRW



Genesis systems are a product of Title Data Inc., a subsidiary of TRW

Seminars Cover Changes in ALTA Forms

Four members of the ALTA Title Insurance Forms Committee joined Richard E. Lerner, American Arbitration Association associate general counsel, late in January to conduct one-day seminars in three regions on newly-approved changes in the ALTA forms that become effective June 1, 1987.

Representing ALTA on the seminar program were Committee Chairman Oscar H. Beasley, First American Title Insurance Company, and three members of the committee—Bernard M. Rifkin, The Ticor Title Guarantee Company; Robert G. Rove, Title Insurance Company of Minnesota; and Russell W. Jordan, III, Lawyers Title Insurance Corporation. Also accompanying the group was ALTA General Counsel James R. Maher.

Seminars were held in San Diego, Dallas and Atlanta, and were designed for those with a basic understanding of existing ALTA forms.

The changes in the forms were approved by ALTA Active members in attendance at the 1986 Annual Convention of the Association.

Subject headings during seminar discussion were revised insuring provisions, modified exclusions, changes to Schedules A and B, the substantially revised conditions and stipulations, general comparison of 1987 forms with 1970 forms of the Association, and new procedural rules developed under the auspices of the American Arbitration Association.

Cost of the seminar handbook was included in the registration charge, and arrangements for professional education course credits were made available to registrants. The handbook includes all ALTA forms, title insurance arbitration rules, and side-by-side comparison of 1987 and 1970 loan policies, along with outlines and other material. Those not attending an ALTA seminar on the subject may order the handbook separately for \$35.

ALTA members who enrolled were pro-

vided with a 20 per cent discount on their seminar registration charge.

Program discussion under insuring provisions included mechanics lien coverage, right of access, treatment of assignments of mortgages, consumer protection and usury exclusions, defense obligations and marketability of title. The commentary on exclusions went into expanded coverage for governmental police power matters, treatment of environmental liens, eminent domain, mechanics liens, de-

fense obligations, and matters known to the insured.

Under Schedules A and B, and conditions and stipulations Sections 1 and 2, there was discussion of definitions of insured, public records and unmarketability of title—as well as terms of continuation of insurance after acquisition or conveyance of title.

Conditions and stipulations Sections 3-17

Continued on page 41



Presenting the program during the ALTA title insurance forms seminar in Dallas (upper photograph) are, from left, Richard E. Lerner, American Arbitration Association; Bernard M. Rifkin, The Ticor Title Guarantee Company; Russell W. Jordan, III, Lawyers Title Insurance Corporation; Robert G. Rove, Title Insurance Company of Minnesota; and Oscar H. Beasley, First American Title Insurance Company. In the lower photograph, attendees listen during discussion at the forms seminar held in Atlanta.

CONFUSED BY THE NEW IRS REPORTING LAW?

OUR LOW-COST SERVICE MAKES COMPLIANCE EASY.

The Tax Reform Act of 1986 now requires that all real estate transactions be reported to the IRS. This means more paperwork and expense for the closing agent.

R.E. Reporting Services, an independent, nationwide firm . . .

- Takes the additional paperwork out of your office with guaranteed accuracy.
- Addresses the IRS requirement to submit data on magnetic tape or disk.
- When enacted, state reporting will be fulfilled at no additional charge.
- Passes the cost on to the seller, for whom the law was intended.

Don't get burdened by additional expense for labor, computer equipment, software, forms or IRS penalties for failure to report. Our completely automated system gives you monthly and annual transaction reports to verify that reporting is complete. Your only (one-time) expense is \$45 for computer set-up.

Call or write today for complete details:

RICHARD A. MALLEY, C.P.A.

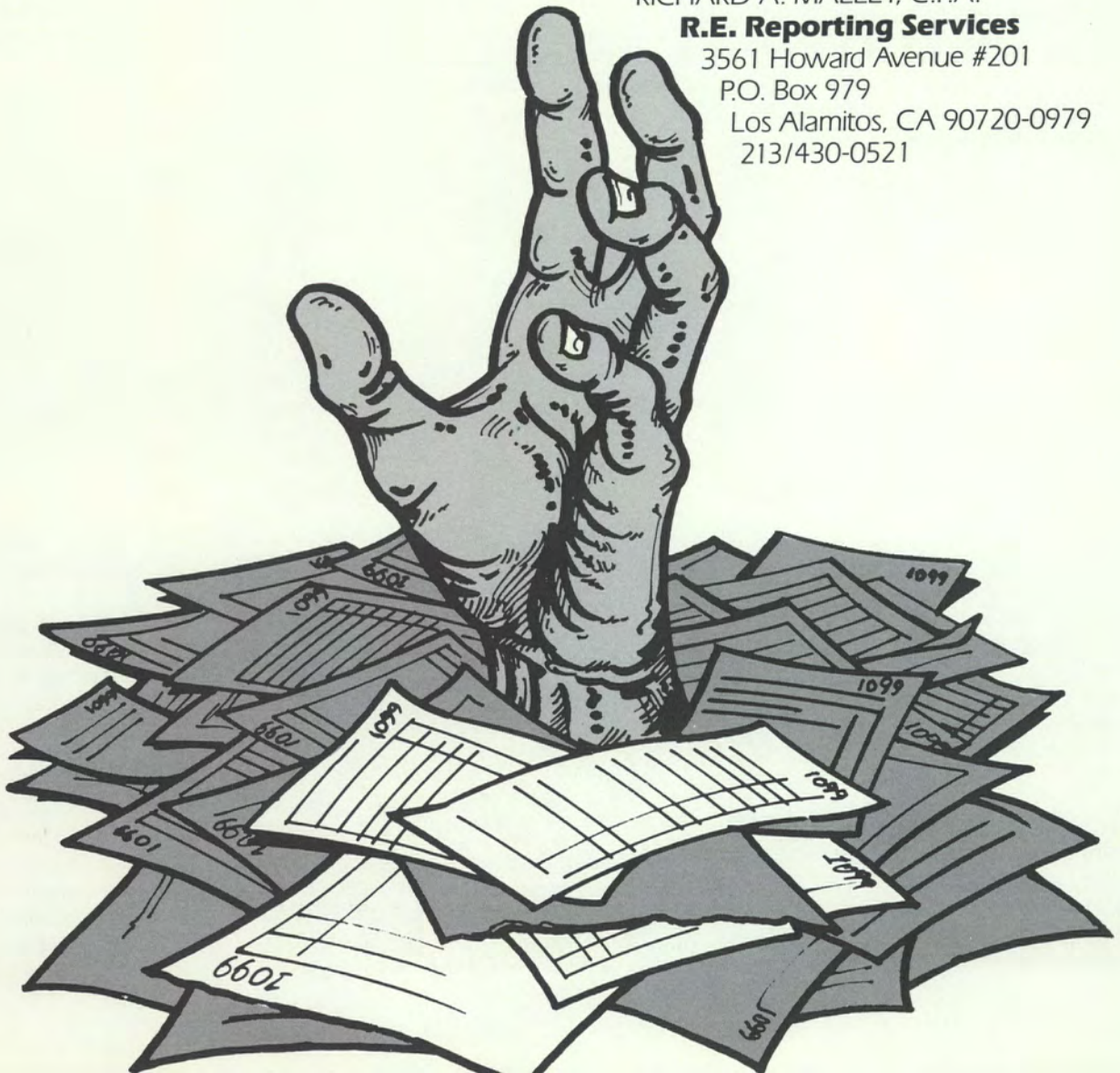
R.E. Reporting Services

3561 Howard Avenue #201

P.O. Box 979

Los Alamitos, CA 90720-0979

213/430-0521



ALTA Members: Welcome to Your . . .



Work has been completed on an extensive renovation of the ALTA Washington office, in line with plans to provide a more attractive setting and prestigious atmosphere for the headquarters of the national association representing the abstract and title insurance industry.

The project was started in February, 1986, following agreement by the Association Board of Governors that the time had arrived for a major upgrading. Since new lease negotiations then were in progress for the existing location, an opportunity emerged to include renovation expense in the agreement, which resulted in a substantial part of these costs being paid by the landlord, according to ALTA Executive Vice President Michael B. Goodin, who supervised the project with major assistance from Vice President-Administration David R. McLaughlin.

ALTA offices have been at the same address in downtown Washington, D.C.—1828 L Street, N.W.—for the past 17 years.

Included in the work is an expansion that increases office space by about 20 per cent. Besides a major improvement in office appearance, the renovation provides a better working environment for the Association staff.

Among primary changes are remodeling the front lobby/reception area with a “store front” open glass entranceway. New wood paneling with the ALTA logo and a descriptive slogan, “Safeguarding Interests in Real Property,” in wood and brass greet those who enter and face an L-shaped reception desk.

The new conference room features a new table which seats 12, plus a cabinet audio-visual center containing videotape equipment and pull-down screen. Glass-fronted cabinets along the conference room wall are for historical memorabilia, and there are wall

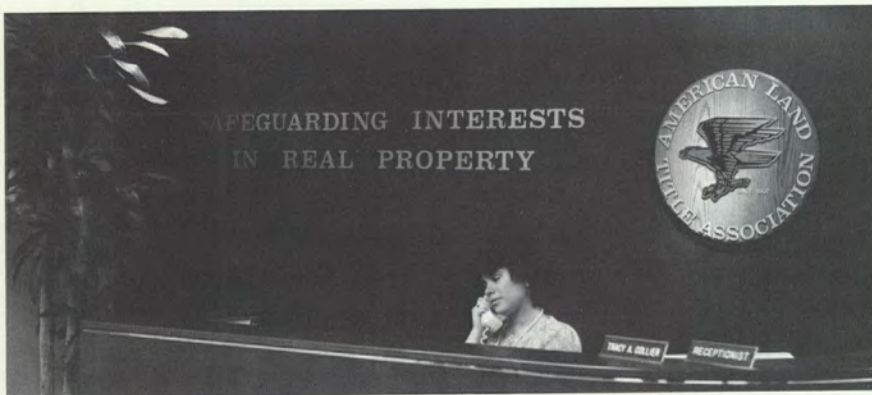
Newly-Renovated National Headquarters!

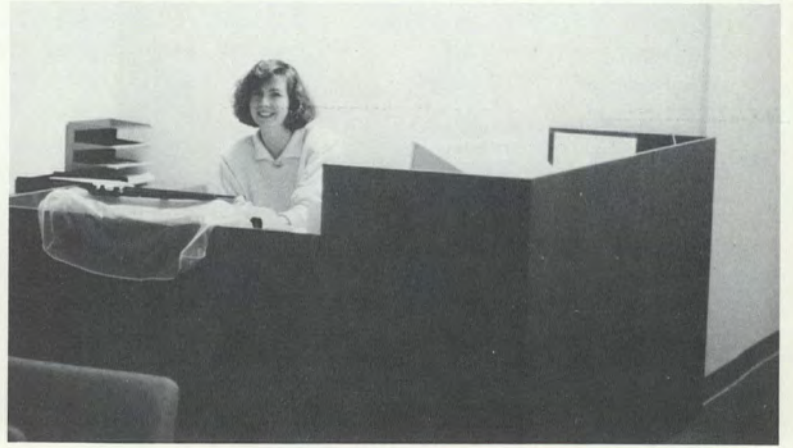
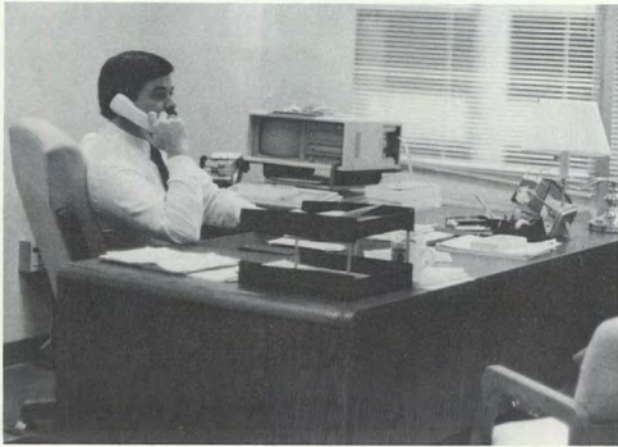
plaques made up of photographs of ALTA presidents. Additional improvements are a new library/work area, better kitchen and storage space, and enhanced ceilings and lighting. New desks and furniture brighten both common areas and individual offices. The office is given visual continuity by new mauve wallpaper and a rose-colored carpet. Large, green plants and scenic pictures of the historic Washington area add attractive accents.

Among visitors to the renovated facilities, it is not unusual to hear comments that the ALTA headquarters now presents an appearance, and an atmosphere, in which every member can take considerable pride.

On this page, upper left, Tracy Collier answers the telephone at the new ALTA office receptionist station beneath the Association seal and a descriptive slogan. At lower left, Mike Goodin works in his individual office and, at right, Lynn Antilety pauses in one of the attractive inner corridors. On the opposite page, upper left, Beth Peterson works in the new office library and, upper right, Kelly Throckmorton pours a cup of coffee for a visitor in the serving window leading to the conference room. Jim Maber talks with a member in his individual office at center, left, and, at center, right, Lynn Antilety is shown at one of the individual computer work stations that enhance efficiency (these were purchased as used fixtures from another organization to significantly reduce their cost). The lower photographs recall memories of early stages during the renovation project, when sounds of crunching sheet rock and staple guns were familiar and ALTA staff squeezed into whatever space was available as work moved through the office.

A prestigious atmosphere emerges when





workmen finish with dust and din

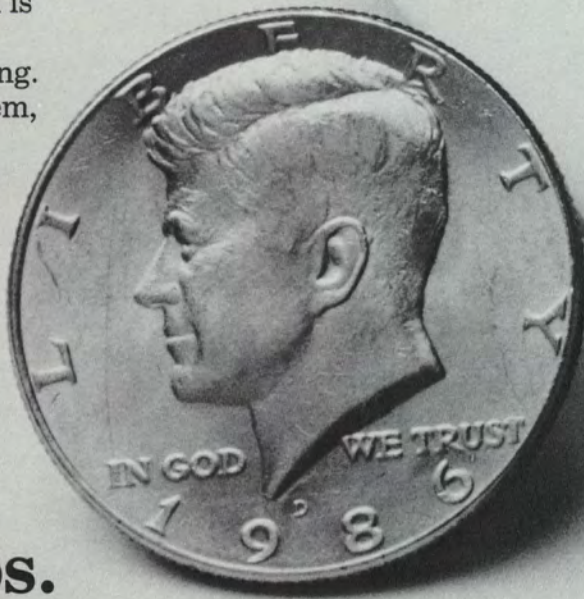


50¢ Is All

IRS Reporting Service Of 1099B Information On Magnetic Media.

The time has come to face the problem of reporting real estate transactions to the IRS on magnetic media. We've faced the problem, and solved it with the same optical scanning technology currently being used in our microfilm replacement system. Now, your simplest solution is to let us do it for you. 50¢ per seller is all it takes. Just join our service and never worry again. At the end of the reporting year, we'll send you a floppy disc(s) containing each and every transaction that requires reporting. There's no inputting of information into a computer for you or your staff. All we ask is that you fill out one small data form at closing. Archive Retrieval System, Inc. will do the rest.

Here's a brief description of how to join up, how to handle the data form, when to mail-in information, and what to expect from us.



Three Easy Steps.

1. To join Archive Retrieval System, Inc., please complete the application found to the right. There is registration fee of \$75.00. Sign the application, enclose a check for the registration fee, and mail both to the address given on the application.
2. After your application has been received, we will send you a master copy of an Archive Retrieval System, Inc. data form. We ask that you send them to us for processing in batches of 100, with appropriate payment.
3. We will store the information from each form and send you a hard copy for verification. At the end of the year we'll send you a floppy disc(s) with all transactions that can be sent directly to the IRS.

Archive Retrieval System, Inc. has solved a problem for you and your staff. IRS reporting on magnetic media has been made easy, as well as inexpensive. When dealing in transactions involving hundreds of thousands, even millions of dollars... 50¢ seems minutely small. In this case however, a half-a-dollar can do a big job.

We hope you fill out the application which follows and become a member of Archive Retrieval System, Inc. Let us make your business life a little easier.

A.

U.S. DEPARTMENT OF THE TREASURY

Type or machine

PAYER'S Federal

Type or machine

Street address

City, state, and

Account number

It Takes.

Form Approved OMB No. B. T. V
1 FHA 2 FMHA
4 VA 5 C
6 File Number
8 Mortgage Insur

SETTLEMENT STATEMENT
STATEMENT OF HOUSING AND URBAN DEVELOPMENT

This form is furnished to give you a statement of actual settlement costs. Amounts paid
own. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for
cluded in the totals.

ENROLLMENT APPLICATION

2

Please enroll our organization in ARS's Reporting Service for IRS 1099B's.

Enclosed is our company check for \$75.00 to cover the onetime setup fee. Our organization is:

Name _____

Address _____

City, State, Zip _____

Employer ID Number _____ Phone _____

We would like to take advantage of ARS's Reporting Service for Real Estate Closing Information. In order to participate we agree to provide ARS with the required closing information in the ARS prescribed format. Submissions will be in batches of not more than one hundred (100) items and will occur at least monthly. Failure to submit batches as soon as 100 documents are accumulated may cause delay in processing. We further understand that the enrollment is not binding on our part, but we intend to participate through 1987.

Our monthly volume is approximately: (check one)

0 - 50 51 - 100 101 - 150 151 - 200 more than 200

A company check for \$.50 (fifty cents) per item will be sent with each batch submitted for processing. Reject items (i.e. illegible, incomplete, hand written, improper form or other condition that prevents processing) will be charged an additional \$.50 per item if the number of rejects exceeds 3% of the batch. Special request reports will be available for a \$50.00 set up charge plus \$.10 (ten cents) per record processed. ARS will return a processed copy of the batch control sheet and a printed list containing each processed item within two weeks of submission. Corrections are to be made to the printed list and included with the next submission. Magnetic media in the IRS format will be provided before January 31, 1988 (quarterly if volume is sufficient) and each subsequent year along with a printout of the included data and run totals balancing to submitted control sheets. The enrolled organization is responsible for validating the data and submitting the magnetic media to the IRS. ARS's only liability is to correct errors identified in the listings and provide replacement media for submission. Please note that all information given to ARS is held in strict confidence and will be used only for reporting to the IRS. This information will not be used for any other purpose and will never be sold without your written permission.

Enrollment Authorized by: (name) _____

(title) _____

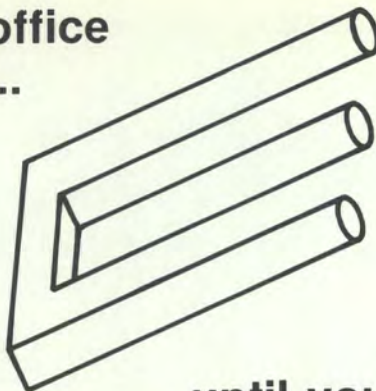
23705 IH 10 West, San Antonio, Texas 78256, (512) 698-7077

ARCHIVE

RETRIEVAL

SYSTEM, INC.

Automating your office can be confusing...



...until you use Sulcus.

More land title people are turning to Sulcus. Why? Simple.

Simple to use. Complete in itself and ready from day one, with no installation headaches. Sulcus, the turnkey in-house computer. Easy use and total applications have made Sulcus the foremost supplier of automation to land title professionals—and made those professionals the foremost suppliers to their customers.

Consider the facts.

You're not a computer professional. No wonder today's pace and progress can be confusing. Some sellers say you just need a basic home computer. They have it. Some say you're so special you need a unique package. They'll build it. And some can turn your nightmares into dreams.

Claim after extravagant claim...one truth stands clear. Profit is directly tied to productivity. The future of the land title industry lies in automation. That future belongs to those preparing for it today—by cutting costs, expanding service, and mostly, improving productivity. And productivity is Sulcus's product.

What others claim, Sulcus delivers— "right off the bat."

Sulcus was designed by land title professionals for land title professionals to solve the problems they share. Our unique design concepts are the key to why we can make you more money than any other system on the market. The single-entry/multiple-use handling of data lets the computer do the work, not the operator. It saves time and money and eliminates transposition errors.

Certainly it answers day-to-day operating needs. But it also lets you capture—and recapture—a wealth of sophisticated



management and marketing information at your fingertips. On demand (with a few minutes notice), you get automatically prepared commitments and policies, lender packaging, closing documents and statements, checks missing nothing but the signature, amortization schedules, and maintenance of your escrow accounts and starter files. Sulcus further offers easy to use general indexing and Regulation Z processing, as well as title plants.

Sulcus allows you to design today's all-critical 1099's yourself, never again needing to rely on someone else. (Although, of course, we can supply the forms if you prefer.) Using plain English, you can design your or your bank's documents, modify them as necessary (important in an ever-changing regulatory atmosphere), and print them completely on your system. The demonstrable time, money, and effort saved for you and your bank offers the promise of more business.

More, it's also a comprehensive filing system. You gain the ability to instantly retrieve information to answer questions, to make last-minute changes, to make instant calculations and recalculations, and to develop all the necessary documents to complete a real property transfer. You

avoid searching for missing files, repetitive typing, unacceptable corrections, and costly mistakes. Your decisions are no sooner made than done.

And that's not all. Built-in word processing... indexing... spelling checking... telecommunications interfacing with others... complete standard business packages such as payroll, accounts receivable, general ledger. It all means you can do the common everyday work as easily as you do your special needs.

Thousands of off the shelf programs also work on your Sulcus computer. And it networks to and with IBM PC's, PC clones, Wang, DEC, Hewlett-Packard, and a wide variety of other computers, computer networks, and word processors.

If you already own a computer, you can now purchase just the software by calling our **Proware™** Division and still receive the same impeccable support as our 4,500 cumulative turnkey users.

The comprehensive system, with comprehensive support and service, at an affordable price.

With a national distribution network, a toll-free support line, next-day hardware replacement, Sulcus offers installation, training, on-going support and consultation, all from one source (with no buck passing).

Comparison shop, certainly. But be sure to look at the one others measure themselves against. Contact us now for more information. Discover how you can ensure your future, beginning today.

*Once a Sulcus customer,
always a Sulcus responsibility.*



Computer Corporation

Sulcus Tower
Greensburg, PA 15601
412-836-2000

Harmonic Juggling, Upbeat Results



Jon Simon, title agency president, juggles a busy schedule that combines business responsibilities with jazz.

Notes flurry with syncopated precision in the percussive fire that is the signature of the jazz pianist at Cates, a popular club in Old Town Alexandria, Virginia. Admirers of jazz, referred to by some as America's only original art form, nod and applaud appreciatively after spectacular keyboard runs demanding spontaneous creativity and classical skill.

This weekend scene might be typical among jazz spots, except for an outstanding point of contrast. During regular work days, the musician winning audience admiration swaps his piano bench for an executive chair and the presidency of Residential Settlements, Incorporated, a growing Northern Virginia title insurance agency and escrow concern.

Balancing the demands of composition and performing with a career as a business executive has proved an invigorating challenge for this CEO. Jon Simon, 31, says the only time his music has been sidelined by a "day job"

was during the two years needed to earn his MBA from Harvard.

"It's definitely a juggling act," he said. "But I welcome the opportunity to juggle more balls. As the balls become larger, everything will be that much more successful."

Simon's musical adventures also extend to recording and film scoring. After completing his first album, "Images and Inspirations," a solo piano effort consisting entirely of his own compositions, he took over its production and promotion when the record company experienced a financial slowdown.

As this is written, he is preparing for a solo concert and studio recording session at Oberlin Conservatory, material from which will be targeted toward a second album. He continues to perform in club dates around the National Capital area, and would like another crack at film scoring. Initially, while working in the family injection molding business in Rochester, New York, following completion of his studies at Harvard in 1980, he composed a

jazz score for "Pandora's Box," a 2½-hour silent motion picture starring Louise Brooks, and personally accompanied its showing at a local theater. His only complaint: a stiff neck from continually looking up at the screen while playing.

Simon is a native of Rochester, where he began classical piano studies at an early age. He led his own rock band in high school and a jazz quintet in college, where he played drums until switching to piano while at the University of Michigan. His undergraduate credits include pianist with the Michigan Jazz Ensemble, and he feels his early experience with drums is a percussive and rhythmic influence in his current piano style.

Engineering Precedes MBA

Although he enrolled at Michigan as a music major, Simon after some major soul-searching decided composition and performing would have to become a great avocation because of economic realities and the impact of a musi-

cian's work hours and road schedule on his other interests. At that point, he switched to an industrial engineering major and found a close compatibility between music and the mathematics of his new field. He earned his bachelor's degree in engineering at Michigan in 1978 and then moved directly to Harvard for the graduate study in business.

Simon next spent two years with a management consulting firm in Cambridge, Massachusetts, following receipt of his MBA, where Harvard business professors were part of the work team. During this period, he worked solo piano dates in the Boston area but was limited by a busy travel schedule. Subsequently, he spent about three years in the family business in Rochester as a "line manager."

In 1985, Simons and his wife, Karen, decided to locate in the Washington area, she returning to the Voice of America, where she worked previously, and Jon accepting a position as assistant to the president of an aerial courier network. The chief executive, as it turned out, served on the board of a local savings and loan institution with Charles Ford Redick, a real estate attorney with a major interest in Residential Settlements, who was seeking a skilled manager for the title operation. Developments continued and, on July 1, 1986, Simon became president of the company.

Although Residential was staffed with experienced title and escrow personnel when he came on board, Simon said the operation—at a time of heavy volume in the real estate market—was suffering from an 8-10 week backlog and an absence of control systems in its three locations.

"I liken it to inheriting three McDonald restaurants—each ordering potatoes from a different state, each cooking French fries at a different temperature, and each having its own formula for sandwiches," he said.

Simon reports that operations now are well organized at Residential, and said prospects for future growth are optimistic. The company opened two additional offices in early 1987 and the ultimate goal is some 15 full-service agency locations in Northern Virginia, Maryland and the District of Columbia.

As a newcomer to the title industry with a wide-ranging management consulting background, Simon finds the business esoteric.

"I've never seen an industry like it," he said. "You compete in some respects with your underwriter, your supplier. It's a very fragmented business. There's no IBM to set the environment, and that leaves us with a great opportunity. Ultimately, we hope to be that kind of force."

Exposure Helps Move Recordings

Simon finds appreciative listeners at his musical engagements sometimes are taken aback when they ask him where he has performed and he replies that he runs a title com-



Besides scoring a film, Simon has produced his first album, consisting entirely of his own compositions, and has targeted another.

pany during the week. But the exposure is helping build a following and, along with local radio air play of his album and a recent radio interview, the promotion has contributed to a positive outlook for his recordings. He has placed some 1,000 cassettes in local record shops and one of these has sold out of "Images and Inspirations."

His musical influences include jazz piano greats Bill Evans, Oscar Peterson, Keith Jarrett and Chick Corea, and he speaks appreciatively of Charlie Parker and Dizzy Gillespie, the acknowledged founders of modern jazz. Singer Al Jarreau was an influence in Al's earlier, less commercial days, and Simon once spent time following big band jazz including that of Maynard Ferguson and Buddy Rich. Also, the soul music of Earth, Wind and Fire received attention from a younger Simon when he led his rock group.

"Some say my compositions have 'new wave' or 'new music' influence and mention George Winston," Simon said, referring to the popular pianist who has a "laid back" style.

Continued on page 42

Chicago Title Completes SAFECO Title Purchase



Chicago Title and Trust Company President Richard P. Toft, right, who is the current chairman of ALTA's Title Insurance Underwriters Section, and Chicago Title Insurance Company President Richard L. Pollay, center, are shown with Roger H. Eigsti, SAFECO Corporation executive vice president and chief financial officer, at the completion of the previously-announced purchase of SAFECO Title Insurance Company by Chicago Title and Trust. SAFECO Title formerly was a wholly-owned subsidiary of SAFECO Corporation. SAFECO Title has 46 full service offices and more than 1,800 policy-issuing agents; as of September 30, 1986, the company reported assets of approximately \$170 million and revenues of some \$120 million for the nine months then ended. Chicago Title and Trust is the parent of Chicago Title Insurance, an underwriter with more than 100 full service offices and 3,800 policy-issuing agents nationwide. In addition, Chicago Title and Trust conducts a general trust business in the Chicago/Cook County, Illinois, area; the parent concern has more than \$2 billion in assets under management.

CHICAGO TITLE AND SAFECO TITLE HAVE JOINED FORCES TO CREATE THE MAJOR FORCE IN THE TITLE INDUSTRY.



With Chicago Title's recent acquisition of SAFECO Title, two of the most respected names in the title industry have come together to form a title network unequalled in scope and service.

First and foremost, our association means we now provide the best geographic coverage of any title company in the nation. So we're even better equipped to handle all your title transactions, be they intrastate or interstate.

What's more, our expanded network of over 5,000 locations nationwide assures you the prompt, accurate service and person-to-person attention you've come to expect from two title leaders.

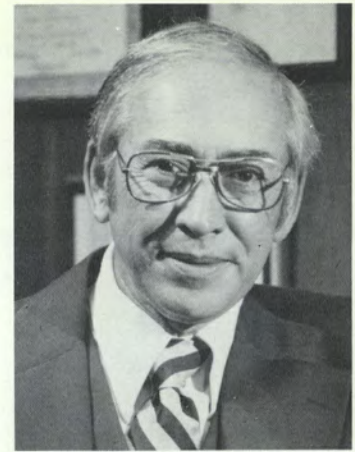
Our unparalleled geographic coverage and far-reaching title services give you unsurpassed protection for your real estate interest. Chicago Title and SAFECO Title—together, we're unrivaled.

Chicago Title

Corporate headquarters: 111 W. Washington Street
Chicago, IL 60602 (312) 630-2000

"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"



ERRORS AND OMISSIONS INSURANCE

Escrow Agents, — Loan Closers, — Realty Sale Closers, — Abstracters, —
Title Searchers — Title Examiners, — and Title Insurance Agents

Title Pac provides:

Broad coverages:

Efficient and Considerate Service:

Prompt Premium Indications Provided:

Title experience and title knowledge:

Title people to settle claims:

Use our WATS TOLL FREE SERVICE for personal discussion

**35 YEARS OF SERVICE TO THE TITLE AND ESCROW—
CLOSING INDUSTRY**

**Title Pac
and
Escrow Pac**

2108 N. Country Club Road
P.O. Box 857
Muskogee, OK 74402
918-683-0166

Use Our Toll-Free Number
1-800-331-9759
(Except Alaska and
Oklahoma)

ITI—Industry Education for 16 Years

Hart McKillop

By now, The Land Title Institute, an educational arm of the American Land Title Association, has become fairly well known in the land title industry. However, questions are frequently asked about its origin and history to date. Those not interested in industry history should stop reading at this point.

No doubt, many who read this dissertation are too young to remember the scurrilous, vituperative, insulting barbs visited upon title companies in the early years. The first time I remember hearing the phrase, "having a license to steal," it was used in describing title companies. As harsh as it may seem, it appeared to be great sport and somewhat humorous to compare title companies to bawdy houses. They were ranked along with back street saloons, livery stables and garbage dump operators. I hasten to say that, in metropolitan areas, a few title companies which were merged into banks and trust companies had overcome the stigma and had at least emerged as second class business citizens.

For many years prior to entering into the land title industry, I was a practicing real estate lawyer. In those days, the legal profession enjoyed a very good reputation, but I must confess, it disturbed me to be identified as a member of the land title industry. You may ask,

"Why didn't you get out?" Well, that was just not my style. I knew that we were dealing with the foundation of all wealth and, if title companies conducted themselves properly, that fact alone should place us in a respectable position in our communities. I knew there were many honest, forthright, intelligent people in the title industry, riding herd on one of the finest groups of uninformed employees in the country. It was apparent that slap-dash, piecemeal, on-the-job experience of employees would never be sufficient to upgrade the industry.

The American Land Title Association took cognizance of the situation and inaugurated several programs hopefully designed toward improving the public image of the land title industry. The upgrading of the entire title industry, including the literate upgrading of personnel from office boy to president, seemed desirable.

The varying concepts and ideas of education among title company officials were surprising. Some thought that the average run of title company employees didn't need to know anything about the industry in which they were engaged. Others thought that educational programs should be provided only for a handpicked few who had the possibility of becoming corporate officers. That, of course, was no way to upgrade an industry.

In 1970, I was present at the birthing of Land Title Institute. At that time, approximately 1,000 land title operations existed in the United States and, with one possible exception, none had an effective, comprehensive educational program for employees. Few had any conception of what an educational program might entail. Based upon my background, I felt capable of writing the text material for the Basic Course and the Advanced General Course of education for land title industry employees. (The corporation has since been technically reincorporated as a non-

profit corporation under the name, "The Land Title Institute, Inc." The two names refer to the same program and operation.)

Of course, employee education was by no means the *sine qua non* in upgrading the land title industry, but it would be an effective step in that direction. The Institute stood firm in the position that its creative purpose and function were to help upgrade the land title industry and improve the respect to which it was entitled. First and foremost was that educational opportunity should be provided for all. There was never any thought of Land Title Institute being a money-making enterprise. Naturally, it had to charge enough to meet expenses, with a minimal rainy day reserve.

The Institute was given to ALTA in 1980 and a rather substantial reserve now exists, which hopefully will be primarily used in expanding and extending the educational programs of the Institute.

For over 16 years, the Institute has provided correspondence course education for employees of the nation's land title industry. Over 5,000 students have enrolled, and at present 107 land title companies and related title industry entities are purchasing the courses for their employees.

In considering the advisability of subscribing for the Institute's courses, a number of title companies have expressed approval of the following aspects:

1. The text material is enlightening and is written in language and style readable and understandable by a large cross section of employees.
2. The courses provide an indoctrination and acclimatization vehicle for new employees.
3. Most title companies have knowledgeable officers, but educational programs

The author is the founder of The Land Title Institute, Inc., now an ALTA related organization, and currently is an ITI director. He is a retired senior vice president of Lawyers Title Insurance Corporation.

Continued on page 42

**Let's assume
for a minute
that your time
is valuable.**



Let's further assume that others depend on your timeliness.

Minutes translate into dollars and a fast, accurate, cost-effective system for escrow closings and document preparation is worth its weight in hours. A complete system of hardware, software, training, and ongoing support means dependability you and your clients can count on.

With an established user base of more than 3,500 products, Sulcus has earned its reputation for quality and service to small and very large land title

offices. That means you can put Sulcus systems to work immediately while you go about the business of land title transfers.

Take a look at the widely accepted, cost effective, and timesaving Sulcus systems. Like thousands of your peers across the country, you'll count the time well spent.

After all, a minute saved is a dollar earned.

- Settlement/Disclosure
- Forms Generation
- Escrow Accounting
- Indexing
- Amortization
- Automated Title Plant (MIRS)
- Plotting
- And Many, Many More.

SULCUS[®]
Computer
Corporation

Sulcus Tower
Greensburg, PA 15601
(412) 836-2000

To see how Sulcus can help, call 800-245-7900.

Imagination and Creativity

Ray Bradbury

Did you ever stop to think that all we ever talk about is the future? That's all we ever talk about. You've been talking about it here since yesterday or the day before. You've been talking about it this morning. Every single minute we are talking about the future. What are you going to do five minutes from now? What are you going to do half an hour from now? For lunch? For dinner? Tomorrow? The day beyond tomorrow? So that's all we ever talk about.

And people are always saying to me, "Why do you always write about the future?" And I say, "Because, that's our main topic." And the other topic is imagination. There's no use having brains if you don't have imagination. So we have a bombardment, don't we, in the last 70 or 80 years—especially in the last 20 years, 30 years, of incredible machines that come upon us and through acts of imagination—starting as toys in the history of mankind—and these toys arrive and grow large, and then we have to imagine what to do with them.

This boggles our imagination. Sometimes we fail. Sometimes we succeed. When I was a child, collecting Buck Rogers comic strips, the space age was nowhere to be seen. Of course,

everyone made fun of me, when I was in the fifth grade in grammar school, because I collected Buck Rogers comic strips. But I learned my first lesson in imagination at that time. And, from that time on, I never listened to anyone else about my imagination and the things I wanted for the future.

Because, like a fool, I listened to these people who laughed at me and I tore up my Buck Rogers comic strips. And, about a month later, I burst into tears, and I looked around and said, "Why am I crying? Who died? Somebody died, who was it?" And the answer was me . . . they had managed to kill my soul. I listened to them, which I shouldn't have done. And then I said, "Now wait a minute. What can make me alive again? What can make me whole?" And the answer was Buck Rogers. I dearly needed that future to believe in. And I went back and collected those comic strips and made myself whole, and I have had a wonderful life ever since.

Ten years ago, some publishers came to me and said, "Will you write an introduction to the *Collected Works of Buck Rogers*?" That's how you get your jobs in this world, isn't it? By staying true to that original person, all the accumulation of imaginative things that started from me when I was three.

I fell in love with motion pictures. "The Hunchback of Notre Dame" I saw when I was three years old, and I walked strangely for weeks after. And the "Phantom of the Opera," and "Buck Rogers" when I was nine . . . and King Kong fell off the Empire State Building and landed squarely on me when I was 13 . . . and I started this love affair with a 50-foot ape. I got out my ladder, and there was this wonderful ape that I never stopped being in love with.

So, with this background, with all of these imaginative things, I've had a good life. Because, one by one, they've come forward in

my life. By staying in love with dinosaurs—I'm on the Dinosaur Board now down at the Natural History Museum—another dividend God has sent me in the last few years for being a good boy when I was six. But, by being in love with dinosaurs, I met a young man when I was 17 who built dinosaurs in his garage. His name was Ray Harryhausen and I fell in love with this young man because anyone who loves dinosaurs has to be terrific. I would go over to his house, and I'd watch him animate these dinosaurs on 8mm film. These dinosaurs would chase his father around the yard and eat his father up. Boy, what a friend to have! I used to try to borrow those dinosaurs and take them home all the time, just to put my father in his place. And out of this love, loving friendship, we dedicated ourselves to growing up and growing old together—and loving dinosaurs together—and I would write screenplays about them. And he would animate the dinosaurs and we would change the world, and that's exactly what happened.

When I was 29 years old, I lived in Venice, California, with my wife, and we came upon the ruins of the Venice pier lying there being covered by the tides. They had just torn it down. The roller coaster had just fallen over on its side. The bones of the roller coaster were lying there being blown away by the wind and the water. And I looked at the bones of the roller coaster, and I turned to my wife and said, "What is that dinosaur doing here dead on the beach?" She was careful not to answer.

Three nights later, I awoke in the middle of the night. Something had called me awake. And I listened, and way out in the Santa Monica Bay, covered with fog for mile upon mile, way out in the bay I heard this fog horn blowing—over, and over, and over—and I sat up in bed and said, "Yes, that's it." The dinosaur heard the fog horn blowing, thought it was

The author has published more than 400 short stories, 17 novels and collections of stories and poetry. His books include The Martian Chronicles, and his screen plays the classic, "Moby Dick." He has planned the basic scenario for the United States Pavilion at the New York World's Fair and he has served as a consultant in the design of Epcot at Disney World in Florida. This commentary was presented during the 1986 ALTA Annual Convention.

another dinosaur calling from a million years of sleeping and waiting, swam in for an encounter and discovered it was only a damned lighthouse and a damned fog horn, and tore the whole thing down and died of a broken heart on the beach.

And I got out of bed and wrote, *The Beast From 20,000 Fathoms*, the most beautiful story about a dead dinosaur ever written in the history of the world. In the *Saturday Evening Post*, they published it sometime in 1950, it was made into a film in '52, and guess what? It was my story and Ray Harryhausen animated the film. It was the beginning of his career. A thing that started when we were in high school. So, you keep your root system of imagination intact all through the years. You never turn your back on it. You never let anyone criticize it. You never change it. It remains a constant.

Because of that story, John Huston came along the next year. He read that story, and called me up to his hotel. And he put a drink in my hand, and said to me, "Aah, aah, Mr. Bradbury, what are you doing for the next year?" And I said, "Well, not much, Mr. Huston." And he said, "Well, how would you like to come, I live in Ireland, and write the screenplay of *Moby Dick*?"

I said, "Gee, I don't know, I haven't ever been able to read the damn thing." And there was a long pause, and he said, "Well, why don't you go home, tonight, and read as much as you can, and come back at lunch tomorrow and tell me if you'll help kill the white whale?"

So I went home that night and I said to my wife, "Pray for me." And she said, "Why?" And, I said, "Because I have to read a book tonight and do a book report tomorrow." And of course what I did, I couldn't read the whole book, 900 pages takes you days and weeks to read and comprehend, but I dove into the book in various places. And I fell in love with Melville, which means I fell in love with the *Bible* all over again, which was one of the inspirations of course for the book, and I fell in love with Shakespeare all over again because it was one of the inspirations for the book. I went back the next day, and I took the job. And, the next thing you know, we were traveling for the first time, the first time we ever had had any money, my wife had worked for three years to support me so I could get started. And we had two babies and we headed for Ireland, and the rest is history. The film is still around.

Now, how did I get the job? I got the job because of my love of dinosaurs. Do you see? My prehistoric monster surfacing in the fogs and the seas, listening to the lighthouse and the fog horn, is first kin to Melville's monsters or Leviathan of the deep of the *Bible*. So, what Huston found in my story was my love of these things, which was akin to certain loves of Shakespeare, and of Melville, and of the *Bible*.

So I got the job because I loved dinosaurs.



Ray Bradbury, left, widely acclaimed author and screenwriter, waits with 1985-86 ALTA President Gerald L. Ippel, Tigor Title Insurance Company, before delivering his remarks to the Association's 1986 Annual Convention.

That's my whole point here. I am always at peace. I've never changed one iota from the time I was three years old to this time. I've increased my knowledge, but my loves have remained basic—imaginative loves. And, as a result of that, I wrote an analysis of Jules Verne and Melville, which had never been done in the history of the world.

Two Identical Captains

I'm not a researcher. I'm an emotional lover. I fall in love with things, and then I know their relationships. Between Jules Verne, whom I'd read when I was 12, I went back and re-read *20,000 Leagues Under the Sea* and discovered an incredible thing—that the two mad captains of Melville and Verne were identical. One is the mirror image of the other, one is dark and one is light.

And, no one had ever noticed this. No one had ever written an analysis of the two writers and their two books. So, I wrote an article called, "The Ardent Blasphemers," describing these two authors—Verne and Melville—and the mad Captain Ahab, who says, "I will strike the sun if it insults me." And Nemo, who says, "No, no, don't strike the sun, plug into the sun. Borrow the energy from the sun and light the cities of the world and the seas of the world." Don't kill the whale, build the whale, and live inside of it. And call it the Nautilus. And scour the seas of the world and teach mankind to behave.

So I wrote this analysis of the two authors and I sent a copy of it to Clifton Fadiman and another one to Gilbert High and I said, "Am I crazy? Hasn't anyone ever noticed that Verne must have read Melville or been influenced by him?" Because, in the first chapter of *20,000 Leagues Under the Sea*, when the Nautilus first appears in the seas of the world, it is described as what? Moby Dick, the white whale. So that fact had been sitting there for 100 years, and I blundered on to it. And, emotionally, I wrote this essay. As a result of writ-

ing the essay, do you see how everything leapfrogs from dinosaurs, to Moby Dick, to Jules Verne, to Melville, to me, to this essay?

And then, the United States government comes to me and they say, "We have the United States Pavilion we're building next year. The whole top floor is empty. Will you fill it with your imagination? Can you do a 400-year history of the United States in 17 minutes flat with a full symphony orchestra?"

And I said, "Yeah." Because I love United States history, too—fantastic history. We are incredible people. We are marvelous people. And so I took the job.

Now, how do you do that? How do you cram 400 years of history into the top of a building as big as a football field in size? You must find the metaphor, mustn't you? The business of all of our lives is finding the metaphor so you can pick a subject up. Unless you can find the thing that represents the thing—the handle—you can't pick it up. You can't talk about it. So we pick up life with various handles—various metaphors. We pick up death. We make metaphors of death which don't exist, but they exist in our minds. So, I then had to find the metaphor to represent United States history. What was it?

I came upon a triple metaphor. I called us the "triple wilderness people"—a people who crossed a wilderness of water to arrive here; a people who settled for a while on a wilderness of grass to stay for a time; and now move toward a wilderness of stars to live forever. Water, grass, and stars. Once you get the triple metaphor, then you sit down and you can do the prose poem and bring in the symphony orchestra three days later. But you must find the metaphor first. Strike the chord and, if it sounds right, if it looks right, if it feels right, then you proceed.

So some of you may have gone back 22 years ago and gone through the building. The whole top floor was full of my metaphors. Now these are all out of my prior history, starting

when I was three, starting when I was nine, starting when I was 13, and 20, and 29.

So the Disney people then come into my building and walk around, and about 10 years ago they said, "Look, down at Disney World we're building a permanent world's fair, and we're going to have a thing called spaceship earth. It's as big as two football fields in size. Can you put a 2,000 year history of ideas in communication into that building in 15 minutes flat with a full symphony orchestra?"

And I said, "Yeah, yeah, I can do that, too." Now, how do you do that? Well, you find the metaphor—the metaphor of communication, the history of all the ideas of mankind, starting with the cave, coming up through the Egyptian period, Roman, Greek, Renaissance, to ourselves, and into the future. And my metaphor there was Schliemann, the discoverer, or so-called discoverer, of Troy.

Because Schliemann is an imaginative hero to most of us, isn't he? He began to dream of Troy when he was 10 years old, and when he was 12, and 14, and 19. All of his friends said, don't bother. Troy never existed. It's a myth. It's a fairy tale. It's a lie. Why, who are you listening to? Who's telling you these things? And Schliemann said, "Blind Homer tells me where to go dig." Blind Homer! "You can listen to a blind man, and you won't listen to your friends?" He said, "No, get out of the way. Some day I will buy me a spade, and I will go dig, and I will find Troy."

He kept that dream. He kept that dream—that root system. From the time he was 8, 9, 10, 20, 30, 40, 48 years old. All those years. He put away his money and he bought a spade in his late years. And he went and he dug where Blind Homer told him to dig. And, what did he find? Thirty-nine cities, where there were not supposed to be any. We're still debating the identity of most of these excavations and putting new labels on them. We're not quite sure, at this late time, which one was really Troy. No matter, Schliemann had a wonderful life, though. He found what he was looking for—all starting back with a root system.

So, I used this as my metaphor when I began work on the Epcot Building's Spaceship Earth. So if you go down to Florida in the next few years, that building is going to be there to the end of the century and beyond. The interior of the building is full of my metaphors as the result of my beginning to dream when I was three years old, and six, and nine. You see the way everything leapfrogs right on up through?

Astronomical Metaphors

Now, here in L.A., if you have time before you leave town, down at the new Air and Space Museum down on Exposition Boulevard and Figueroa, we have a building there . . . an Air/Space Building which opened for the Olympic Games two years ago. They came to

me, three years back, and said, "Can you do a 2,000-year history of astronomy in 13 minutes flat with a full symphony orchestra?" I said, "Yeah, I can do that." But that's easy, because the metaphors of astronomy are multifold, aren't they? I've grown up on astronomy. I didn't have to do any research. Because these people are so exciting. And I brought in James Whitmore to read my narration, and we brought in a symphony orchestra.

And I did a similar job for the California Pavilion up at Expo recently. I did two shows there inside the building: one on the history of Apollo, and one on the naming of California, which I don't think most of you know is based on a mythical novel—a fantasy novel that was published 400 years ago by a Portuguese or Spanish author, who made up a mythical name of an imaginary island called California. And when the settlers came in here—the Spaniards—they borrowed the name from that mythical novel . . . that act of imagination . . . and named us properly, did they not? Because of all the states in the union, this is certainly the most imaginative—the most incredible.

So, I'm in love with all these ideas—with all these wonderful things that surround us and the future ahead of us. I am not an optimist. I am an optimal behaviorist. There's a big difference. An optimist is sometimes blind to a lot of things, but an optimal behaviorist is always sure of results. So, I behave to the top of my enthusiasm, the top of my genetics, the top of my imagination. And I've got results for 45 years now. I know it works.

Now, how this applies to your life, I have no way of telling. You have two lives anyway: the life that you live within a company; and the life that you live outside of it. And, if you're lucky, you can cross-pollinate back and forth between the two, which means educating all your senses, constantly being interested in everything in the world, becoming as close as possible to Renaissance people. Otherwise, you become a bore to yourself and a bore to everyone else. Haven't you ever laid in bed late at night and said, "God, am I boring?"

Well, you don't want that any more, do you? No, you don't want, but you have to listen to me, then, don't you? Because why? Because we share a gift of imaginative things that don't exist. You think you have something to do with land. Sorry, it doesn't exist. You think you have something to do with all these symbols—imaginative symbols—of money, and real estate, territory. They don't exist. It's all a concept inside your head. So, everything we do as human beings is an act of the imagination—is an act of faith. Friendship is a promise to behave, isn't it? It doesn't exist. There are no written rules for this. You have to behave day-to-day, year-to-year, as people—as friends to one another—and then, when you break that, the friendship is over.

Marriage doesn't exist. Where does it exist? Where does my marriage exist? Certainly not

on that piece of paper I signed 39 years ago this morning. It exists as a relationship with my wife. It is an imaginary concept when we agree to behave in certain ways. So, you're all doing the same thing, you know?

I've known Arthur Laffer now for three years. Wonderful man! Terrific man! I don't know a thing about economics—nor does he—nor does Milton Friedman. Nor does anyone else! Do you watch "Wall Street Week" every Friday night? Do you turn it off feeling as dumb as I do? Of course you do. Because you don't know any more about it than I do. But we pretend that we know. And we act as if we know. So that's an active imagination. That's what we're talking about here.

I've asked Milton Friedman and Arthur Laffer on various occasions, "Hey, what if Brazil, and Argentina, and Peru, and all of the other countries that owe us money, hundreds of billions of dollars around the world, all reneged on that and said we're not going to pay you? What would happen? Would it destroy the banking system? And they said, "No." And I said, "Wouldn't we make up some new rules the next day?" They said, "Yep!" And that's all! Because money doesn't exist. It's not in the bank. We all have these accounts and I've often said to people, "You don't really do you, think they have a shoe box with your money in it at the bank, and when you go and draw money, that they go and get your shoe box and give you your own money back?" Come on! It's all imaginary! It doesn't exist!

So, anything we want, we can imagine and we can do. I was watching "Wall Street Week" last night and the new show just before that. There were some people on there predicting what's going to happen the next six months, the next year, the next two years, with our economy. They don't know! You know what they're doing? They're scaring people. And, if you're not careful, it's much like any love affair.

Well, let me posit this for you in terms of a personal love affair. A man and woman are in bed making love, and the woman suddenly says to the man, "You know, you've got a lot of dandruff." There's a slight pause, isn't there. And then she says, "When did you last bathe?" And then, five minutes later, she says, "You know, you have bad breath?" You know something, she's going to look around and the bed is going to be empty! And she's going to wonder where he went. And he's not coming back—ever!

Well, the economy's the same way. You talk yourself into it, you know, this whole ridiculous thing, into an auto. Making yourself feel better. It's all morale. It's all will power. It's all imagination. That's all it is. And nothing else. So, if you say the economy's going to go downhill in the next year, and you scare the

Continued on page 43

dLEGAL® System



The HUD-1 Form Preparation Program for the Law Office!

dSETTLE III™

IBM PC, Compatibles, Clones under MS/PC-DOS with 512K

BENEFITS

Ease of Operation. Needs no formal DP training. Practical hands-on system.

Software support and 800 telephone assistance available.

Start, Store and Update all information required on the HUD-1 form during the closing process.

Designed for any Attorney or Abstract Company.

Written in dBASE III+ and compiled with WordTech's dBIII Compiler (Quicksilver).

Not a dBASE template. You do not need to own dBASE III+ to run dSETTLE III.

FEATURES

Live calculations while Editing. Totals UPDATED on screen.

NEW Windows used for input of additional information required for calculations and IRS reporting.

NEW Lookup Tables used for calculations of Recording Fees and Transfer Fees.

NEW Automatic calculation of Commission.

NEW Automatic calculation to Loan Origination Fee (including FHA) and to Loan Discount.

Automatic recalculation of Totals when any line is changed.

Selection of printing Borrower or Seller's side or complete form.

NEW Disbursement Report listing Purpose, Payee and Amount.

NEW Generates Acknowledgement Sheet suitable for signing by all parties concerned.

NEW Generation of IRS Form 1099B*.

NEW Report suitable for submission to IRS as a record of Closing*.

NEW Creation of Magnetic Media (on 5¼ floppy diskette) for forwarding to the IRS*

*NOT COPY PROTECTED

For orders, call toll-free or return coupon below today

800-331-9218

in New York or International
or for more information, call

914-496-9184

dLEGAL® System

189 Jackson Avenue • Salisbury Mills, NY 12577

30-day refund policy

S/G/P Systems offers an unconditional guarantee on all dLEGAL products (less shipping charges). There is a \$20 restocking fee on all returns for a refund. This guarantee is available on all products bought directly from S/G/P Systems Corp.

*Any registered dSETTLE user will receive a NO-COST upgrade to include the IRS reporting requirements as soon as the 1987 Revenue Procedure revision is published.

dSETTLE III™

INTRODUCTORY PRICE

ONLY \$149⁹⁵

Name: _____

Firm: _____

d
S
E
T
T
L
E
Address: _____

City: _____ St. _____ Zip _____

Phone: _____

MC/VISA # _____

Expiration Date: _____



COD-\$10 surcharge UPS Blue \$15 Next Day \$25 Foreign \$25

ALTA Judiciary Committee Report: Part III

Mortgages

Lange, Plaintiff, vs. Wyoming National Bank, Rocky Mountain Title Insurance Agency, et al., 706 P. 2d. 659. Wy. (1985)

Grantors of contract for deed brought action to quiet title and to secure damages against title companies.

This action involves a case of fraud involving Mr. Coffman, as purchaser under the contract, owner of Rocky Mountain Title Insurance Agency, and as the mortgagor under a mortgage to Wyoming National Bank, and Mr. Lange as seller under contract for deed. Coffman fraudulently obtained a deed from the escrow agent, altered the deed to expand the legal description, apparently forged an affidavit of lien release, issued a title insurance commitment and submitted same to bank, upon receipt of which bank made a mortgage to Coffman; \$290,000.00 of the mortgage proceeds were paid to Lange (contract seller). The district court reformed the mortgage to reflect the correct legal description. The supreme court reversed and held that the mortgage was void due to the invalid deed, so could not be reformed. In so much as Lange had benefitted from the mortgage, they were to return the \$290,000 to the bank, and property was set over to Lange. Action against the agent's title insurer was dismissed, default

judgments held against Coffman who had declared bankruptcy and Rocky Mountain Title, which was insolvent.

Mischell v. Austin, 374 N.W. 2d 599 N.D. (1985)

Austin et al gave a mortgage on their North Dakota real estate to Metropolitan Federal Savings and Loan. On the same date, the mortgagors gave a second mortgage to Mischels, and in conjunction therewith, also gave Mischels a promissory note.

The mortgagors defaulted on both mortgages, and the first lien holder foreclosed. The second mortgage holder did not redeem the first mortgage, but instead sued directly on their promissory note. The trial court awarded the Mischels judgment and the mortgagors appealed to the North Dakota Supreme Court.

Can a mortgagee sue in North Dakota on a promissory note issued in conjunction with a mortgage, and seek a deficiency judgment against the mortgagor?

No. North Dakota Century Code Section 32-19.1-07 covers deficiency judgments for mortgages. The law is applicable to first mortgages and subsequent mortgages. Even though the mortgage and the note are separate and independent obligations from the debt, the legislature enacted an anti-deficiency statute which prevents the mortgagee from suing directly on the note. Therefore, the trial court's ruling was reversed.

Badger State Argi—Credit & Realty Inc. v. Lubahn et al 122 Wis 2d 718 (1985) Court of Appeals

At issue: 1) Whether a mortgage containing a dragnet clause for antecedent debts was enforceable

2) Whether a person named in a testamentary trustee's deed had a right of possession to the parcel she occupied; whether this "claim or interest" violated a statute which precludes suspension of the power of alienation beyond the statutory period and whether this interest takes priority over the mortgagee's interest.

The mortgage in question covered three parcels of land and was given as security for several notes. The mortgagors originally acquired title to two parcels but subsequently obtained a third parcel which had formerly been occupied by the grantor. This third parcel had been conveyed to the mortgagors subject to the right of possession granted to the grantor's daughter described according to the deed in the probate court file relating to the estate of the grantor.

To secure payment of the notes and in consideration of the reduction of certain milk assignments, the mortgagors executed the mortgage which then covered the three parcels. The mortgage listed the amount secured as \$239,000.00 and stated on its face it had been given "to further secure present indebtedness." Plaintiff then acquired the notes and mortgage by assignment from the mortgagee. A cooperative subsequently obtained a \$46,000.00 judgment against the mortgagors which became a lien against all three parcels.

The court of appeals agreed with the trial court findings that:

1) The \$239,000.00 mortgage was enforceable and that the \$46,000.00 lien was subsequent, subordinate and junior to the lien of the plaintiff (the assignee of the notes and mortgage).

2) The occupant of the third parcel had a "right to possession" which could not be defeated by the then pending foreclosure sale because (a) the reservation to her in the trustee's deed was permitted by Sec. 700.16(1)(a) Stats., because it did not suspend the power of alienation for a period in excess of a life in being plus 30 years and (b) the language in the deed, although not creating a life estate, did create a property interest in favor of the occupant which could not be foreclosed upon. Her interest was of record at the time the mortgage was originally executed and when the mortgage was assigned to the plaintiff.

3) Although dragnet clauses are generally looked upon with disfavor, the clause here involved met the requirements for enforceability. The underlying debt was identified and the

Report Published in Installments

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

Samuel R. Gillman; Nicholas J. Lazos, Esquire; Bernard M. Rifkin; Michael J. Fromhold; Hugh D. Reams, Jr.; R. N. "Bob" Merritt; Gerard K. Knorr; James K. Weston; Donald P. Waddick; Abraham Resisa; Jerrel L. Guerino; John S. Thornton, Jr.; William M. Heard, Jr.; Robert J. Whisman; Frank P. Willey; E.A. Bowen, Jr.; Charles E. Riggs; Turalu Murdock; Steven H. Winkler; J. H. Boos.

Ted W. Morris, Jr.; Michael Pietsch; Robert C. Mitchell; James Weston; Jack C. Daw; E. W. Adams; Roy H. Worthington; Charles I. Tucker; Louis G. Shusan; Daniel Murray, Esquire; Timothy J. Whitsitt; Gary F. Casaly; Theodore C. Caris; D. P. Waddick; Bobby L. Covington; James W. Hicklin; Don Al Asay; Richard A. Johnson; Mark W. Vaughn; Louis C. Meyer, Jr.

P. C. Templeton; Harold A. Kleinfeld; Joseph Ritter; John H. MacMaster; Dale W. Griffin; Dale L. Astle; Michael G. Magnus; Philip M. Champagne; Carl E. Wallace, Jr.; Ernest G. Carlsen; Phil B. Gardner; Guy C. Jackson, III; Michael J. Jensen; Mark Schittina; Hugh D. Reams, Jr.; James E. Tompkins; Eugene J. Ouchie; Roy P. Hill, Jr.

mortgage was based on adequate consideration in that the indebtedness was supported by a series of notes and the reduction of a certain milk assignment at the time the mortgage was given.

* * *

In this mortgage foreclosure action the court construed the intent from the instruments that the contract rate of interest was to be paid until the principal was fully paid. The defendant contended that the legal rate of 9 per cent set forth in CPLR 5004 should govern.

It is well settled that when a contract provides for interest to be paid at a specified rate until the principal is paid, the contract rate of interest, rather than the legal rate set forth in CPLR 5004, governs until payment of the principal or until the contract is merged in a judgment (see e.g., *O'Brien v. Young*, 95 NY 428; *Schwall v. Bergstol*, 97 AD2d 540; *Astoria Fed. Sav. & Loan Assn. v. Rambalacos*, 49 AD2d 715; *Stull v. Joseph Feld, Inc.*, 34 AD2d 655).

The court sustained the plaintiffs' contract rate of 15% per cent until judgment *Citibank v. Liebowitz* 110 AD2d 615 (1985).

***First National Bank & Trust Company of Ardmore v. Donald J. Worthley, Sr. (et al)*, 56 Okla. B.A.J. 2626 Okla. App. (1985)**

First National Bank & Trust Company of Ardmore (plaintiff) filed foreclosure on two construction mortgages. The initial loan had been made to mortgagor, El-Jay Construction Co., a partnership (defendant) for construction of an apartment building. No construction had been initiated at the time the first mortgage was recorded. Subsequently, during construction, a second loan was made to defendant by plaintiff, secured by a mortgage. Several mechanic liens were timely filed on the property by suppliers. The trial court, in the foreclosure action, determined that certain mechanic liens had priority over the mortgages. The issue on appeal concerned the priority of the mortgage liens in relation to the mechanic lienors. The plaintiff argued, in reference to the first mortgage, that the bank was obligated to make all advances under the mortgage and therefore, achieved priority over any mechanic liens. The trial court applied the test regarding obligatory advances outlined in *Liberty National Bank and Trust Company v. Kaibab Industries*, 591 P.2d 692 Okla. (1979), to-wit: Could the bank have been compelled by the courts to make advances on the loan? The appellate court concurred with the trial court's conclusion that defendant could not have forced the bank to make the advances. The court noted that the promissory note provided no conditions which would automatically trigger advancements by plaintiff and no other written instrument set out conditions which would make advances obligatory. As a result, due to the absence of a general contract, the court determined that relative priorities between the first mortgage lien and the mechanic lienors would be determined by the date of each advancement in relation to the date materials and services are first provided.

The plaintiff further argued that the trial court erred in granting co-equal priority and priority over the second mortgage, except as to those lienholders who provided services prior to the filing of the second mortgage. Plaintiff relied upon *American-First Title and Trust Co. v. Ewing (et al)*, 403 P.2d 488 Okla.

(1965) which held that in cases without a general contractor, priority is established by the date when material or services are first provided. The appellate court distinguished this case from *Ewing* in that this case involved two loans and the plaintiff knew that some materialmen were not being paid when the second loan was made. As a result, the court refused to grant exclusive priority over mechanic lienors as to any portion of the second mortgage. The court stated plaintiff needed the completed building to secure the loan and therefore it would be unfair to grant plaintiff priority over those who did the necessary work to accomplish completion.

Based on the above, the court of appeals affirmed the trial court's findings.

* * *

This was a motion by a co-obligor on a mortgage to reopen or vacate the default and set aside a foreclosure sale of the property to plaintiff, the mortgagee. The motion was granted. Although plaintiff performed the mailing and delivery requirements for service on defendant Conway under CPLR 308(2), it did not complete service by filing until the default judgment had already been taken. Until service was complete, defendant Conway's time to appear or answer did not begin to run (see, CPLR 320[a]; 3012[c]); thus, she was not in default at the time the default judgment was taken and the judgment is a nullity (see, *Marazita v. Nelbach*, 91 AD2d 604; *Reporter Co. v. Tomicki*, 60 AD2d 947).

The court further exercised its discretion and vacated the default against the co-obligor upon whom the service had been completed. (*R.L.C. Investors Inc. v. Zabaski*, 109 AD2d 1053) (1985).

***Aetna Casualty & Surety Company v. Valdosta Federal Savings & Loan Association*, 175 Ga App. 614, 333 S.E. 2d 849 (1985)**

On April 1, 1981, Valdosta Federal made a loan to Dahl secured by deed to secure debt, recorded April 3, 1981. The security deed contained a due-on-sale clause which provided for an assumption under conditions acceptable to the lender including an adjustment of the interest rate. On August 3, 1981, Aetna recorded a judgment against Klein. On February 1, 1982, Dahl conveyed the property securing the Valdosta Federal security deed to Klein. At this time, an assumption agreement was executed releasing Dahl from the obligation and raising the interest rate. Valdosta Federal did not have actual knowledge of the judgment against Klein. Simultaneously, with the conveyance Klein executed a purchase money security deed to Dahl, subject to the Valdosta Federal loan deed. Subsequently Klein defaulted. Dahl transferred his security deed of February 1, 1982 to Valdosta Federal and Valdosta Federal commenced foreclosure proceedings. Aetna brought suit seeking a determination of priority. The trial court held that the liens should be ranked according to date with the oldest having priority.

Did the February, 1982, assumption agreement constitute a novation causing Valdosta Federal's April 1, 1981 deed to secure debt to lose priority over Aetna's judgment?

No. The assumption merely constituted a modification of the terms of the original note. The cancellation of the old deed and execution of a new one between the same parties may have the effect of a novation but a modification agreement will not where the original

security deed is not cancelled. Therefore, the Valdosta Federal deed did not lose its priority status.

Also at issue: Did the Aetna judgment of August, 1981, have priority over the February, 1982, purchase money security deed?

No. A purchase money security deed has priority over liens against the purchaser when executed as part of the same transaction in which purchaser acquires title.

* * *

The court denied plaintiff mortgagee's motion for a deficiency judgment. The deed on the foreclosure sale was delivered on 2/18/83. It was not until 6/27/83 that plaintiff moved for confirmation of the sale and for leave to enter a deficiency judgment pursuant to RPAPL 1371.

The 90-day period on which to move for a deficiency judgment commences when the deed is delivered to the mortgagee (15 Carmody-Wait 2d, NY Prac, §92:404, p 354). The courts have uniformly treated the 90-day period contained in RPAPL 1371 (subd 2) as a provision in the nature of a statute of limitation (*Procco v. Kennedy*, 88 AD2d, affd 58 NY2d 804).

Plaintiff urged this court to hold that defendants should be estopped from asserting the 90-day limitation as a bar to the entry of a deficiency judgment. Nowhere did plaintiff allege any misconduct or misrepresentation by defendants in support of its quest for this equitable relief, and therefore, it may not be granted. *Amsterdam Savings Bank v. Amsterdam Pharmaceutical Development Corp.*, 106 AD2d 797 (1985).

* * *

In this mortgage foreclosure action, the plaintiff made a motion for a deficiency judgment within 90 days of the sale. This motion was denied "with leave to renew" on the ground that the service of the motion papers had been made by regular mail, which did not comply with the requirements of RPAPL1371(2).

A second motion was not made within the 90 day period and was opposed by an intervenor guarantor. The denial of plaintiff's first motion was based on improper service and had no effect. It was incumbent on plaintiff to make a new motion within the 90 day period. The motion for a deficiency judgment was denied. *Voss v. Multifilm Corp.*, 112 AD2d 216 (1985).

* * *

In this action to foreclose a mortgage on a commercial parcel and on a collateral mortgage on residential premises both pledged as security for a loan of \$500,000, defendants defaulted on plaintiffs motion for summary judgment.

Thereafter, defendant moved for an order staying the sale of the residential parcel on several grounds rendering the sale unconscionable. The motion was denied. The defendants' claim that the mortgage on parcel No. 2 was unconscionable should have been raised in opposition to the motion for a judgment of foreclosure and sale. As the appellate division, third department, stated in *Gray v. Bankers Trust Co.* (82 AD2d 168, 170-171): "A judgment of foreclosure and sale entered against a defendant is final as to all questions at issue between the parties, and all matters of defense which were or might have been litigated in the foreclosure action are concluded." *Money Store of New York, Inc. v. Doner Holding Corp.* 112 AD2d 284 (1985).

* * *

This action was brought to set aside as fraudulent an assignment of a mortgage. The lower court dismissed the complaint for the failure to make out a prima facie case. The appellate division reversed.

At trial, there was only one witness, Ernest Halpern, secretary-treasurer of plaintiff who testified that the signature on the assignment, which was allegedly his own, was not in his handwriting, and incorrectly listed him as president even though he never held that office. Furthermore, he stated that he knows with certainty that he did not sign the document, and never appeared before the notary to acknowledge the signature. He further testified that the seal on the document is not that of the plaintiff corporation, because the true seal of the corporation bears the year 1971 and the seal on the document bears the year 1972.

After Mr. Halpern testified, the plaintiff rested.

A prima facie case is one established by evidence which, if credited, is in law sufficient to establish a fact or facts which it is adduced to prove. The evidence which remained unexplained was sufficient to rebut the presumption of the validity of the assignment *Royal Inn Ltd. v. M.A.F. Realty Corp.*, 105 AD2d 835 (1985).

Berks Title Insurance Co. v. Haendiges, 772 F 2d 278 (OH)

Nonrecourse provision in trust agreement, providing that "lender agrees that in the case of default the holder of the note and mortgage will be required to look solely to the property received hereunder for satisfaction of said note and mortgage, thereby precluding the holder from obtaining a deficiency judgment against the borrower" not only precluded suit against the borrower personally for failure to make loan payments, but precluded suit against borrower by title insurance company to recover sums paid to satisfy mechanics liens that were filed against the property and foreclosed.

* * *

A judgment convicting defendant landlord of the misdemeanor of failing to turn over security deposits to a referee in a mortgage foreclosure proceeding and of failing to notify the tenants that the funds had been so turned over in violation of section 7-105 of the General Obligations Law was reversed and the information dismissed. Defendant had spent the funds to repair damages prior to the start of the foreclosure proceeding and had no funds available at the time of the appointment of the referee. The statute is applicable only to security deposits on hand at the time of the qualification of the receiver, in view of the provision of section 15.10 of the Penal Law that the minimal requirements for criminal liability is the performance of an act which is physically capable of being performed. *People v. Elliott*, 125 Misc 2d 851.

* * *

In this action to foreclose a mortgage, the mortgagor was attempting to refinance the mortgage even after plaintiff's motion for summary judgment was granted.

Defendant argued that plaintiff was not entitled to judgment because it improperly refused to assign the mortgage to a third party. This defense was dismissed. In order for defendant to be entitled to an assignment of the mortgage in lieu of a certificate of discharge, it was incumbent upon him to demand such assignment and tender the full amount of the princi-

pal and interest due on the mortgage (Real Property Law, §275; see *Matter of Rosenfeld v. Savings Bank*, 173 Misc. 667, affd. 259 App. Div. 1025). If he had complied with those requirements, he could then have asserted his right to assignment as an affirmative defense in his answer to plaintiff's motion for summary judgment. *Community Savings Bank v. Shaad* 105 AD 2d 1063 (1985).

Subdivisions

Modling v. Bailey Homes and Insurance, 490 So2d 887 Miss, (1986)

In 1959 the City of Gulfport conveyed a piece of land to the appellee, Bailey Homes, which had been marked "reserved for drainage" on the plat by the city. The property was adjacent to a bayou and behind the homes of the appellants. A resolution approving the city's action was not entered into the city's minutes until February 2, 1960. The appellants filed suit in the Chancery Court of Harrison County, Mississippi, for an injunction to set aside the conveyance, alleging that the conveyance was void because proper approval was not obtained before the sale. Bailey Homes filed a petition to vacate the plat of the land. Both parties filed motions for summary judgment. The chancery court granted summary judgment in favor of Bailey Homes.

The appellants contended that the land was dedicated for public use and that the City of Gulfport did not have the power to alienate it. The Mississippi Supreme Court held that there was a clear and express reservation of the property for the city's use and the property was not dedicated to the public. The court reasoned that once there has been a reservation by the owners, the owners continue to own the property as they had in the past. The court held that since the city owned the reserved property, then it had the power to alienate that property. The court stated that as to the requirement of MISS. CODE ANN. §21-17-1 (1972), that official actions of municipalities be entered into the minute book, the February 2, 1960, transaction was properly recorded in the minutes while the preliminary discussion of the transaction need not be entered. The court finally held that the summary judgment motion was properly granted in favor of Bailey Homes since there was no genuine issue of material fact and Bailey Homes was entitled to a judgment as a matter of law.

Tax Sale

This was a motion for an order temporarily enjoining an *in rem* sale, vacating a default judgment and permitting the movant to redeem. The movant acquired title to two improved lots and filed a blue card listing the lots. Since an individual card must be filed for each lot, the Department of Finance struck out the lot in question and filed it against the other lot.

In this *in rem* foreclosure no notice was mailed to the owner. He now argued that his right of due process was violated in that he was not given notice of the *in rem* foreclosure (*Mennonite Board of Missions v. Adams*, 103 Sup Ct 2706, 77L. Ed 2d 180). The court denied the motion. It found that the owner had actual notice of the *in rem*. He had been granted a release by the city provided payment was made of all taxes due. When these

were not paid, the property was auctioned to the highest bidder. Claimant cannot claim that because of lack of notice he was unable to come forward during the requisite period, as he filed an application for release during that period.

Further Section D17-12.0 of the Administrative Code of the City of New York provides that a deed given in an *In Rem* Foreclosure proceeding is presumptive evidence that the proceedings are regular and in accordance with law, and that after two years the presumption is conclusive. Here, the deed to the City of New York was recorded, and the city acquired title on April 25, 1978. *Matter of Tax Foreclosure No. 35*, 128 Misc. 2d 88 (1985)

Taxes

This CPLR Article 78 proceeding and an action *inter alia* were brought to declare a tax deed delivered by the Treasurer, of Suffolk County to the county "jurisdictionally void and invalid." The principal ground urged was that the notice to redeem required by RPTL1014(3) to be mailed not less than 14 days prior to the commencement of the required publication was not complied with.

The county argued that since the late notice to redeem was returned as "not deliverable as addressed" it should be disregarded.

This argument was rejected and plaintiff was awarded judgment declaring the sale void. Had the notice to redeem been mailed when required, it might have been deliverable.

It has been consistently held that statutory requirements relating to tax sales must be "strictly observed" (see, *Helterline v. People*, 295 NY 245, 251; *Kiamesha Dev. Corp. v. Guild Props.*, 4 NY2d 378; *Mastronardi v. Mitchell*, 109 AD2d 825 (1985).

* * *

Plaintiffs Donald J. Trump and Richard Pellicane sought a judgment declaring that tax law article 31-B, which imposes a 10 per cent tax on gains derived from real property transfers (see, Tax Law Sec. 1440-1449-c), violates the equal protection clause of both the United States Constitution (US Const 14th amend) and the New York State Constitution (NY Const, art I, Sec. 11) and a permanent injunction prohibiting defendant commissioner of the department of taxation and finance, from enforcing it.

The court of appeals, with one dissent, upheld the constitutionality of tax law article 31-B. Despite the inequalities that may result, the legislature, so long as it taxes only net gains, could rationally believe that, "generally speaking," profits increase as the amount of gross consideration received increases. Additionally, administrative convenience and expense in the collection or measurement of the tax are alone a sufficient justification for the difference between the treatment of small incomes or small taxpayers and that meted out to others.

The statute must be upheld if the challenged classification is rationally related to the achievement of a legitimate state purpose. This tax meets the requirement of that test. *Trump v. Chu*, 65 NY2d 20 (1985).

* * *

A tax sale deed issued by the county treasurer pursuant to administrative code of Nassau County Sec. 5-53.0 (L 1939, ch 272),

Title Management Question

What is your most effective technique for improving employee productivity?



Pearl Radice, vice president and director of human resources, American Title Insurance Company, Miami, Florida: Motivation is the driving force in productivity and develops directly from a satisfying and enriching work environment.

Job enrichment can be achieved only by changing the attitudes of manager and worker, for together they make up the culture of the company, the environment that either drives or constrains productivity.

The worker must feel part of a team that gives meaning to individual efforts. There is an old saying: "A chain is only as good as its weakest link." The worker has to feel that the company's performance is only as good as his or her own. When a worker chooses to join the team, we have a better, surer shot at work that brings us satisfaction. The company is not merely a collection of workers competing for rewards but a community working together for a common goal.



David W. Womer, office counsel, Morgan & Associates, Inc., Noblesville, Indiana: Good communication between the manager and employee through regular staff meetings, and through arranging for employees to attend ALTA, Indiana Land Title Association and underwriter meetings whenever possible. Also, setting goals for different areas of the office has helped.



Harrison H. Jones, senior vice president, Commonwealth Land Title Insurance Company, Louisville, Kentucky: Few people work for the fun of it. However, there are those who are production oriented and have a work ethic that gives

them the desire to produce as much as they can for their employer while hoping for the

rewards that come with extra effort.

For those others who must be spurred to increase production and to reward those who do produce, the answer is money. You must pay a decent wage to attract qualified people, but you should provide those people with some monetary incentive to increase production and sustain the output level needed in your shop.

The above is people-management. There is also the ploy that any production line needs refinement from time to time and changing procedures, fine tuning the production line, will bring you increased production without having to hire additional people.

What is the most effective technique for improving employee productivity? I don't believe you can single out one unless it would be through monetary incentive.

Don't have a slave ship operation because the rule of a slave ship is: "Don't stand out—put no strength into pulling your oar, others will notice."



Roy W. Bidwell, president, Rio Grande Title Company, Inc., Albuquerque, New Mexico: In 1976, we created an on-line computerized plant system that was on the leading edge of technology then available.

In that we are a small, privately owned company, this was a development of some significance. The system worked well and was eventually shared by several other title companies. We followed up by automating policy production and accounting. These technological advances helped us deal with a growing volume of business, but to say that they have made us more productive would not be telling the whole story.

We believe that our real success in increasing productivity is based on our ability to communicate well to our employees. Better productivity is directly related to effective communication and an ongoing education and training program that is conducted in house, and supplemented by the education program of the New Mexico Land Title Association.

We have clearly stated and easily understood goals and objectives and we communicate them to the staff—often.

We involve our managers and supervisors in the planning process and we encourage involvement at every level. We move decision making down to the lowest practical level, and we back our supervisors and managers in their decisions.

If increased productivity is the goal, I would encourage any company, of whatever size, to create and maintain an in-house training program and stick to it. Management and the

corporate culture should encourage and foster pride in the work that is being done and frequently draw attention to the need for excellence. An important part of this type of program is to create an awareness among the staff about the importance of the customer; that our sole purpose and reason for being in business is to respond to the customer's needs.

Increased productivity is a natural outgrowth of this kind of positive, informed environment.



Betty F. Quisenberry, president, Central Missouri Abstract and Title Company, Columbia, Missouri: We develop a "family" atmosphere where everyone feels he or she is a part of the company. I try to make each person feel responsible

for his or her work and encourage each one to work independently. There is no assembly line, and I think this helps each one take more interest in the work. Also, we have an annual bonus that depends on company earnings, where we divide 10 per cent of our net profit among the employees.



Charles E. Duke, Vice President, Commonwealth Land Title Insurance Company, Washington, D.C.: To consider improvement in anything infers there is room for it and, as with most issues, there are two sides to consider.

If a manager were to do some honest self-appraisal of his or her own performance and find a lacking of leadership quality, the kind that inspires the best in people, the reason probably would be that the time required to excel in this regard is diverted to some other priority.

It is my opinion that improvement in others begins "at home" and that all managers should achieve a higher level of leadership but do not keep their eyes on the target. I know in my own experience that improvement comes with more difficulty than the initial recognition that is needed. Minimally, the inspiration of others consists of a simple, "thank you," a showing of sincere appreciation. There is so little of this expression heard in proportion to how often it should be heard. Every person can attest to having had the good feeling when, as a child or adult, they were given words of appreciation by a coach, teacher, friend or relative. The feeling is one of euphoria and fires the next effort toward even better performance. If the firing is consistent,



ALTA Group Insurance Trust

Formed in 1957

Full Range of Plans

- Group Term Life
- Long Term Disability
- Comprehensive Medical Expense
- Dental Expense

Purchasing- Power Plus Stability

“Over 1,000 insured employees guarantee the resources to provide us with fair and competitive insurance rates.”

“The stability of the rates has made budgeting much easier.”

Well-informed Representation

“The 4-member board, composed of well-known, successful ALTA members, ensures the Trust is always working in my best interest.”

“Whether my question involves billings, claims, or benefits, a group insurance specialist will work to give me the answer – fast, and to my complete satisfaction.”

Toll-free Access

“When I need answers, I don't waste time; I call my ALTA Trust representative – direct.”

“I can take as much time as I need to get the answer to my question using the toll-free number.”

For More Information

1-800-346-ALTA

Illinois residents call 312-922-5000, collect

Trust Broker



MACK and PARKER, Inc.

Administrator



Underwriter



highest performance (productivity) is assured.

Our machinery, human as it is, is flawed, however, and even championship teams suffer setbacks which cause the coach to go back to the drawing board to work on basics that are not being followed.

In the end, the analysis of weak performance will reveal that some employees must be managed in a very literal sense but all employees must be led to assure their consistent best. The foundation of it all rests on such intangibles as appreciation, fair treatment, and opportunity to perform.

With the pace of a typical business day having quickened to what it is now as compared to just 10 years ago and a manager's duties having multiplied to cover so many bases, I find it a constant struggle to prevent many demands on my time from crowding out what I believe is a chief priority in my work: expressions of sincere appreciation to the people who make the program succeed.

New ALTA Members

(Recruiters names in parentheses)

Active

Arkansas

Ouachita Abstract & Title Co., Inc., Camden (William S. Jordan, Ouachita County Abstract Co., Camden)

Nevada

Douglas County Title Co., Inc., Zephyr Cove (Gerald L. Lawhun, Lawyers Title of Northern Nevada, Reno)

New Hampshire

Merrimack Title Co., Inc., Concord

New Jersey

Inter State Abstract Company, Cherry Hill

New York

Realty Title Agency Inc., White Plains

Pennsylvania

Universal Abstract Co., Inc., Stroudsburg (Herbert R. Walton, Ticor Title Insurance Co., Valley Forge)

Tennessee

Middle Tennessee Title & Escrow Co., Inc., Columbia (Charles O. Hon, III)

Wisconsin

Langdale Abstract & Title Co., Inc., Antigo

Associate

Nevada

American Escrow Association, Reno

New York

Leonard Schwall, New City

Virginia

Joseph W. Sprouls, Alexandria

1793 version of the Nonintercourse Act expired;

4. The Oneidas' Nonintercourse Act claim for damages does not present a nonjusticiable political question;
5. There is no general federal statute of limitations limiting federal common law causes of action brought by Indian tribes to recover possession of land;
6. While there is a federal statute of limitations governing pre-1966 damage claims by Indian tribes based on contract or tort law theories (28 U.S.C. Sec. 2415), the limitations period has not run with respect to the Oneidas' claim (or most other Indian claims);
7. Courts should not borrow an analogous state statute of limitations and apply it to an Indian tribe's federal cause of action;
8. No time-bar defenses based on state law, such as adverse possession, are applicable to an Indian tribe's federal cause of action (absent a federal statute making such defenses applicable);
9. Congress has never ratified the 1795 transfer of land by the Oneidas to the State of New York; and
10. The counties' cross-claim for indemnification against the State of New York is barred by the Eleventh Amendment and New York had not waived its Eleventh Amendment immunity.

In these rulings, the Supreme Court in *Oneida* rejected a number of potential defenses to Indian land claims. The court did not rule on other potential defenses to Indian claims, such as the bona fide purchaser doctrine, the doctrine that the Indian Claims Commission provided the exclusive remedy for certain types of Indian claims, or the federal law of laches (the four dissenting justices in *Oneida* believed that laches barred the Oneida claims).

The Supreme Court majority opinion in *Oneida* ended with a thinly-veiled exhortation to Congress to resolve the Oneida claim by

legislation. Courts considering other Indian claims also have emphasized that some legislative resolution of Indian land claims would be preferable to litigation. Developing legislative settlements of Indian land claims has proved a long and difficult road, a road that seems unlikely to become smoother any time soon.

There are several reasons why it has proved difficult to develop legislative settlements of Indian land claims over the past several years.

First, the Reagan Administration has not made settlement of Indian land claims a priority. Without strong leadership from the Executive Branch, efforts to develop legislative settlements are likely to languish.

Second, the Reagan Administration has, for budgetary reasons, been reluctant to support significant expenditures of federal funds for the settlement of Indian claims. Without a substantial federal contribution, settlement of major Indian land claims becomes extremely difficult. As a corollary to its budgetary concerns, the Reagan Administration has insisted that any federal contribution represent no more than 50 per cent of the cost of any settlement. This requires state and local governments or other parties to raise substantial amounts if Indian claims are to be settled.

Third, Congress has been reluctant to approve legislation settling Indian claims absent the approval of all parties to the settlement. This has meant that Indian tribes in particular have had a veto power over settlement proposals. If an Indian tribal claimant insists on receiving more compensation in the settlement than the Reagan Administration and state and local governments are willing to provide, a stalemate will almost certainly result.

Other obstacles to settlement result from the inability of tribal members to agree on who the tribal leaders should be or what should be the tribe's position with respect to settlement proposals. A number of tribes asserting land claims have had bitter disputes within the respective tribes over these issues. For example, the Oneida Nation of New York has for years been unable to select tribal officers because of disputes within the tribe. Members of the Gay Head Tribe in Massachusetts have filed lawsuits to prevent the completion of a settlement negotiated by tribal officials. Representatives of the Puyallup Tribe in Washington negotiated a settlement of the tribe's claim valued at \$140 million, only to have the settlement rejected by the tribe as inadequate and the tribal officers responsible for the settlement voted out of office. These types of uncertainties with respect to a tribe's leadership and authority to negotiate can hamstring efforts to develop a settlement.

Tribes also have insisted on receiving land as part of a settlement. While this does not necessarily present a problem in states (such as Maine) that have substantial tracts of undeveloped land, it can be exceedingly difficult to find suitable undeveloped areas in the more densely populated states that can be included in a settlement package.

In sum, while legislative settlements of particular Indian claims may occur from time to time, it appears likely that progress will remain slow absent a significant change in the current approach of the Administration and Congress to Indian land claims settlements. There is little to indicate that such a change will occur, and Indian tribes may now perceive

SELLING YOUR TITLE/ABSTRACT BUSINESS?

I am an individual seeking to purchase a title/abstract company. If you are aware of a company for sale, or if you yourself are considering selling, please give me a call today or write. . . .

Andy Speck
214-722-2597

216 W. Quail Run Road
Rockwall, Texas 75087

PLANT APPRAISALS

FORTY YEARS EXPERIENCE
DESIGNING, BUILDING, AND APPRAISING
PLANTS IN THIRTY STATES

For 16 years, Vice President
and Senior Plant Officer
of a national underwriter

THOMAS E. HORAK

231 Chamounix Rd.
St. Davids, PA 19087
215-687-2234

it to be in their interest to delay settlement negotiations until after a new President takes office in 1989, in the hope that a new Administration would be more generous in settling these claims. Therefore, it appears likely that, for the next few years at least, Indian land claims will continue to be litigated, with only a limited possibility that particular claims will be settled legislatively.

GRASSROOTS LOBBYING—continued from page 13

you make an appointment with your representative, senator or committee member who is very important to a particular legislative drive. You will benefit by building a relationship with the elected officials. Plan to spend an average of 15 minutes with a member or staff person. Remember that staff specialize in specific issues, while in most cases, a member's busy schedule permits only a broad understanding of many subjects. Treat the congressional staff with the same respect as you would treat their employers. It's always a good practice to follow up with a letter of thanks for the meeting. If you're rarely in Washington, try to visit a congressional district office, where most U.S. senators and rep-

resentatives generally spend at least one weekend a month.

What about participation in political action committees? As you become increasingly active in the legislative affairs of the title industry, you may find that you are asked to help a campaign either financially or through volunteer activities. As a result of your assistance, the candidate most likely will show appreciation by giving you an audience to discuss your concerns. A good way to become active in the political affairs of your national Association is through the Title Industry Political Action Committee (TIPAC). Contributions from individual title people are pooled together to have a greater impact on Congress.

Level Three: Crisis Management

At times, ALTA will sound the call on legislation that will have a drastically negative or highly positive impact on the title industry. With specialized "urgent action needed" bulletins, requests for industry leaders to come to Washington, targeted lobbying activities on a state-by-state basis, and many other coordinated efforts, the Association will orchestrate a massive lobbying campaign, calling on grassroots support from all corners of the industry. ALTA will tell you of the need for quick action and how to get the most immediate, effective

results. Sometimes, members will be asked to start a phone or mailgram campaign to Capitol Hill. In such circumstances, a senator or representative must receive many responses as a measure of constituent interest. High-response, grassroots lobbying in this manner also adds support to the efforts of industry leaders who testify before congressional hearings.

I vividly recall a recent example of crisis grassroots lobbying. During last year's battle against the tax bill, ALTA called upon three senior officers of California title underwriters to come to Washington. I was one of the three who flew across the country to meet with Congressman Pete Stark (D-California), an influential member of the tax-writing House Ways and Means Committee, who understands the insurance industry. At that time, he was being solicited to meet with all kinds of lobbyists, important constituents and others who wanted just a minute of his time so they could plead for their industries. The congressman met with us for 20 minutes, and he promised to help when the title insurance provisions were considered during a House and Senate conference on the tax bill.

Conclusion

Many title industry people recognize the

WHO SHOULD USE CDS?

- ... Prospective purchasers of title operations who want an independent opinion as to whether they have a good chance of making a reasonable return on their investment:
- ... Owners of title agencies who plan to turnover their business to a successor/owner:
- ... Managers of underwriting companies who want a second opinion about a major step they are considering making:
- ... Manager/Owners of title operations who want an objective appraisal of their operation - from an operational or a financial point-of-view.

*Contact in confidence:
Lawrence E. Kirwin, Esq., President*

CORPORATE DEVELOPMENT SERVICES, INC.

.....Growth management for the title industry

151 S. Warner Rd. • Suite 202 • Wayne, PA 19087 • (215) 688-1540

importance of getting involved in the legislative affairs of the American Land Title Association. But many more active participants are needed in order to be heard in the halls of Congress. During 1987, we will need assistance following tax issues, banking legislation efforts, and hearings on the McCarran-Ferguson Act (which preserves the state regulation of insurance), housing legislation and many, many other topics that will come up during the legislation session. ALTA will keep you informed on all of these issues, and help you get involved. However, don't wait for the Association to ask you to act. Make it a priority this year to join in the government relations of your industry, whether through educating, persuading or crisis managing. You'll be doing your part—no matter how large or small—to help safeguard one of the oldest and most cherished privileges we have, the right to safe and secure home ownership.

TIPAC Aids Campaign of Colorado Congressman



Title Industry Political Action Committee State Trustee for Colorado Mel Kensinger, left, Commonwealth Land Title Insurance Company, presents a TIPAC contribution to Joel Hefley, Republican congressman from the state's fifth district. Under the leadership of its board, and state trustees including Kensinger, 1987 activity is well under way in TIPAC's campaign to support congressional candidates with views compatible to those of the title industry. ALTA members interested in an informational brochure about TIPAC should contact the political action committee at Suite 705, 1828 L Street, N.W., Washington, DC 20036 (telephone 202-296-3671).

FORMS SEMINARS—continued from page 15

(loan policy) discussion included notice of claim; defense attorney selection, control and compensation; insured's duty to cooperate; proof of loss content; various procedural bases for liability termination for insured's failure to comply with policy terms; insurer's options to

COMING SOON FROM CONDELL

**Our new seminar series offers 4 one-day seminars
you cannot afford to miss.**

- *Now That I'm A Manager What Do I Do?*
- *The Automated Title Plant: Getting It Right and Getting It Now!*
- *The Coming Revolution in Customer Service.*
- *Marketing and the Title Company of Tomorrow.*

NEW YORK/New York Hilton	March 9, 10, 11, 12
DALLAS/Hyatt Regency Dallas	March 16, 17, 18, 19
COLUMBUS, Ohio/Hyatt on Capitol Square	March 23, 24, 25, 26
TAMPA-ST. PETERSBURG/The Lincoln Hotel	March 30, 31, April 1, 2
CHICAGO/Marriott Oak Brook	April 6, 7, 8, 9
PHILADELPHIA/The Barclay	April 13, 14, 15, 16
ATLANTA/Omni Hotel At CNN Center	April 20, 21, 22, 23

CONDELL & Company

P.O. Box 5384
Hilton Head Island, SC 29938

Call or write for complete information.

800-621-7272
803-686-6636

pay or otherwise settle claims; determination and extent of insurer's liability; limitation on insurer's liability; revised subrogation rights.

Under the arbitration rules discussion were procedure initiation and scope, arbitrator selection, arbitrator panel composition, discovery, awards, appealability and enforceability.

Also discussed were owner's policy co-insurance provision and plans for implementation of the newly-amended forms.

SIMON—continued from page 24

"All of my compositions were written before I even heard of George, although I clearly have some of that in me. Even in my slower tunes, though, there's a drive—it's more deep down."

Although Simon recently has focused on composition and solo piano, he is giving thought to performing again in a duo or in small groups, which would allow the improvisational interplay that is a strong evolutionary force in modern jazz.

"I recently haven't had enough time to listen to other jazz musicians and join the interplay in a band, which I love to do," he said. "If I regret anything about trying to juggle so many things, it's not having the time on that end. The more you can absorb as a musician, the better."



Pianist Simon has concentrated on solo work recently, and looks forward to more improvisational interplay with other musicians.

Although he continues in the role of production and promotion resource for his recordings, Simon would like to work out a suitable arrangement with a record company equipped to concentrate on these functions. In the

meantime, anyone interested in an "Images and Inspirations" cassette can receive one by sending a check for \$8.00 and name and address to Jon Simon, 7213 Summit Avenue, Chevy Chase, MD 20815.

Regardless of where his career as a manager takes him, Simon says there will always be time for his music. Business, he observes, is his bread but music definitely is his wine.

"Music is relaxing and wonderful for me," he said. "The fact that I get paid for it is gravy."

LTI—continued from page 27

are a specialized field for which title company officers have little time to contribute to a highly specialized operation.

4. For a title company to personally create and administer a comprehensive educational program, it would cost many times more than the nominal charges made for the Institute's courses.
5. The courses give employees a good feeling about the importance of the industry in which they are engaged and about their employer's concern for the employee's welfare.
6. The quarterly reports which the Institute provides to the subscriber covering grades and progress of students gives

Classic ALTA Films Now In VCR

A Place Under the Sun (21 minutes)	
Animated, tells the story of land title evidencing	\$80
1429 Maple Street (13½ minutes)	
Story of a house, the families owning it, and the title problems they encounter	\$70
The American Way (13½ minutes)	
Emphasizes that this country has an effective land transfer system including title insurance	\$70
Blueprint for Homebuying (14 minutes)	
Animated, presents the essentials of selecting, financing, and closing in the purchase of real estate.	\$60
The Land We Love (13½ minutes)	
Documentary style, shows the work of diversely located title professionals, emphasizes that excellence in title services is available from coast to coast	\$55

All VCRs in color, orders plus postage. Specify whether Beta or VHS tape is desired and send check made payable to American Land Title Association to Videotapes, ALTA, Suite 705, 1828 L Street, N.W., Washington, D.C. 20036.

the employer an aid in evaluating employees.

The Institute has received many compliments from subscribers regarding the treatment of such subjects as land descriptions, escrows and closings, the structure of title plants, etc.

For information regarding the correspondence courses, contact Ramona Chergoski, executive vice president, The Land Title Institute, Inc., P.O. Box 9125, Winter Haven, Florida 33883, telephone (813) 294-6424.

IMAGINATION—continued from page 32

hell out of everyone and they keep their money in the bank or they keep it at home, the economy is going to go to hell.

So, I sit there and I storm at these people, and I say, "Idiot!" Tell us we are going to do better, and we will do better. It's just automatic. So, I mean I cannot very well criticize an economy that has 12 million new jobs as against five years ago. I cannot criticize an economy where inflation is at its lowest rate in many, many years. I cannot criticize an economy where the building has gone up and done very well in the last month and the month

before that. And, all these deficits we're talking about . . . I at one time said to Friedman and to Laffer, "Couldn't we cancel all those deficits and go on?" And they said, "Yeah, sure, anytime we want to." Just forget the things exist. Just say the hell with them, and go on, and get on with our work. This whole business about paying interest on this ridiculous debt is really stupid. Really stupid! So you just say to these people, "Come on now."

The Video Revolution

We've done very well. We're living in the middle of the computer revolution, which has changed things immensely. Now we're living through an even bigger one. I don't know if you've really sat and thought about the video cassette business—VHS—what it has done already. And, eight years ago, it didn't even exist. The very first sets were coming into our culture.

I got one of the first ones. It was given to me as a gift out at Northridge University. I couldn't guess then, even as a science fiction writer, what this was going to do to our total culture. It's going to revolutionize us from top to bottom. It already is on its way there. It's going to change the structure. It's going to democratize the process of education. It's going to democratize production of films. It's going to democratize networks. It's going to

destroy networks. It's going to destroy motion picture companies. It's going to destroy theaters. And then it will rebuild the whole thing, all the way up to the top.

Because people are staying home, aren't they? They're buying their own popcorn. They're bringing in people. They're renting a film for \$2.00. You bring in four people, it costs you 50 cents apiece, instead of \$30 go to a movie for one couple. The impact on our culture is going to be titanic! And you haven't even begun to think about this. In education, what is it going to do?

We've had a problem of exciting children so they will want to read. Well, one of the problems is causing us to have incentive, isn't it? I did a project for the Smithsonian five years ago. I did a history of astronomy for them. So they took me in to the planetarium and they ran a show for me and I listened to the people snoring all around me.

And I went to the man who ran the planetarium, and the head of the Air and Space Museum sat with me in his office, five years back, and they looked at me and said, "We have a problem here." And I said, "You sure do." I said, "I've never seen so many people sleeping so soundly in my life." I said, "You know what your problem is?" And they said,

Continued on page 45



How do I educate my title company employees when there's so little time available during the work day?



Hmmm...that's a tough one—might as well stand on my head!



Contact the Land Title Institute about its correspondence courses.
P.O. Box 9125
Winter Haven, FL 33883
(Telephone 813/294-6424)

Calendar of Meetings

March 25-27

ALTA Mid-Year Convention
Albuquerque Hilton Inn
Albuquerque, New Mexico

April 9-12

Palmetto Land Title Association
Myrtle Beach Hilton
Myrtle Beach, South Carolina

April 26-28

Eastern Title Insurance Executives
The Hotel Hershey
Hershey, Pennsylvania

April 30-May 2

Arkansas Land Title Association
Riverfront Hilton
North Little Rock, Arkansas

May 3-5

Iowa Land Title Association
The Lodge
Okoboji, Iowa

May 6-9

California Land Title Association
Hyatt Regency Monterey
Monterey, California

May 7-9

New Mexico Land Title Association
The Inn
Farmington, New Mexico

May 7-10

Oklahoma Land Title Association
Excelsior Hotel
Tulsa, Oklahoma

May 21-23

Virginia Land Title Association
Kingsmill on the James
Williamsburg, Virginia

June 4-7

Texas Land Title Association
Hyatt Regency Hotel
San Antonio, Texas

June 7-9

Pennsylvania Land Title Association
Seven Springs Mountain Resort
Champion, Pennsylvania

June 10

ALTA Board of Governors
Stouffer Concourse Hotel
Denver, Colorado

June 11-12

Southwest Title Insurance Executives
The Broadmoor
Colorado Springs, Colorado

June 11-12

South Dakota Land Title Association
Game Lodge, Custer State Park
Custer, South Dakota

June 11-14

Colorado Land Title Association
Keystone Lodge
Keystone, Colorado

June 18-21

Illinois Land Title Association
Pheasant Run Resort
St. Charles, Illinois

June 21-23

New Jersey Land Title Association
Concord Resort Hotel
Kiamesha Lake, New York

June 25-27

Oregon Land Title Association
Rippling River Resort
Welches, Oregon

June 25-28

New England Land Title Association
Smuggler's Notch Inn
Vermont

July 9-11

Utah Land Title Association
Sun Valley Resort
Sun Valley, Idaho

July 16-18

Michigan Land Title Association
Grand Hotel
Mackinac Island, Michigan

August 6-8

Montana Land Title Association (joint)
Wyoming Land Title Association
The Outlaw Inn
Kalispell, Montana

August 6-9

Idaho Land Title Association
Sun Valley Resort
Sun Valley, Idaho

August 6-9

North Carolina Land Title Association
Shell Island Resort
Wrightsville Beach, North Carolina

August 13-15

Minnesota Land Title Association
Holiday Inn
Bemidji, Minnesota

August 27-30

Kansas Land Title Association
Marriott Hotel
Overland Park, Kansas

September 10-13

Missouri Land Title Association
Kansas City Marriott
Kansas City, Missouri

September 13-15

Ohio Land Title Association
Quail Hollow Resort
Painesville, Ohio

September 13-16

New York Land Title Association
The Equinox
Manchester Village, Vermont

September 17-18

Wisconsin Land Title Association
The Landmark
Door County, Wisconsin

September 17-19

North Dakota Land Title Association
Airport International Inn
Williston, North Dakota

September 23-26

Dixie Land Title Association
Royal Orleans Hotel
New Orleans, Louisiana

September 26-29

Indiana Land Title Association
Holiday Inn at Union Station
Indianapolis, Indiana

September 30-October 2

Nebraska Land Title Association
Ramada Inn
Kearney, Nebraska

October 18-21

ALTA Annual Convention
Westin Hotel
Seattle, Washington

October 18-21

Washington Land Title Association
Westin Hotel
Seattle, Washington

November 12-14

Arizona Land Title Association
Doubletree Inn
Scottsdale, Arizona

November 18-21

Florida Land Title Association
Orlando, Florida

December 2

Louisiana Land Title Association
Westin Canal Place
New Orleans, Louisiana

January 18

ALTA Board of Governors
The Breakers
Palm Beach, Florida

March 11-13

ALTA Mid-Year Convention
The Westin La Paloma
Tucson, Arizona

October 16-19

ALTA Annual Convention
Toronto Hilton Harbour Castle
Toronto, Canada

1989

January 9

ALTA Board of Governors
Desert Springs Resort
Palm Springs, California

April 5-7

ALTA Mid-Year Convention
The Mayflower-A Stouffer Hotel
Washington, D.C.

October 15-18

ALTA Annual Convention
Hyatt Regency Embarcadero Center
San Francisco, California

IMAGINATION—continued from page 43

“No, what?” And I said, “You’re trying to educate people!”

You can’t do that. You must excite people to the excitement of ideas—imagination—and then they’ll run to the library. And they will read on their own. But you’ve got to provoke them. You’ve got to throw a hand grenade into their lap. Explode the damn thing, and then they’ll get out of there and go buy a book.

The morning after “Patton” was on the air is a good example. It’s been on the air many times during the last 10 years. Every morning after “Patton” is on the air, 100,000 books on Patton sell. Or there’s a run on the library. Why? Because you are provoked by the personality of this strange man. There’s a strange combination of things in that one man—of dark and light and gray . . . very provoking.

A film of mine came out 18 years ago—“The Illustrated Man”—a lousy film. Just absolutely lousy! I had nothing to do with it . . . with its badness . . . people seeing the film said Ray Bradbury can’t possibly write that bad and bought my book. And I had 100,000 sales that month. Because people didn’t believe the badness of that film.

All right, coming back here to the video cassette business. The business of teaching is the business of inciting to riot. So that you’ll riot into the library, grab the books, and take them home.

Research Subcommittee Discusses Loss Study



Discussing the ALTA member title insurer loss study during a recent meeting of the Association Research Committee Underwriter Subcommittee in New Orleans are, from left, William T. Seitz, The Ticor Title Guaranty Company; Victor Gillett, Stewart Title Guaranty Company; Don E. Boyer, Lawyers Title Insurance Corporation; Frank G. Fribley, Transamerica Title Insurance Company; and John P. Lewis, Chicago Title Insurance Company. Also present at the meeting but not shown here are Subcommittee Chairman LeRoy F. King, Commonwealth Land Title Insurance Company; Jerome M. Smolar, SAFECO Title Insurance Company; and Association Director of Research Richard W. McCarthy. Among other items on the meeting agenda were development of a five-year plan for ALTA research activity, and the 1987 ALTA Fact Book containing statistical information on the title industry.

How do you do that? Some teachers have the gift. I’m a good teacher that way. I can cause people to go read. But I’m the exception, and so are most teachers. So that, if you don’t have the teachers, then you have to use these proxy methods. Not as crutches, they shouldn’t be used as crutches, but as provocations. Now, I’ve been on the Board of the Documentary Committee for the Academy Awards every year for 20 years. Every January, I see 90 hours of films from every country in the world—all the films on architecture, films on archeology, films on the holocaust, films on building the St. Louis Arch, films on San Francisco, you name it . . . incredible documentaries from every country in the world. Most of you have never seen them. They are on pay-TV occasionally. They’re on public television on occasion, but rarely.

And we have a few exceptions, like the NOVA shows. We have wonderful things like the Carl Sagan Cosmos, or Connections—Mr. Burke’s series—fabulous, all of them! But, that’s not enough. These can be used as tools, as hand grenades, to be thrown into classes.

The great thing about VHS is cheapness. It’s economy. Now, if you want to show certain documentaries and films in classes, 16mm costs you \$400 to \$500 for a single film. And then transportation, which is excessive—the postage. And then carrying it from room to room, or from school to school. You talk about hundreds of thousands of dollars.

The great thing about video cassette is one cassette, which costs you \$20, can contain a whole three or four hours of documentaries. This can be mailed from school to school. And you have a single, large-screen video cassette

unit in every school in the country, and you can cover a state in a few weeks with that one cassette. You should buy three or four actually but, if you don’t have the money, you pay \$20 for one cassette. Then you mail it to all the schools in your territory. You begin to educate. You begin to excite people. Do you see the potential here? The potential for exciting people. They’ll say, “That’s a fascinating subject! I don’t know a thing about it. Let me go look.”

So, in education, if the teachers are imaginative . . . if they stay as dumb as they are now, of course, we’re sunk. Because they are dumb. The first three grades ought to be fired right now. Fifty per cent of all the teachers in our society in the first, second, or third grade should be fired tomorrow, and new teachers brought in, because we’re not teaching people to read and write. And no one wants to face this. They don’t want to talk about responsibility in teachers, but you get it from me, and you get out of here and go home and provoke people with it. And say I said so. But imagination and the documentaries can be distributed through our society. And this is a great invention.

Return to Space Travel

Now, of course, space travel. We’ve got to get back into that. It has been a fantastic 20- to 25-year period. It has made us all very proud. It has been amazing and wonderful for me, because, of course, when I dreamed of it as a child, I never imagined that, when I was 49 years old, we’d be landing on the moon. Now, we’ve got to get back into that. The space shuttle has been a step backward all

along the way. I've never believed in the space shuttle. I thought it should have come first—20 years ago. Because it's an airplane, isn't it? It's a jet. And not a very good one . . . a means of transportation, but that's all. It's not as exciting to our imagination.

We've got to get back to the Apollo missions, we've got to get back to the moon, we've got to colonize Mars . . . all of these things . . . fantastically exciting . . . to pull all of the societies of the world up. And make them excited with the idea of being alive. That's what it's all about.

Every time, people ask me, "Why do you believe in space travel?" Because it's so exciting to me. The fact that we're born here upon this earth . . . given this one chance to live . . . and that one chance to make ourselves immortal. That's what space travel is all about. No use staying here, because, if we do, some day the earth is going to die—the sun is going to explode, the sun is going to freeze . . . one or the other. Maybe hundreds of millions of years from now, who knows? We have no way of saying. But we have the gift of life here, and space travel is the means whereby we protect that life and put it on other worlds, all the way

on out to Alpha Centauri. It has to do with the thrust of life through the universe—an amazing, amazing thing.

I am so in love with this concept that a few years ago—I've been in love with George Bernard Shaw for many years, I love his plays and the prefaces to his plays—I built George Bernard Shaw into a robot and sent him into outer space, so that I could pick his mind, pick his brains, late at night, wake the robot up and ask him to do all of the prefaces to his plays on the long journey from here to Alpha Centauri.

So I go down into the bowels of the ship and call down into the shadows, "Mr. Shaw, Mr. George Bernard Shaw . . ." And this robot Shaw would sit up and look around and say, "By God, I do believe it." I said, "What, Mr. Shaw?" He said, "The universe. It thinks. Therefore, I am."

It thinks, therefore I am. So, starting with that modest little declaration of Mr. Shaw's, I go up and stand with him and look at the universe and say, "Say it, Mr. Shaw, say it." And he says, "What, what, what?" And I say, "You know what I want to hear." And he looks out at all the spread of stars across the universe and then he asks and answers the question,

what are we? In the long night of time? We are matter and force making itself over into imagination and will. Matter and force that knows not itself in the long night of time. Wakening to the gift of life and changing ourselves into imagination and will.

No use having will power if you don't have imagination. No use having imagination if you don't have will power. You can have all the dreams in the world but, if you don't will yourself to become, it's useless, isn't it? You know that. You've got to get up, get out, and do.

So, George Bernard Shaw teaches me this lesson. There's a wonderful scene in "The Empire Strikes Back" . . . I hope you've all seen it. If not, you've got to get it because it has primitive lessons in zen in it, believe it or not, it does. But, there's a wonderful scene where Luke Skywalker says to the Zen Buddhist teacher, Yoda, "I do not believe." And Yoda then says, "And that's why you fail."

There can be no such thing as trying, there can only be doing. Only be doing. And then the doing is becoming. But, if you try to do a thing, you will fail, because it is self-conscious—it's intellectual. You have to do out of your heart, and your soul, and your imagination. With this

Now Available



Course handbook from the recent ALTA seminars, "UNDERSTANDING THE NEW ALTA TITLE INSURANCE POLICY FORMS."

This extremely useful handbook contains the full course discussion papers prepared by the faculty for use at the seminars. It also contains all the new ALTA policy forms which will shortly go into effect.

ALTA Members	\$28.00
Non-members	\$35.00
Orders of 11 or more	\$25.00 (each)

COMING SOON! Audio cassettes of the recent seminars: \$125 for members, \$100 for non-members (includes COURSE HANDBOOK)

SEND ORDERS TO

**COURSE HANDBOOK
American Land Title Association
1828 L Street, N.W.
Suite 705
Washington, D.C. 20036**

Please make check payable to The American Land Title Association.

wonderful enthusiasm, which means a gift from the gods. Enthios!

Widespread Enthusiasm

I was born with a gift from the gods . . . of enthusiasm in many fields. So I've had a good life. I've never worked a day in my life. And, I wish the same thing on you. In the middle of your working, if you can find more ways of just doing and becoming, instead of working, you're going to have better lives. You have to find your own way to that, of course. Become your own hand grenade. Now, let me look through here and see what other things I brought with me. I'm always bringing all sorts of incredible junk with me to meetings like this, and then . . . just to prove what kind of person I am, I love to go through art galleries, such as the National Gallery in Washington, D.C. I was there again just four weeks ago, I was there five years back and walking through the rooms, I wrote eight poems in two hours, looking at the various paintings, because I was so taken with trying to identify across the room the various painters, not the names, that could come later. But I wanted to identify the temperature of weather of the palettes that came off the paintings. Because every single painter has his or her own temperature. A fascinating way to look at it.

So, walking through . . . I brought one poem along. It's almost harmless, and, if you'll permit me, I'll read it to you.

*How often Manet genuflects
to soft, sweet napes of women's necks;
While Renoir painting here directs
our gaze to peach fuzz frontal sex.*

*No matter rear view or facade,
for both I thank a loving god.*

So, you see, I'm more than a science fiction writer, aren't I? All these things that cause me to get excited and to go off and to write new stories and to do concepts. I just wrote an introduction to a book for Mattel Toys, of all the people in the world, because we start with these toys, don't we? And all these toys grow to large size. The Wright brothers began in a bicycle shop with a toy helicopter that their father brought home. Because of that toy helicopter . . . a little fan on a spiral stick . . . that you shoved upward and the helicopter took off on its own up to the ceiling . . . and out of the whispering of that toy propeller and the ceiling, the Wright brothers created flight. That's fascinating. I would love to do a documentary history of ideas about garages. About garages. I could do it in two minutes. A two-minute documentary on garages. Because the United

States was born out of garages. At least the history of the last 80 or 90 years.

I had a whole series of garages lined up and, one by one, the doors would open and the future would fly out of them. The first garage would be the Wright brothers', of course, a bicycle shop. And out of it would come not just bicycles and toy helicopters, but the first airplane. The next garage would be a garage over in Glendale . . . Burbank. The garage doors open, and there's Walt Disney in there, drawing his first animated films in his garage, which is still over there in Glendale today. It was bought last year and someone turned it into a museum. It's about 30 feet wide and 40 feet deep. Out of that garage came Mickey Mouse, all during the twenties, and then a move to a studio.

And then, along the way, you open another garage, and here I found von Carman students over in Pasadena in 1937, '38, and '39. And what's being built in that garage? Jet propulsion lab. Jet propulsion lab. The von Carman students created that vast industry which would take us to the moon.

Then you move on to the next garage and there's Cy Raymo of Thompson, Raymo, Woolrich's. Creating his corporation in the garage, behind his house. And then the next garage over is Mr. Wozniak and Apple Com-

CONTRACT COLLECTION SYSTEMS

- SINGLE-USER SYSTEMS AND MULTI-USER SYSTEMS AVAILABLE
- COST EFFECTIVE WITH ONLY A FEW HUNDRED ACCOUNTS
- COMPLETE TRAINING, DOCUMENTATION AND CUSTOMER SUPPORT
- 1098, 1099 REPORTING WITH MAGNETIC MEDIA PREPARATION



Lincoln Data's **CONTRACT COLLECTION SYSTEM** is designed exclusively for those who process escrow/contract collections or installment notes. Modern micro-computer technology is used to bring a high degree of accounting efficiency to those organizations with a few hundred (to many thousand) contracts to service. Please write or call for complete information.

LINCOLN DATA

NORTH 9508 DIVISION ■ SPOKANE, WA 99218 ■ (509) 466-1744 ■ (800) 423-9591, EXT. 330

puter. You know that story. Another garage. It's fantastic, isn't it? So you line all these garages up, and what do you see? Optimal behavior, imagination, and the future happiness. With people who believed in that future.

Good Times Ahead

So, from here to the end of the century, I predict nothing but good. Nothing but good. And, all you pessimists here today, drop dead! Well, I learned years ago . . . I used to go to parties, which are terrible bores, aren't they? . . . hey, when I was 19, I was never any good at dancing, I wasn't any good at socializing—I was afraid of the girls and, while all this was going on, I would go in the next room and find a typewriter and make the future. I'd write short stories, while everyone else was wasting their time.

And I discovered every group I've been part of, that I was the activist. I went out and sold tickets, or did a tap dance, or whatever had to be done. So, I learned my sessions well, and, in the time I've written all these stories, and in every field, of course, people tell me not to write them. Almost everything I did 40 years ago was verboten.

I wrote horror stories, long before Stephen King . . . I'm his honorary father. You can blame me for Stephen King. He's written several books which he has dedicated to me. But I was doing this stuff of weird tales back 40 years ago, and earning \$20 a story.

All the stories in the *Martian Chronicles* I sold for \$30 apiece—35 years ago. And, I managed to live and exist on those acts of imagination. So, I've started from the very bottom, and gone to the top with these ideas.

And, I helped to start *Playboy Magazine*, you'll be glad to hear—33 years ago. They had no money, and they came to me, and they published a novel of mine called *Fahrenheit 451*. In the first three issues, they paid me \$500, because that's all the money they had, and the rest is history, of course. It's turned into one of the best literary magazines in the history of the United States. People forget that. And one of the best graphic magazines for graphic art, having nothing to do with all the pretty girls in there. People forget the forest for the trees, I often say, when they look at *Playboy*. But the literary history is a fantastic one. The essay history is a fantastic one. So, I've had a lot of fun working with these people.

Now, in the future, what I want to see for us is more world's fairs, and more museums. I want to be affiliated with ideas with imagination. I want you to remember me somewhere up ahead when someone is building a new museum, which has something to do with art history, something to do with dinosaurs, something to do with these new toys that are exploding around us.

I'm going to start work on a new traveling space exhibit during the next month or so. I'm doing a film now with an imaginative concept, which I hope will utterly destroy you when you see it. It will be on PBS across the country.

I was president of a handicapped group up until about a year ago. I worked as president of the board, and was trying to raise funds to help various kinds of handicapped groups. On the board with me were several quadraplegics and paraplegics. The experience was devastating. So many nights I would go home and

cry, because I couldn't do anything to help these people. I didn't know enough about fund raising. We didn't raise enough funds.

And I could do nothing about these people in their wheelchairs—I mean directly. To just lay hands on them and say, "What can I do? Can I be a faith healer?" No, I cannot.

And I got to thinking about space one night, and I sat down and I wrote a screenplay which has finished production in Toronto. It is called "Walking in Space," and it's the story of how we're going to put handicapped people in outer space and give them back their identity. Give them back their brains. Give them back their head. Because they don't need their legs anymore. Gravity will be rejected. That's the great thing. You get them out there and float them around, and they swim forever. And they can run our factories. They can run our astronomical units. And they can do all kinds of things producing chemicals out there. And diamonds, and what-have-you?

So, think of that future. In the next century—in the next 10 centuries—when we have thousands upon thousands of handicapped out there . . . free at last! Free at last! From the damn thing called gravity.

And, at the end of my story, this young boy who goes up for the first time takes with him a symbolic crutch. And, when he's circling the earth, he throws the crutch down through the atmosphere. And it catches fire and burns across the air. And all the handicapped people of the world look up and name that thing as Hope. That's the future. We can make that, any time we decide. We can do that tomorrow. We will do that tomorrow. There are things for us to do now. And they are all very exciting—all terrific challenges. And that show I want you to watch. It will be on the air in January.

Let me end, as I began, with my optimal behavior. I had a story in *Playboy* three years ago. I'm sure you all read it; it is called the "Toynbee Convector." Now, I don't know what that word means. It sure has a nice sound, though, doesn't it? "The Toynbee Convector." And, of course, Toynbee was the great historian. We all read his things 40 years ago, 30 years, 20 years ago.

But my story is this. It is the story of a young man in the year 1986, who invents and builds a time machine and goes into the future 100 years and comes back with a message of joy for the world. He says, "We finally did everything right. We cleaned the air, we cleaned the streams, we cleaned the oceans, we saved the fish, we saved the whales, we saved the porpoises. We've cured cancer, we've cured heart disease, we've stopped the wars, we've rebuilt the cities, we've gone off to the moon, we're colonizing Mars, and we're on our way to Alpha Centauri. Glory Hallelujah!"

Now Available—While Supply Lasts



Actual Likeness

ALTA Member Lapel Pins and Charms and Membership Plaques

Lapel Pins and Charms
\$15.50 each postpaid

Plaques (plastic—7"×8")
\$6.00 each postpaid

SEND ORDERS TO:

Pins and Charms
American Land Title Association
1828 L Street, N.W. Suite 705
Washington, D.C. 20036

Please enclose check made payable to American Land Title Association.

Continued on page 54

*Now's The Time—
Order Your*

ALTA Promotional Folders

Designed for easy insertion in No. 10 envelopes . . .
concisely informative in attractive, two-color printing



Protecting Your Interest in Real Estate

Written at the home buyer level to reach the widest range of public interest. Explains why safeguarding against land title problems is essential, includes a basic discussion of how title insurance works, presents concise summaries of title hazards actually experienced, and points out that ALTA members are widely respected for their expertise. \$30.00 per 100 copies



The Importance of the Abstract in Your Community

Describes, in quick-read form, what an abstract is and tells about the role of abstracters in expediting real estate transactions. Points out that the skill and integrity of ALTA member abstracters represents an important asset to those who purchase and otherwise invest in real property. \$17.00 per 100 copies



Buying A House of Cards?

For those needing a lively, high-impact piece of promotional literature. In quick-read text, the folder makes it clear that title hazards are a sobering reality—and emphasizes the importance of owner's title insurance for home buyers. Reminds that home ownership is a major investment that can be protected by the services of ALTA member abstracters, agents and title insurers. \$14.00 per 100 copies

*Send checks made payable to the Association to
American Land Title Association, Suite 705, 1828 L
Street, N.W., Washington, DC 20036. You will be
billed later for postage.*

which provides that "a conveyance of the real estate on which the tax lien has been sold *** shall vest in the grantee an absolute estate in fee, subject to all claims which the county may have thereon for tax or other liens or encumbrances," did not extinguish tax liens of a city in Nassau County accruing before issuance of a deed from the Nassau county treasurer (see, *County of Nassau v. Lincer*, 280 NY 662, affg 254 App Div 760). Notwithstanding the absence of any specific reference to city tax claims in section 5-53.0, the city's claims were not extinguished by the county tax sale deed. *Kings Park Butcher Shop, Inc. v. City of Long Beach* 64 NY2d 925 (1985)

Reporter's Comment: *Segar v. Youngs*, 45 NY2d 568, which arrived at a contrary result, dealt with an entirely different enactment—RPTL Sec. 1020(1)—and is therefore inapplicable.

United States v. Varani, 780 F2D 1296 (MI)

United States filed complaint to foreclose tax lien on two parcels of real property in which tax title purchaser claimed an interest. Court of appeals held that tax purchaser who never served notice of redemption upon persons statutorily entitled to notice (under Michigan law) was barred from asserting his tax deed on title, as failure to serve requisite notice rendered his title "void" and government could foreclose its tax lien.

Tenants by the Entirety

This action was brought by the administrators of a deceased wife's estate to recover half of the proceeds of a sale of the marital residence.

By a divided court the complaint was dismissed.

A separation agreement which provided that the marital residence owned by the husband and wife as tenants by the entirety would, within four years, be sold at the prevailing market price, and the proceeds divided between them did not transform the tenancy by the entirety to a tenancy in common; consequently, where the wife died before termination of the marriage, and before any sale, the surviving husband is alone entitled to the proceeds from the subsequent sale of the house. *Matter of Estate of Violi v. Violi*, 492 N.Y. S.2d 550

* * *

The parties owned two parcels of real property as tenants by the entirety. The divorce decree in 1980 directed that one parcel be sold promptly at a price agreeable to the parties and that the second parcel be conveyed by plaintiff to defendant at a price to be set by agreement or appraisal.

These provisions were never carried out. A motion made to vacate the provisions of that decree was denied. The court held that the parties have been tenants in common since 1980 and that it lacked power to alter their property rights in this manner. The parties remedy was an action in partition if they cannot agree. *Freeman v. Freeman* 112 AD2d 805 (1985).

Glavinich, Jr. vs. Commonwealth, 298 Cal. Rptr. 267

Commonwealth issued a preliminary report

dated October 21, 1981 which noted the existence of a first deed of trust to secure an indebtedness of \$51,500.00, and a second deed of trust as securing indebtedness of \$63,500.00. On October 28, 1981, a notice of default pursuant to the second deed of trust was recorded. On November 6, 1981, the loan escrow closed, the third deed of trust was recorded, and Commonwealth issued a title policy insuring plaintiffs' deed of trust in third position.

Prior to foreclosure of the second deed of trust, plaintiffs discovered the existence of the notice of default and made a demand under the Commonwealth title policy. Commonwealth rejected plaintiffs' claim on the ground that the recorded declaration of default and demand for sale was not a defect in or lien or encumbrance on plaintiffs' title, and thus was not included within the insuring provisions of the policy.

California Court of Appeal agreed with Commonwealth's position with respect to the interpretation of the insuring clauses of the title policy and concluded that a recorded notice of default pursuant to a deed of trust which is excepted in the title policy does not create any defect in or lien or encumbrance on the title nor does it create any claims of unmarketability of title.

Also addressed by the court was the issue of abstractor's negligence. The appellate court left it for the trial court to determine if there was some abstractor's liability on the part of Commonwealth Title. However, the court did emphasize that California Insurance Code Sec. 12340.10 and 12340.11 was not retroactive. Accordingly, since the events took place before the enactment of this statute, Commonwealth Title could not rely on the statute.

White vs. Western Title Insurance Company, 221 Cal. Rptr. 509 (1985)

Brian White and Helen White purchased two lots from William and Virginia Lockhurst in 1978. Western Title Insurance Company issued preliminary reports and ultimately CLTA policies of title insurance to the Whites in conjunction with those transactions. Neither the preliminary report nor the title insurance policies disclosed or otherwise excepted a previously recorded easement for certain water rights affecting the subject property.

Western Title subsequently acknowledged liability for diminution in value to the property due to the presence of water wells, pipelines and rights of ingress and egress burdening that property but, citing paragraph 5 (c) of part 1, schedule B of the policy, denied liability for loss of value attributable to loss of ground water from the property. The Whites filed suit against Western Title alleging breach of contract, negligence, and breach of the implied covenants of good faith and fair dealing. A superior court jury awarded the Whites damages of \$8,400 on the first two causes of action and \$20,000 in damages for breach of the covenants of good faith and fair dealing. The California Supreme Court affirmed the verdict and judgment. The court held that the standard CLTA Policy exception for water rights did not relieve the insurer of liability for a recorded water right easement affecting the subject property. The court pointed out that the standard exception referred only to unrecorded matters and further observed that the insured had a reasonable expectation that the insurer competently searched the public records and disclosed all recorded interests

purportedly affecting the property.

With respect to plaintiffs' cause of action for negligence under the preliminary report, the court noted that the failure of the title company to note an encumbrance of record was prima facie negligence. The court found that the exculpatory language set forth on the preliminary report with respect to liability thereunder was adhesory in nature and ineffective to relieve the company of liability or negligence. Moreover, the court declined to give Insurance Code Sec. 12340.1 retroactive application in the absence of clear legislative intent.

Finally, the court found that the conduct of an insurer, i.e. his failure to disclose a recorded water easement, subsequent denial of liability for loss of value of ground water, and the continuing efforts of the insured to contest liability after the onset of litigation, was sufficient for a jury to find a breach of the covenant of good faith and fair dealing. The court noted that the contractual relation between the insurer and the insured does not terminate with the onset of litigation. The court further held that some settlement offers made by the insurer after the commencement of litigation were admissible. The court observed that since such offers of settlement were not admitted to prove liability for the original claim, but rather to prove the failure of the insurer to process the insureds claim in good faith, the admission of such settlement offers would be proper.

Batdorf v. Transamerica Title Insurance, 41 Wn.App. 254 (1985)

In 1931, Leibrandt received a patent from the United States to lands in Alaska. The patent was not recorded until 1971. In 1957, Leibrandt conveyed his interest in the property to Porter. The Porters promptly recorded their deed. After the patent was recorded in 1971, Leibrandt again conveyed the property to Kortlevers, who in turn conveyed to the Batdorfs. Apparently Transamerica conducted its title search only back to the date the patent was recorded in 1971, and failed to notify the Batdorfs or the Kortlevers of the interest of the Porters. When the quiet title action was brought in Alaska by the Porters against the Batdorfs and Kortlevers, Transamerica initially accepted the tender of defense of the Batdorfs. However, Transamerica soon exercised an option, contained in both title policies, to pay the policy limits to its insureds and terminate all further liability. The Batdorfs and Kortlevers then brought an action against Transamerica for their costs and fees in defending the quiet title action by the Porters.

May a title insurance company terminate its obligation to defend its insured upon payment of policy limits and attorneys' fees and costs incurred in defending the title to the date of the payment?

In determining whether the insurer has a duty to defend, the test to be applied is whether the facts alleged in the complaint, if proved, would render the insurer liable under the policy. By paying up, the insurer removed all of its further liability. Therefore, attorneys' fees incurred after the payment were incurred about a claim which was no longer covered by the policy. Therefore, absent a duty to defend, there can be no breach and without a breach of duty to defend, Transamerica cannot be held liable for attorneys' fees incurred after it paid up the policy limit.

Transamerica Title v. Johnson, 103 Wn.2d 409 (1985)

The defendant, Johnson, at the time he purchased the subject property, obtained a title insurance policy which disclosed several preliminary estimated assessments on the property. During the time that Johnson owned the property, he received the notices regarding the assessments, which became a lien against the property prior to Johnson listing the properties for sale. The earnest money agreement to sell the property, which was signed by Johnson prior to any involvement of Transamerica Title, indicated that Johnson would sell the property free and clear of any incumbrances to the purchaser. When Transamerica Title issued the commitment and policy to the new purchaser, it failed to except from coverage the sewer assessments. Upon learning of the assessments, Transamerica Title satisfied its obligations under the policy by paying the assessments and then brought an action against Johnson pursuant to its subrogation rights of the policy. The trial court granted judgment in favor of Transamerica Title.

At issue: (1) Does Transamerica Title have the obligations of an abstractor of title in issuing a title insurance commitment and policy?

(2) Is Transamerica entitled to exercise its subrogation rights under the policy under the circumstances of this case?

The court deferred deciding whether or not a title insurance company has the obligations of an abstractor in title until a later case. The court went on to hold that even if such a duty existed that Transamerica did not breach it in this case.

In affirming the trial court decision, the supreme court held that Johnson had had prior knowledge of the assessments and had agreed to sell the property free and clear of encumbrances to the purchaser prior to any involvement in the transaction of Transamerica. Johnson was unable to use Transamerica's negligence to avoid its contractual obligations.

Heidi Associates v. Lawyers Title Insurance Corp., 504 N.Y.S. 287 (1986)

This action was brought for damages against a title insurer for its failure to report a NYC *in rem* foreclosure action which had been pending for 11 months. The insurer defended on the grounds that (1) the county clerk had failed to docket the parcel in question on the list of delinquent taxes signifying there was an *in rem* proceeding and (2) the policy stated there were "specific real estate taxes, water charges and sewer rents open and unpaid."

The purchaser's contract expressly provided that title was to be taken subject to tax arrearages "provided that there was no *in rem* proceeding pending." The purchaser's method of operation was to purchase "at minimal cost only properties with substantial tax arrearages." This enabled it to use the "bulk of its funds" to improve the property "resulting in an increased rental return which could thereafter be used to pay the tax liens. To accomplish this it needed sufficient time leeway," which it would not have if an *in rem* proceeding was already under way. As a result plaintiff had no funds with which to redeem.

By a 4 to 1 vote, the court held that the loss was covered by title insurance policy, granted summary judgment to plaintiff and remitted the case for an assessment of damages.

On appeal to the court of appeals the case was reversed. The court of appeals held that the *in rem* proceedings to foreclose the tax liens was not a separate encumbrance from the tax liens.

Usury

In cross motions for summary judgment based on a promissory note the issue of usury was raised. The court held that 12 USC Sec. 86a preempts New York usury laws in the case of business or agricultural loans. This applies to loans made by all persons or organizations and is not limited to Federally chartered banks. *Blue Chip Coffee Inc. v. Applebaum* 128 Misc 2d 963 (1985).

* * *

A valid agreement was made to pay a retainer by installments. When a default occurred the parties entered into an extension agreement with interest at the then legal rate of 10 per cent retroactive to the date of the original agreement when the legal rate was 8½ per cent.

The defendants claimed that this usurious agreement extinguished the obligation. The court of appeals held otherwise. Where an extension agreement for the repayment of a debt is void, because of a usurious rate of interest, the invalidity of that agreement does not extinguish defendants' liability to plaintiff for the debt under the parties' original contract. *Eikenberry v. Adirondack Spring Water Co., Inc.*, 65 N.Y.2d 125 (1985)

Undue Influence

Fallon vs. Triangle Management, 215 Cal. Rptr. 748, 1985

Ernest Register conveyed title to his residence to Tolbert. On the face of the deed were the words "gift no consideration."

Tolbert moved into the residence and obtained a loan from Statewide Home Loan secured by a deed of trust on the property.

On April 29, 1982, Register filed a complaint for cancellation of the deed to Tolbert on the ground that the deed had been procured by undue influence.

On October 29, 1982, Register obtained a default judgment against Tolbert. In the judgment the court declared the deed from Register to Tolbert to be "void and is cancelled; that defendant Tolbert acquired no right or interest under said deed and plaintiff, Register, is vested with the title."

On December 22, 1982, a trustee's deed to Triangle Management was recorded following the foreclosure of Statewide's deed of trust.

Fallon purchased the property from Register in August 1983. Both Fallon and Triangle filed separate suits to quiet title.

The trial court held, and the appellate court affirmed, that a deed obtained as a result of fraud committed against the grantor or by use of undue influence by the grantee is voidable and may be rescinded by the grantor, but a bona fide encumbrancer relying on the public record holds a valid lien even though the deed by which the trustor came into title was subsequently declared void.

Reporter's comment: The result may have been different if Register was in possession at time loan to Tolbert was made.

Uniform Commercial Code

Betty S. Crosby v. Peoples Bank of Indianola, 472 So. 2d 951 Miss (1985)

Peoples Bank brought suit to obtain the \$180,000 note balance which Mrs. Crosby's husband had assigned to both the bank and Mrs. Crosby. The Crosbys appealed a lower court order requiring surrender of the note after satisfaction of Mrs. Crosby's prior untested claim.

The court holds that the Crosbys' separation agreement, whereby Crosby assigned the balance to Mrs. Crosby, and Mrs. Crosby's possession of the note through her attorney for more than a year by virtue of a separate security agreement, provided a perfected interest to the note's balance prior and superior to that of the bank.

Tax Sales

In this CPLR Article 78 proceeding petitioner sought to compel the county treasurer to accept tender of payment for redemption of a tax sale certificate for nonpayment of 1979 taxes. Tax sale certificates were also outstanding for nonpayment of 1980 and 1981 taxes.

The court sustained the rejection of the tender holding. "Petitioners do not have a statutory right to redeem their respective lands from the 1979 tax sales unless payment for the certificates issued at said sales to the county together with payment for all outstanding certificates acquired by the county at subsequent, successive tax sales, plus interest and penalties allowed by law, is tendered to the county treasurer." *Matter of Elinor Homes Company v. St. Lawrence*, 113 AD2d 25 (1985)

Unauthorized Practice of Law

Pulse v. North American Land Title Company of Montana, 707 P.2d 1105 Mont (1985)

Bank agreed to finance Hansons' purchase of property from the Pulses. In connection with the purchase, the bank prepared a purchase money agreement, a deed of trust in favor of the bank and a mortgage back to the Pulses. Hansons defaulted and gave a deed back to the Pulses subject to the bank's deed of trust. Subsequently, Pulses filed an action to determine that the mortgage from Hanson was prior to the bank's deed of trust.

Did the preparation of the purchase money agreement and mortgage by the bank constitute unauthorized practice of law?

No. When a party merely fills in blanks on preprinted forms without separate charge and incident to real estate transactions in which the party is involved, this does not constitute the unauthorized practice of law.

Reporter's comment: The troublesome aspect of this case is the bank that prepared the documents was not really a party to the sale or the mortgage.

Wetlands

Petitioners, the owners of vacant parcels of land designated as tidal wetlands, sought to fill in the land and develop the properties. The

Department of Environmental Conservation decided that the construction of residential housing was an "incompatible use," and denied the petitioner's application. An Article 78 proceeding was commenced, and the lower court upheld the denial of the permits, but directed a hearing to determine whether the regulations constituted an unconstitutional taking. The appellate division affirmed the lower court's determination, holding that compliance with the agency's requirement would result in a "substantial reduction" in the number of lots proposed and would constitute a significant decrease in the value of the area. Therefore, the decision concluded, the petitioners could pursue their claims of an unconstitutional taking. *de St. Aubin v. Flacke*, 492 N.Y.S.2d 76 (1985)

* * *

Petitioner timely served the attorney-general with the notice of petition and petition in this proceeding pursuant to CPLR 7804(c), but failed to timely serve respondent, NYS Department of Environmental Conservation. The attorney-general is not a party to this proceeding, but rather the prospective attorney for a party. Thus, petitioner's timely service upon the attorney-general did not toll the statutory period of limitations and allow for untimely service of the notice of petition and petition upon the respondent (see, *Matter of Cohen v. State Tax Comm*, 51 AD2d 79; *Matter of Up-*

state Milk Coops. v. State of New York Dept. of Agric. & Markets, 101 AD2d 940) (1985)

Wills

Sheryl Hines v. First National Bank and Trust Company of Oklahoma City, 708 P.2d 1078, 56 Okla B.A.J. 2245 (Okla 1985)

Sheryl Hines (appellant) was adopted by Edith M. Giblet in 1950. Testatrix, the mother of Giblet, knew of the adoption of Hines at the time Testatrix prepared her will in 1967. The will devised property to the children of Testatrix and further provided: "In the event that any of my children predecease me that part given to such child shall be given to that issue of such deceased child." Giblet died before her mother. The remaining beneficiaries under the will asserted that Hines, as an adopted child, was not issue under the terms of the will. The trial court held that the term "issue" did not include adopted lineal descendants.

The issue on appeal was whether an adopted lineal descendant is entitled to be included as issue under the terms of a will.

The supreme court noted that Oklahoma enacted the Uniform Adoption Act (10 O.S. 1984 §60.16(1)) in 1957. The appellant contended that the enactment of the Uniform Adoption Act abolished all pre-existing differences between adopted and natural children.

The supreme court stated that, absent clear

and explicit expression to do so, adopted children should not be eliminated as beneficiaries under a will. The court reversed the trial court, holding that unless adopted children are specifically excluded in a will, the Uniform Adoption Act places adopted children in the same class as natural children. As a result, Hines was entitled to take under the will of her adoptive parent's mother.

Past ALTA Governor

Harry St. John Dies

Word has been received of the death of Harry H. St. John, Jr., a past governor of ALTA and past president of the Kansas Land Title Association, at his home in Topeka, Kansas.

He was chairman of the board of Lawyers Title of Topeka, Inc., and a 50-year member of the Kansas Bar. Earlier in his career, he was clerk of the Court of Topeka and served as judge pro tem of the court.

Survivors include his wife, Helen St. John; a son, Hayden B. St. John, currently president of Lawyers Title of Topeka; a daughter, Susie St. John; a sister and four grandchildren. Another daughter died in 1980.

*For Upgrading Your Automation,
The ALTA Land Title Systems Committee Offers*

The Vendor Automation Software Library

These categories are available

- Title Plant Maintenance
- Preparing Title Policies
- General Accounting
- Closing Document Preparation

*Mr. Megabyte says: Help your
automation get a
running start—use the library*



Send \$5 for each category desired and make check payable to American Land Title Association; if your category is not listed above, please specify others and you will be sent any information available or your money will be refunded. Address orders to Vendor Automation Library, American Land Title Association, Suite 705, 1828 L Street, N.W., Washington, D.C. 20036.

Names in the News



Miller



Jackson



Weatherby



Cox



Ryan



Mark

ish, assistant vice president, Orlando; **Edwin Rausch, Jr.**, assistant vice president, Louisville; **Allen Meccia, Jr.**, assistant vice president, Hackensack, New Jersey; **Edward J. Rose**, title officer, Philadelphia; **Richard L. Eland**, **Leo J. Foose**, and **Michael J. Muscarella, Jr.**, all title officers, Hackensack; **Florence Rozycki**, title officer, Philadelphia; **Laura G. Burns**, assistant title officer, Louisville; **Bruce Thornberry**, assistant title officer, Louisville.

The following appointments are announced by Lawyers Title Insurance Corporation: **Judy Noel Riddle**, vice president and regulatory counsel, Richmond, Virginia; **John R. Johnson**, vice president and Georgia state manager, Atlanta, Georgia; **Karen F. Guthrie**, national division manager, Denver, Colorado; **Michael L. Pezzicola, Jr.**, New York national division manager, New York, New York; **Scott A. VanBuskirk**, corporate counsel, Richmond; **Thomas L. Rowe** and **Gordon P. Williams, Jr.**, both senior claims attorneys, Richmond; **Jeffrey D. Windon**, manager, Akron, Ohio; **Dana R. Ward**, claims prevention and control manager, Richmond.

Lawyers Title also announces the following appointments in its mid-south states office in Memphis, Tennessee: **Charles A. Meyer**, mid-south states counsel; **L. Christian**



Guthrie



VanBuskirk



Rowe



Williams



Ward



Meyer

Ticor has announced the election of **E. Peter Miller** as senior vice president in Los Angeles. He previously was the company's vice president and counsel for government affairs.

Commonwealth Land Title Insurance Company has announced the following promotions: **Wayne L. Levins**, senior vice president, Orlando, Florida; **Derry O. Jackson**, vice president and senior claims counsel, Orlando; **Stephen H. Weatherby**, vice president and assistant controller, Philadelphia; **Andrew B. Cox**, vice president, Louisville, Kentucky; **Thomas M. Ryan**, vice president, Trenton, New Jersey; **Robert B. Laseter, Jr.**, vice president, Orlando; **Joseph A. Perconti**, vice president, Paterson, New Jersey; **Karen L. Mark**, assistant vice president, Philadelphia; **Kathleen Esposito**, assistant vice president, Morristown, New Jersey; **Robert B. Bratzel, Sr.**, assistant vice president, West Palm Beach, Florida; **Roderick J. Dan-**

Harrell, III, mid-south states senior underwriting counsel; **Phil B. Gardner**, mid-south states agency counsel; and **Gary L. Gatten**, mid-south states sales and agency manager. The aforementioned will continue in their positions with Mid-South Title Insurance Corporation, Memphis, a subsidiary of Lawyers Title.

DataTrace Information Services Company, Inc., a subsidiary of Lawyers Title, has appointed **Ricardo J. Bazzani**, input center manager, Ft. Lauderdale, Florida.

Midland Title Security, Inc. has appointed **Richard O. Bates** senior vice president and Lake County office general manager, Painesville, Ohio.

Industrial Valley Title Insurance Company has announced the promotion of **Timothy J. McNamara** to assistant vice president, Philadelphia.



Esposito



Thornberry



Riddle



Johnson



Harrell



Gardner



Gatten



Bazzani



Snow



Kelly



Turner



McNamara

The following have been promoted to these positions at Chicago Title Insurance Company: **Sheldon P. Legator**, regional claims manager, Great Lakes and mid-Atlantic regions, and remains associate general counsel, Chicago; **William R. Yowell**, associate general counsel and manager, Illinois claims and litigation unit, Chicago.

American Title Insurance Company has announced the following promotions: **Peggy A. Snow**, vice president and remains manager, Springfield, Missouri; **Tina Turner**, district marketing director, Tampa, Florida; **Aprille G. Kelly**, sales representative, Philadelphia.

Grant A. Perry has joined Fidelity National Title Agency, Inc., as a sales and marketing account executive, Tucson, Arizona.

TIPAC Supports Successful Oklahoma Candidate



ALIA President John R. Catbey, right, The Bryan County Abstract Company, presents a contribution from the Title Industry Political Action Committee to Wes Watkins, successful Democratic candidate for the congressional third district House seat in Oklahoma. He received 78.5 per cent of the vote during the November election. President Catbey is the TIPAC state trustee from Oklahoma. Congressman Watkins was incorrectly identified when this photograph was published in the January-February Title News, and we apologize for the error.

The promotion of **Bill Evans** to agency representative has been announced by American Realty Title Assurance Company, Columbus, Ohio.

IMAGINATION—continued from page 48

And, the world runs wild with this message of joy. And it proceeds to rush out then and rebuild the world—the way he described what he saw in the future. A hundred years go by. And the morning a hundred years to the day from his journey, the old time traveler is still alive. He's 125 years old, lives in LaJolla with his time machine, and I go to visit him with hundreds of people from all over the world who were there to honor this time traveler who changed history. All the leaders of the world are there. All of the kings and queens and politicians, news people, and champagne is being opened and poured, to celebrate this man.

At 4 o'clock in the afternoon, we'll be witness to a paradox. The old time traveler standing here celebrating with us—125 years old—and the young man that he was from the deep past 125 years before, flashing over the cities of the world in his time machine, circling over Bombay, and Tokyo, and San Francisco, Chicago, New York, and Paris.

So, we have the paradox of the two time travelers—in the same instant—at 4 o'clock

in the afternoon. We lift our champagne. We toast the time traveler. We look to the sky and see that nothing is there yet. Five minutes after four, the sky is empty. Ten minutes after four, nothing among the clouds. Twenty minutes after four, still nothing to see up there. And, finally, at 4:30, I turn to the time traveler and he says, "I lied."

American Realty Adds Fourth Florida Branch

American Realty Title Assurance Company, Columbus, Ohio, has announced the purchase of Tri-County Title of Orlando, Inc., a full service agency located in Orlando, Florida. Tri-County becomes the fourth ARTA branch in Florida, joining others in Sarasota, Clearwater and Tampa.

Donna Johnson is manager for the new branch.

Consolidation in Seattle For Commonwealth Land

Commonwealth Land Title Insurance Company has consolidated its Pacific northwest regional office and Seattle branch office into one new location in Seattle.

Warren A. Kennedy is the company's regional manager and Chester F. Hodgson is the branch manager.

Ready to deal with all this? Form 1099-B

Landata is ready... right now.

Look to Landata for the complete Real Estate 1099-B Tax Reporting Service for closing agents.

We've developed a magnetic media transaction reporting service that frees you from figuring out IRS regulations, producing magnetic tapes, and paying fines for failure to comply.

Here's all you do. At closing, accurately complete the simple information form we provide for seller and closing agent. You're now through.

Landata does the rest:

- Keys all information into a data base system, double-checking for accuracy.
- Prepares and mails Form 1099-B to sellers.
- Prepares and mails all reports required by IRS in whatever magnetic format specified. (With copy to you).
- Assumes responsibility to IRS for the timely filing on the correct magnetic media of accurately keyed reports from/client-provided information.

Take a hard look at what other reporting services are really offering.

Then look to Landata for all the services you'll need to comply with this important new tax provision... plus Landata assumes the liability.

Call our toll-free number today for more information on the complete Real Estate 1099-B Tax Reporting Service from Landata: (800) 551-3220.

For \$10 per transaction*, why not let us worry with IRS?

* Landata customers with AIM (Automated Information Management) Closing Modules are receiving this software program and instruction with our compliments!

1099-B Software in VAX/VMS and MS/DOS versions may be purchased.



For Official Use Only
OMB No. 1545-0715
1987
Statement for Recipients of

Proceeds From Real Estate, Broker, and Barter Exchange Transactions

2b CUSIP no. _____

VOID CORRECTED

1a Date of sale/closing
MMDDYY _____

1b Real estate
\$ _____

2a Stocks, bonds, etc.
\$ _____

3 Bartering
\$ _____

4 Federal income tax withheld
\$ _____

Gross proceeds less commissions and option premiums

Principal residence
Other real estate

Extra Contracts _____

Profit or (loss) on 12/31/86 _____

7979
For machine print PAYER'S name, street address, city, state, and ZIP code

LANDATA, INC.
Real Estate Information

For additional information, phone or write the office nearest you.

GENERAL OFFICES

LANDATA, INC.
2200 West Loop South, Suite 500
Houston, Texas 77027
(713) 871-9222
(800) 551-3220

DENVER

LANDATA SALES OFFICE
7400 East Caley Avenue
Englewood, Colorado 80111
(303) 741-5540

HOUSTON

LANDATA, INC. OF HOUSTON
9720 Beechnut, Suite 400
Houston, Texas 77036
(713) 271-0241

LOS ANGELES

LANDATA, INC. OF LOS ANGELES
412 West Broadway, Suite 211
Glendale, California 91204
(818) 244-8100

PALM BEACH

LANDATA, INC. OF W. PALM BEACH
2001 Broadway
Riviera Beach, Florida 33404
(305) 863-8001

PORTLAND

LANDATA, INC. OF PORTLAND
200 SW Market, Suite 110
Portland, Oregon 97201
(503) 226-7169

SAN ANTONIO

LANDATA, INC. OF SAN ANTONIO
5409 Jackwood Drive
San Antonio, Texas 78238
(512) 680-4060

TAMPA

LANDATA, INC. OF TAMPA
6304 Benjamin Road, Suite 503
Tampa, Florida 33634
(813) 884-7111



BIG BEAR COMPTITLE PACKAGE™

The Comprehensive Title Package for the Big Agency

- Complete title package — title insurance, settlement tracking, disbursement, escrow tracking, full internal accounting
- Sophisticated document preparation and forms generation — complete user flexibility
- Full office automation — from personal calendar to electronic mail
- Complete turnkey system — all hardware, software and on-site support
- Perpetual license — no regular software maintenance fees

call **BEAR TRACK
COMPUTER
COMPANY**

1100 Wayne Ave., Suite 1200
Silver Spring, MD 20910-5601
(301) 588-0326



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

**BULK RATE
U.S. POSTAGE
PAID
Silver Spring, Md.
Permit No. 550**