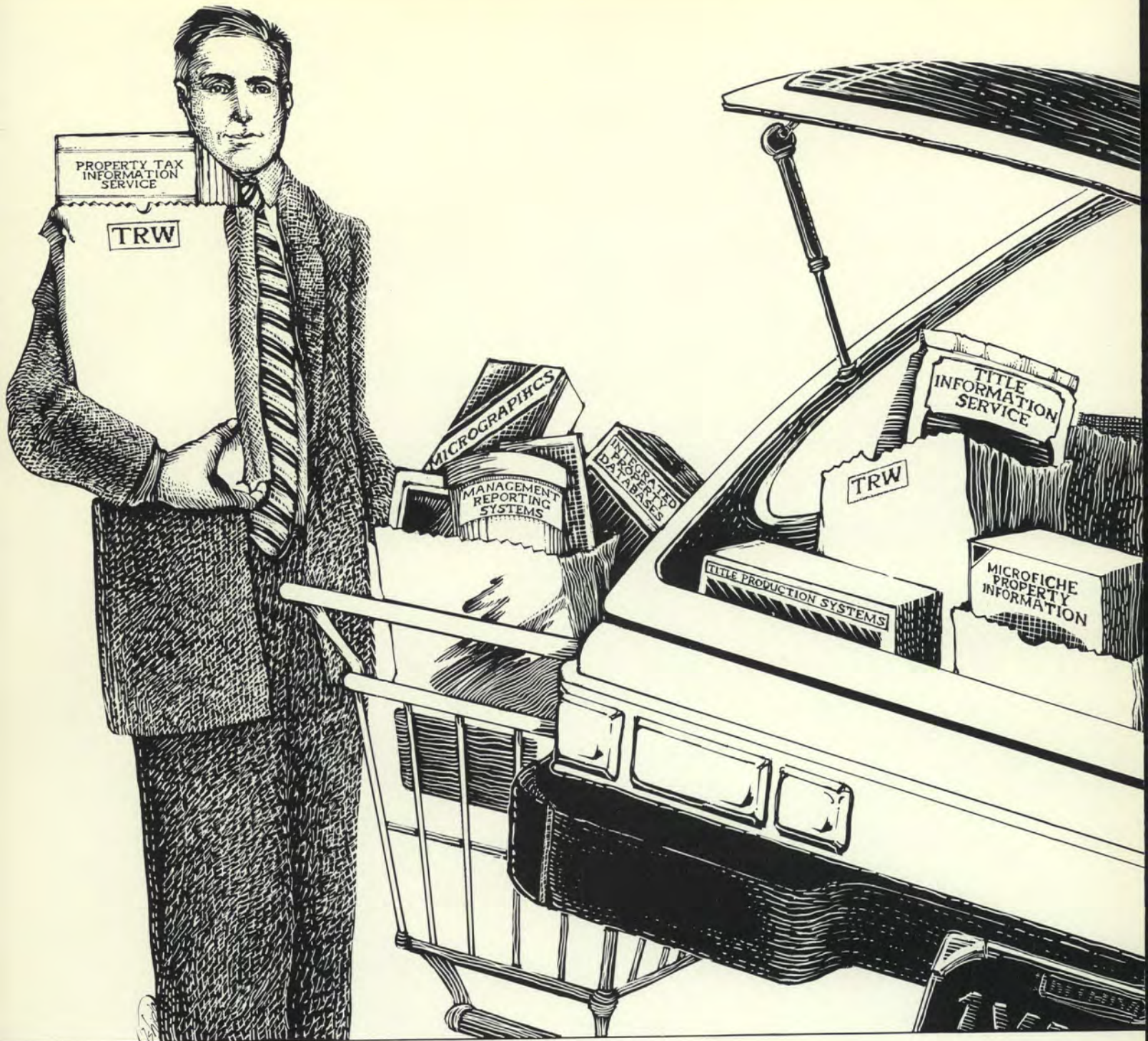


# Title News

NOVEMBER/DECEMBER, 1987

*ALTA President  
Marvin Bowling  
and Wife Ann*





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# Title News

## Contents

Volume 66, Number 5

A Message from the President-Elect	5
Presidential Profile	6
The Entrepreneurial Edge	11
The Saga of A Modern-Day Noah	15
Accounting, the 1986 Tax Reform Act	20
Somebody's Gotta Cook the Chicken	25

**Front Cover:** ALTA President Marvin C. Bowling, Jr., and wife Ann share a relaxed moment in their home community of Richmond, Virginia. Shortly before his installation as the Association's eighty-first president, he commented on a variety of subjects in a *Title News* interview that begins on page 6.



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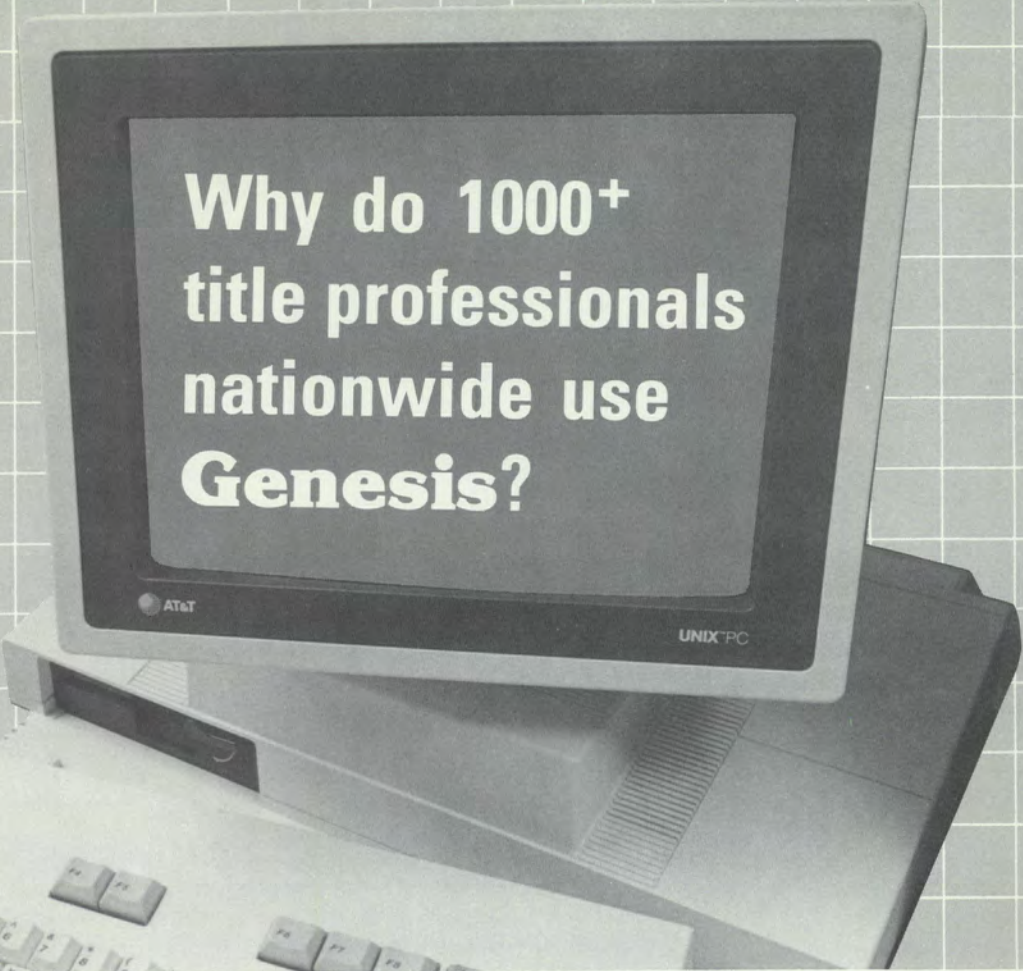
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# A Message from the President-Elect

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In the May/June issue of *Title News*, Dick Toft, chairman of the ALTA Title Insurance Underwriters Section, mentioned challenges which affect our industry today, and which will continue to do so in the future. The message was well received, and I would like to expand upon it by discussing an age-old problem which has affected our business for many years.

Some within our industry appear to be ashamed of what they do or the product they sell. Many of us are attorneys, but our practice of law is limited, if we practice at all. Yet, when asked what we do, our answer is often, "I am an attorney," rather than, "I'm in the title insurance business." Maybe this answer stems from occasional unproved—and inaccurate—allegations about our industry profit levels. Rather than provide a needed explanation of the important value of our services, we sheepishly walk away or change the subject.

I'm proud of our industry and the services that we perform. Yet, on occasion, I have been guilty of turning my back when challenged on the merits of our industry. The title insurance business probably is the most misunderstood of all industries involved in the sale of real property. It is our duty as title professionals to educate the public concerning what we do—by all means at our disposal.

Before we convince the public, we must be convinced. All of us have heard, and some of us have experienced, the negative impact of the National Football League players strike. What is the result of a strike at General Motors? How many people are affected? What is the effect on the country as a whole? The impact would be far more widespread if the title evidencing industry ceased issuing abstracts, commitments and policies for a period of just one month. Millions of

people would feel the brunt when we count real estate sales persons, mortgage lenders, surveyors, builders, developers, construction workers, appraisers, carpet makers, furniture industry personnel, etc. The list of industries affected would run into the hundreds.

Yet, we, as an industry, tend to ignore this vital role and allow ourselves to be denigrated without defending ourselves.

If we stand up and are counted, if we call public attention to the great value of our work, if we refuse to knuckle under to unjustified pressures, and if we educate those in our industry and our clientele as to the importance of our function, we—and the nation—will be better served. Congress and state legislatures will be less likely to enact legislation without knowledge of or concern about its impact on us and others. Our associates in the real estate industry will treat us as a partner rather than an outsider.

Your Association needs your support. A few cannot fight the battle effectively. More members are needed, and more of those members must be active in ALTA affairs. You don't invest in your business and walk away. So don't invest in ALTA and walk away.

The time has come for us to hold our heads high, to defend our industry when needed, to praise our industry when given the opportunity, and to stand proudly.

We are title professionals. And those we serve throughout the nation are the better for it.

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

Charles O. Hon, III

# Presidential Profile: Marvin C. Bowling, Jr.



Marvin and Ann Bowling look forward to attending regional and state title conventions.

**O**n a fine summer day in rural southside Virginia some years ago, Ann Owen watched as an aspiring righthander took the field in a characteristically spirited baseball game between town teams. She was a student at Longwood College; the young pitcher who was to become her husband was an undergraduate at Hampden-Sydney College, seven miles away.

In October, 1987, Ann reflected on those times as husband Marvin Bowling prepared to begin his ALTA presidency.

"I used to say my main competition was an old bat—a baseball bat," she declared. "Marvin loved to play baseball. I used to think he liked my father more than me because they both were great baseball fans."

Ann grew up on a family farm dating back to the 1700s; her grandfather, a state senator, was an early supporter of Longwood College. Marvin was from nearby Burkeville, where his father was a Presbyterian minister for 26 years.

While an undergraduate, Marvin began to develop an interest in law school—and a career with Lawyers Title Insurance Corporation. George V. Scott, who became president of Lawyers Title, was from Burkeville and informed the future law student that the company hired attorneys.

"He advised me to take as many real estate law courses as possible," Marvin said. "So I did."

After enrolling in law school at Washington and Lee University, Lexington, Virginia, Marvin heeded the suggestion of George Scott, studying such subjects as mortgage law, creditor rights, and even future interests (considered to be among the more esoteric real property subjects offered). He and Ann were

married following his second year of law school. By then, she was a first grade teacher at a school located in a town nearby.

After the marriage, Ann taught in the public schools for two years until Carlisle, their first child, was born. He is now a supervisor with a Richmond home building concern. Rounding out the immediate family are daughter Betty, who resides in Connecticut, a mother of two; Nancy, an automation systems specialist with a Richmond bank; and the youngest, Michael, a third year history major at Richmond's Virginia Commonwealth University.

After graduation from law school and before the birth of Carlisle, Marvin pursued his interest that emerged from the conversation with George Scott, and soon found himself a member of the legal department staff at Lawyers Title headquarters in Richmond. Working with the issuance of title policies and binders in six states, he began a career as assistant title officer that saw him advance to his present position as executive vice president-law and corporate affairs.

"I have spent most of my career deciding how to insure unusual real estate transactions, generally multi-state commercial deals," Marvin said.

Along with his duties at Lawyers Title, Marvin became increasingly active in the workings of ALTA. Besides service on the Association Board of Governors and two years as Title Insurance Underwriters Section chairman, his previous responsibilities have included the chairmanship of the Indian Land Claims Committee and a memorable 12 years on the Title Insurance Forms Committee—10 as chairman.

Marvin, among other duties, has served as Christian Education Committee chairman and Stewardship Committee chairman of the Bon Air Presbyterian Church. In addition, Ann's community activities include work with the Bon Air Woman's Club—and in an acclaimed program of the Richmond Attorneys Auxiliary that introduces sixth and seventh graders to the American justice system through classroom presentations and visits to local facilities such as the court house, police station, and jail.

Among the Bowling family lineage in Virginia, one of Marvin's ancestors—Col. Robert Bowling—was married to a granddaughter of John Rolfe and Pocahontas, a prominent Indian princess during the colonial history of the commonwealth. After the Indian descendant died, Col. Bowling was married again, and Marvin observes that latter-day Bowlings have been attracted to genealogical research in an effort to determine which of the wives was their particular ancestor.

Shortly before installation as ALTA's eighty-first president, Marvin responded to a wide range of questions from Association Vice President-Public Affairs Gary Garrity in this *Title News* interview.

**GG:** What do you see as the greatest challenges facing the title industry as you begin your ALTA presidency?

**MB:** Proper responses to governmental legislative and regulatory actions. As closers, title people are gearing up to comply with federal statutes and IRS regulations related to tax reporting. We still are involved in defending federal antitrust cases brought by the Federal Trade Commission and private plaintiffs. Possible repeal of the McCarran-Ferguson Act. And, the decision by the Comptroller of the Currency—which we are challenging in federal district court—to allow national banks to own title underwriters and agents, which could have a real impact on the way we do business.

**GG:** Title industry leaders have often said the key to effectively dealing with governmental issues is in strong, well-organized grassroots lobbying. Since title people are located in most counties across the nation, the feeling is that ALTA has the potential for major political "clout" that would be of vast importance in tackling major public issues. What is your assessment of the industry's current level of lobbying strength?

**MB:** What usually happens is that, after an issue develops, we try to get people in various states interested, depending on whether their senators or representatives serve on committees that are involved. It would be helpful if lobbying groups were in place on more of a general basis. There will be a continuing need for lobbying in Congress, and in state legislatures, to the extent to which we can encourage state title associations to form lobbying groups and train people in lobbying techniques is of vital importance to our effectiveness. Besides addressing state legislative matters in their respective locales, these lobbying groups also would be very helpful when the time came for federal legislative action.

**GG:** How extensive is the need for an improved knowledge of lobbying basics at the grassroots level in the title industry?

**MB:** I have seen various levels of expertise among the states. For example, there are state title associations who are effective—who have a lot of input into their state legislatures and insurance departments. Usually, they have a retained lobbyist who may be a former legislator or insurance department staff member. If a problem arises in those states, these people will jump on it. They will know whom to speak with and can rally their people. Unfortunately, I find that these states are in the minority.

**GG:** What do you see as the ALTA role in improving the situation?

**MB:** ALTA can help make a big difference through organization of lobbying education. There is a great deal that other states can learn from states that now have impressive capability. Also, I think that we need to inten-

sify the effort toward educating state insurance departments on what title insurance is—through work by ALTA in conjunction with state title associations.

**GG:** There is some disagreement among the ALTA membership regarding the decision of Association leaders in recent years to hold our Mid-Year Convention in Washington at regular intervals—to encourage contact between ALTA member constituents and their respective senators and representatives. Those with contrasting views say their respective congressional members have more time to spend with them during their regular visits to the home state. As one who has participated in these Mid-Year congressional contact exercises, do you feel they are productive?

**MB:** I agree that much good lobbying can be done in the senator's or representative's home state. But I also feel that much can be accomplished by a visit to Capitol Hill by a title industry constituent. This is particularly true if there is a single issue that the constituent wishes to bring to the attention of the federal legislator. The fact that the title person has made a special visit to Washington to consult with his senator or representative carries a definite emphasis.

**GG:** Veteran Washington observers have characterized congressional interest in repeal of the McCarran-Ferguson Act and its federal antitrust immunity for the business of insurance to be greater at present than in recent years. What do you visualize as the best response to this situation where the title industry is concerned?

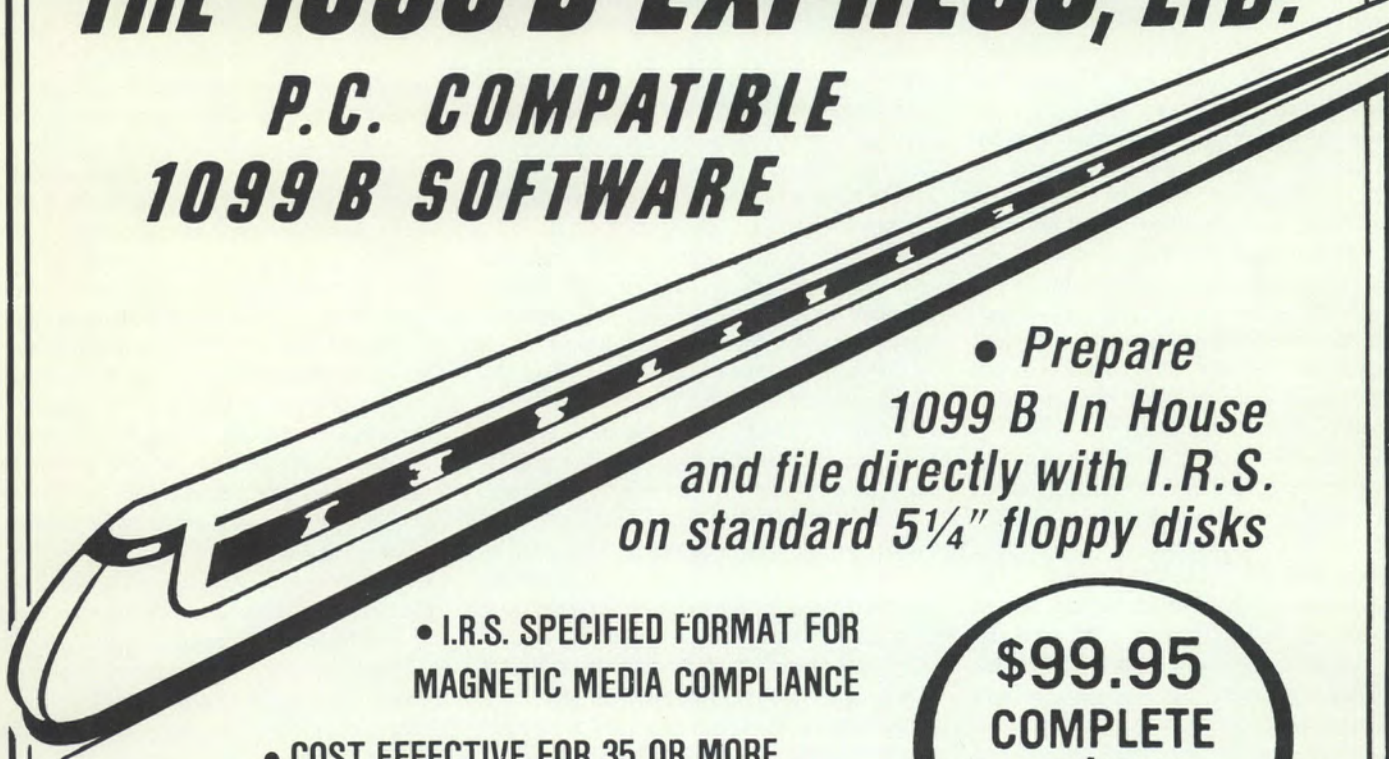
**MB:** The title insurance business is extremely local, insuring titles in areas where searches are performed and policies are issued. Although title underwriters may do business on a national basis, the manner of conducting business differs from place to place and is governed by local real estate laws and the manner in which real estate investments are made. State governments—through legislatures and state insurance departments—are in a much better position to control title insurance activity for the public good than the federal government. Preserving state regulatory authority is a matter of critical importance.

**GG:** How can ALTA be most effective in the battle to maintain state regulatory authority?

**MB:** Many of our state title associations have committees, as well as outside counsel, who have important access to insurance regulators in their particular jurisdictions. The ALTA Liaison Committee with the National Association of Insurance Commissioners definitely is a positive force at the national level, but work with individual state regulators must be done on a local basis. Information and expertise from the Liaison Committee should continually be passed on to state title associations, and ALTA should otherwise provide assistance for their activity in any way possible.

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Top row, left photograph shows Marvin with ALTA President-Elect Charlie Hon, left, and Title Insurance Underwriters Section Chairman Dick Toft, The Title Guaranty & Trust Co. of Chattanooga and Chicago Title Insurance Company, respectively.



Top, at right, Marvin, whose career with Lawyers Title Insurance Corporation began upon graduation from law school, talks with North Carolina Land Title Association Past President Joe Parker, Lawyers Title of North Carolina, Inc. Bottom, at left, Marvin discusses an underwriting problem at Lawyers Title with John Goode, the company's vice president and general underwriting counsel. In the other photograph are Marvin and the panel that he assembled for



a comprehensive discussion of modern financing techniques after the 1986 Tax Reform Act, which was presented during the 1987 ALTA Mid-Year Convention; from left are ALTA Title Insurance Forms Committee Chairman Oscar Beasley, First American Title Insurance Company; Robert Mallow, Dreyer and Traub; Eugene Ranney, Northwestern Mutual Life Insurance Company; and Forms Committee Member Russell Jordan, Lawyers Title.

**GG:** Support is increasing in Congress for the Antitrust Damages Clarification Act strongly advocated by ALTA. If the bill is not enacted during the present Congress, what do you see as the appropriate next step by ALTA?

**MB:** If the bill fails to pass during this session, and if the Federal Trade Commission holds that rating bureaus may not be used to file rates with state insurance departments unless the departments can show a very intense and rigid regulation of title insurers, a blow will be dealt to state regulation. Title insurers under those circumstances obviously would not feel that they have a safe harbor in complying with state regulation as a shield against governmental and private litigation. Strategy must be developed to help title companies walk this narrow line.

**GG:** At this point in time, how do you view the outlook for a favorable resolution of ALTA's objections to the Office of Comptroller of the Currency opinions that point toward entry of national banks into business as title underwriters and title agents?

**MB:** I believe that ultimately there will be a resolution of this matter in favor of the title

industry. There are many good policy, business and legal reasons that indicate the OCC opinions are incorrect and should be withdrawn.

**GG:** Now that real estate reporting requirements for settlement agents have been published by the Internal Revenue Service under the Tax Reform Act of 1986, and the so-called technical corrections bill for the act has appeared, what future involvement in this matter do you feel may be on the horizon for ALTA?

**MB:** The ALTA general counsel was very helpful in assisting IRS in promulgation of its reporting requirements. He has made and will continue to make suggestions to IRS for amending these requirements to more nearly conform to the way title closings are handled. ALTA members will be able to advise him of problems they encounter as they comply with the requirements, so that he can provide IRS with additional suggestions for amendments.

**GG:** What other major concerns of the title industry do you see as priority items as your ALTA presidency begins?

**MB:** There is the continued increase in the number and size of title insurance claims,

which reflects a broadening interpretation among the courts where title coverage is concerned. If this trend continues, it will mean more restrictive closings—strict identification of all parties, verification of all documents that are presented, clearance into cash of all evidences of payment that are presented. That will cause the entire process of transferring land titles to become very burdensome as it is made more secure.

**GG:** Are countermeasures within the title industry proving effective?

**MB:** All of the title underwriters have implemented claims prevention programs, which usually consist of improving the closing process to make it more secure, improving title examination procedures to bring greater care to the process, and introducing safeguards to better detect forgeries. They are making all their employees more aware of the claims problem, and have introduced improvements to keep preventable claims from occurring. It will take some time for the results of this to become known because claims from title insurance policies have a three-to-six-year "tail."

*continued on page 29*

# Best Wishes For The Holiday Season— The ALTA Staff



*Maria Orini*  
*Robin E. Keeney*  
*John R. Miller*  
*Sherril Lynn Minor*  
*Kelly Markstrom*  
*Jane Cal*  
*Doris R. McLoughlin*  
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*Syn Antilety*  
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*Annalynn*  
*Pat Berman*  
*Beth Carpenter*  
*Bill W. Quiff*

# Victor Kiam

---

## *The Entrepreneurial Edge*

**I** probably wouldn't be here if it weren't for the power of the media. You do a little television and all of a sudden you receive recognition throughout the world. I've been laboring for some 36 years now and, for 29 of them, nobody had ever heard of me. I didn't do anything differently in the first 29 years, and it's only been in the last seven, since the television commercials started, that people became aware of Victor Kiam. As a matter of fact, most of you probably don't know this, I did a commercial before Remington.

That commercial first appeared in 1961. At that time, I was working for a company that was near and dear to the ladies' hearts. It was Playtex, and we made brassieres. We were shooting a brassiere commercial for a revolutionary new product I had found up in Canada. We changed the design, which still is used today, the Cross Your Heart Bra.

I was the marketing director of girdles and brassieres for that outstanding company. Now, the president of the company and the executive vice president were coming, and we were going to shoot the commercial.

In those days, we were not as liberal as we are today. We were not allowed by television code to show a live, breathing human being in a brassiere on television. The only way we could shoot was to put the bra on a static bust form, or to use something called ectoplasm. Ectoplasm is a method for shooting film which was used in the Invisible Man series, where you saw things floating in space. It is accomplished by shooting twice. You shoot a scene, then you shoot a second scene in which you only highlight a particular item, and then you transpose one film over the other so that it looks like that item is floating in space.

What happens is a model puts on a black leotard; and an iridescent bra, and is shot, and the setting is shot, and the brassiere is transported to the scene that had been shot in the first place.

Well, at the shoot, unfortunately, everybody was there except rather important person—the model. We called the agency but they couldn't locate her. We asked if they had another model. They were all busy. In the meantime, time is ticking because we were paying for the studio, the director—everything.

I didn't know what to do. All of a sudden I saw the director and the producer looking at me. I knew what they were thinking but I didn't believe it. The next thing I knew I was bundled up in this black leotard (I was a lot thinner in those days). I was a perfect 34-B thanks to a lot of toilet paper, and we shot the commercial.

To this day, I don't think that anybody ever knew it was a man wearing that bra, even though when I turned around they showed my back strap and how it prevented bra bind. I admired that and, when I watched the commercial, I figured I had a great future.

As a matter of fact, that was an entrepreneurial adventure because it

was one I didn't hesitate to do. The same thing occurred with the Remington commercial.

Many people might think that someone in an ivory tower on Madison Avenue sat there with a group of people and said, what are we going to do to try to change Remington advertising, to make it different, to make it more appealing? Out of this big brain trust came the idea.

That's not how it happened. I have found that, in my life, things that happen trigger ideas that are the most meaningful. That's what happened with this commercial. I've been asked by almost everyone I've spoken with how the commercial came about. Here's the story:

When I became associated with Remington, they had a commercial with a helicopter carrying a giant shaver, dropping it on a peak in Death Valley. I looked at that commercial and said, "you're selling helicopters." So we changed the commercial.

It turned out to be a strict product-sell, showing the shaver. I took it to England. There, the agents had won an award for their version of the commercial. What showed was a fellow going into a bathroom and shaving, which wasn't unusual. But in the bathroom with him was a 100-piece symphony orchestra playing Mozart!

I said, "That isn't realistic." There was a heated discussion, with a break for tea, when somebody asked me, "How does a bloke like you walk in off the street and buy a company like Remington?"

Now this was back in 1979. At that time, leveraged buyouts were not common knowledge. In fact, they had been unheard of in the UK. At the time it was a creative means of financing an acquisition and, as Mr. Balzac so aptly said, "All fashion ends in excess."

Today you see a plethora of financing on a similar basis, sometimes with and sometimes without the utilization of junk bonds. What is happening today, instead of re-creating an entity that can be strong, leveraged buyouts are weakening companies and making them less competitive in the global environment.

Finally I asked, "Hey, if you're interested, would the average person in Britain be interested? If so, why don't we do that in a commercial?" "Yes," came the response.

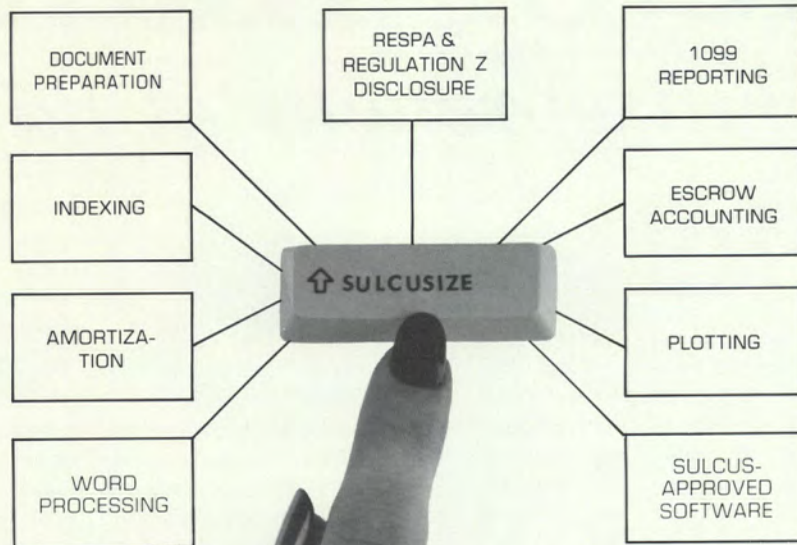
Their idea was to get a football player to do the commercial.

Now you sit there and think, well, football in England is soccer. Is he going to be believable after all? Are the people going to think that Kevin Keegan, the middle forward on the all-English team, walked in off the street and bought this company? The answer of course is, "No."

So I told them (and I had no idea before that meeting I'd end up in a commercial), "If we do that, there's only one person who can do it—me."

They looked at me, then went on to enumerate with a litany of "why" I couldn't do it: I was too old, grey-haired, wasn't muscular or

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**Chairman Victor Kiam, Remington Products, Inc., addresses the 1987 ALTA Mid-Year Convention.**

macho enough, I was an American in Britain. And, had I ever acted? Of course I had my "brassiere experience."

#### **Entrepreneur Defined**

Now we've got the commercial, we've got the company and the entrepreneur. What do you put together? Let me first tell you my definition of an entrepreneur—it is what most of you in the title business are.

Mr. Webster's definition of an entrepreneur comes from the French word, *entreprendre*—to undertake, it is someone who assumes the risk and responsibility of an entity or organization.

Now, Mr. Webster was a learned man. But I believe he was only half right; because entrepreneurs not only undertake, and assume responsibility and risk, but entrepreneurs are dedicated to the success of whatever they undertake and are willing to make sacrifices to achieve that success.

Entrepreneurs "prioritize." They approach life and business with a rifle, not with a shotgun—they don't scatter all over the place because they are interested in the success of whatever they undertake, so they have to limit what they do. You can't be successful if you scatter. So, entrepreneurs take a few things and try to do them as well as they can, and are willing to make sacrifices and give up other things in order to achieve their goal.

In my case, I have very simplistic priorities—really only four. One is my family (they come before anything else). Second is business, because I was trying to achieve a success in that area. Third, I happen to like a sport (tennis), and still play it, trying to win Wimbledon. That's the one thing that I think before I pass from this earth that I would like to achieve. Fourth is education, because I think if we are going to survive in this world as a nation we have to have an educated population. Those are the four things in which I really strive to be successful in, to assist in any way I can.

When I started out, I didn't know I was an entrepreneur, and thus started out very simplistically. I wanted to go into foreign trade, so I went to a company called Lever Brothers where they told me of a wonderful position in foreign trade. "What's that?" I asked. The man said "Go to Cleveland and sell cosmetics—that's foreign trade!"

So, Cleveland became my first territory. Upon arrival, I said to myself, "What's my goal?" My goal was not to be my boss, the next step up, my goal was to be president of Lever Brothers. Now, how was I going to get there? Looking at my opportunities and what I could do at that time, there was only one way I felt I could get there—to work

hard. I had to produce more orders—to show more interest than anyone else in the organization.

I used to get up for work at 8 o'clock, and leave for home at 8 o'clock. For lunch, I would grab a milkshake on the run and would stop when the last store closed (9 o'clock at night). Then I would have a huge dinner and fall asleep immediately.

Now, we had a structured company, who said, every night you fill out your orders, put them in the envelope, drop them in a mailbox and send them in.

If I did that I couldn't work that extra hour. I would have to stop at 8 o'clock, so I broke the system. I didn't send in an order until Sunday. I worked six days, including Saturday (when no other salesmen were on the road), and was putting in, on average, 12 to 13 hours a day. That's 78 hours a week. The normal salesman was working 9 to 5 with an hour for lunch, 35 hours a week.

My first management position was critical. How could I motivate eight other people? How could I put into their minds that it was important they be successful? Not only for the money, which was foremost in most of their minds, but also for the feeling within themselves they had done a good job. I tried to get them to do the 8 to 9 bit, but obviously that was difficult.

But I learned a very simplistic philosophy: "Do as I do, not as I say."

And with those eight men, continued that work ethic.

#### **Standard of Living Critical**

I don't need to tell you what happened. There were eight tigers out there. They were men with the company only six months when I started that supervisory job, and those who had been there over 25 years. They all reacted the same way—we became a team.

Now, when I started with Remington, I needed a real team effort. I think it's crucial to the future of our country, to the maintenance and increase of our standard of living.

Every nation's government is elected for one reason only: to raise the standard of living of their population, to make life better for all the citizens of that country. That's really why we elect a President. We think he is going to do the best job for all of us.

#### **The Remington Challenge**

Well, I started with Remington. We not only had to tighten our belts, we had to survive. The company lost \$30 million the previous four years—its market share had gone down. It had abandoned markets in some countries. Sperry sold the company to an individual on a leveraged buyout, taking back some \$11 million in paper, in notes. They couldn't get anybody to buy it. I did a leveraged buyout, where the total purchase price was \$25 million, and put up 2 percent of the money (of which half was borrowed).

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***"The entrepreneur doesn't scatter all over the place . . . because you can't be successful if you scatter."***

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It was \$250,000 solid cold cash, but I believed in the product. Yes, it was true, I flipped over that shaver!

After 30 years, I was advised not to do this. But even then, I was willing to take the risk. But the problem started when I began with Remington. It was then that people started to leave. They said, "How can this guy make this successful? How is he going to turn this company

*continued on page 38*



# The Saga of A Modern-Day Noah

Adina Conn

**T**housands of years ago, Noah received a message from Above to build a 450-foot Ark, taking with him on his 40-day voyage his family and enough animals to populate the earth.

Although Fred Hofmann insists he received no calling from a Divine Being, the senior vice president of American Title Insurance Company, Miami, Florida, has become a modern-day Noah.

The story began in 1969, when Hofmann conceived the idea of building a trimaran, on which he and his wife, Joanne, would eventually retire. Never having undertaken such a "weighty" project, in 1972 he boldly began to breathe life into his seafaring dream.

With the help of blueprints, numerous volumes of "how-to" books, second-hand Black and Decker and Japanese equipment donated by "concerned" friends, and virtually everything gracing Sears' hardware department, Hofmann began the biggest project of his life—one that would last from 1972 to Memorial Day weekend 1984. Working in his backyard, on one acre of land, Hofmann hammered, sawed, drilled, sanded, planed, and ground away for 12 long years until his trimaran, "Fat Duck," was completed.

Plans for the boat were purchased

*"I considered the name 'Fat Duck' sufficiently irreverent. You know, everybody gives their boats such esoteric names. But it looks like a fat duck just sitting on the water."*  
F. Hofmann

from a California designer specializing in trimarans. "Trimarans were very popular in the '60s and '70s. A lot of 'hippies' who wanted to escape from the world—the 'Haight Ashbury people,' were taking off in them," says Hofmann.

Claiming he was one of those in spirit, if not in character, Hofmann found a vehicle for freedom in construction of his trimaran, building and installing everything from the boat's frame to its sails, electrical and plumbing systems.

The first major investment in his "maritime mission" was the purchase of fir and plywood required for the vessel's frame. After the frame was complete, it was coated with polyure-

thane and fiberglass, and then sanded. If this sounds simple, envision sanding an entire 53-foot structure with a 35-pound electric sander. "It's enough to make your arms, hips and back break," declares Hofmann.

Research, of course, was a must. Hofmann bought somewhere in the neighborhood of 50 books to aid him. "Each book helped a little, but some also served to confuse," he says. "I'd buy five, and one would help. The table of contents sounded great, but I'd read the chapter and it would tell me nothing."

Knowledge of the many elements comprising the complex device we call a "sailboat" was acquired from books. Although he learned as much



Joanne taking the wheel with Fred at her side.

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as he could from other builders, Hofmann found that books were more precise and, in general, infinitely more reliable.

Nonetheless, the worst aspect of the project recalled by Hofmann was entering into a situation totally at risk until the very end—one filled with innumerable uncontrollable factors. "For example, you can lose your job, you may fall ill, or your wife may get mad and leave you—and then you'd have to choose between her and the boat. Some I've known have chosen the boat," confesses Hofmann. "My wife and I have talked with others in similar situations, and we know very few couples who remained together before, during, and/or after completion of the boat."

The secret to Hofmann's maritime/marital success is fundamental: Joanne never worked with him! She liked the idea of the boat, but was smart enough to say, "Call me when it's finished." Hofmann would echo Joanne's sentiments with his own reply, "Better for only one of us to walk in 'dead and dirty' at the end of the day than both of us."

"Fat Duck" would have been completed years earlier, had it not been for Hofmann's demanding work schedule. Vacations and holidays afforded him the only time for work on his project. "That's why it took so long," Hofmann explains. "I traveled a lot, mainly for litigation purposes. I was all over the country. Sometimes I'd be away for months before ever setting foot in my backyard."

Was his project considered a bit eccentric by his associates? "They told me I was crazy," he says, "which I was. I told them people lived and died in my boat before it got launched!"

Perhaps the most "notorious" of Hofmann's seafaring sagas is that of the shapely young woman who painted Hofmann's logo, "Fat Duck," on the trimaran.

Billing herself as "The Bikini Sign Painter," this particular individual had a proclivity for painting in the



*The Hofmanns aboard Fat Duck.*

buff. One Sunday afternoon, she came to Hofmann's backyard to paint the boat's logo. On the other side of the wall lived a woman with strong religious convictions. The artist stood on the boat's transom, palette in hand and bikini on land.

Fearing the neighbor would telephone the Miami police after viewing his backyard artist, Hofmann sug-

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***"Trimarans were very popular in the '60s and '70s. A lot of 'hippies' who wanted to escape from the world—the 'Haight Ashbury people,' were taking off in them."***

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gested that she don a more "modest" pose. The next moment, 40 men Hofmann hadn't seen for quite some time congregated on the opposite side of his wall, admiring the "masterpiece."

The logo was indeed completed—without the involvement of the police. It is said that the young woman's art needs no advertising, as her work continues to thrive in the Dade County marina circles!

Hofmann's 27 × 53 foot trimaran,

sails billowing, sitting smack in the middle of backyard suburbia, brought more than its share of raised eyebrows to the Miami-Dade community.

For years, passing drivers saw the massive vessel arising from behind Hofmann's five-foot stone wall. Cars would stop, and eventually someone would stroll over and inquire, "Can I ask you something? How are you going to get that out of there?" Rendering his standard replies, Hofmann remarked, "Well . . . There's a rain coming you don't know about," or, "I'm going to turn on the garden hose and float it out."

Finally, the day came when Hofmann would tear down the huge ficus tree and stone wall, ready to launch his boat. Just as he was prepared to actually show onlookers how the boat would come out of its nesting place, a motorist zoomed by, stopped, turned around and casually walked over to Hofmann with, "Can I ask you something? How'd you get that in there?"

"Fat Duck" was now ready for its maiden voyage—via land. After a permit was obtained from Tallahassee at the last minute, a crane lifted the boat onto a trailer and carried "Fat Duck" to its new home. At this time, Miami experienced climatic conditions akin to Noah's, with rains and thunderstorms lasting five days.

Escorted by a caravan of cars, "Fat Duck's" "feathers" became a bit ruffled as it was dropped by the crane, leaving a slight hole in its underwing. Finally, despite the pouring rain and wrong size shackles (used by the crane), "Fat Duck's" migration was completed.

On Memorial Day weekend of 1984, after five days of little-to-no sleep, tearing down the stone wall and ficus tree, and shelling out \$4,000 to move the boat, Hofmann spent his first night in his new seafaring home.

"You don't realize how things will change your life," he says. "Who would have ever dreamed that, once I

got in the car and headed for the marina, I'd never sleep in my old bed again? The thought never entered my mind."

Is living on a boat as glamorous or romantic as it seems? Probably not—especially if one is prone to seasickness as Hofmann is! "I always liked

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***"Each book helped a little, and some served to confuse.***

***The table of contents sounded great, but I'd read the chapter and it would tell me nothing."***

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boats, but I always got seasick," he admits. "Until they invented Dramamine, I neither flew nor sailed." Now, he no longer takes the medication when he flies, but he does confess to taking it at sea, or on nights when the wind whips across the water in the marina.

Sailing into the Florida sunset isn't without its share of problems. "There are things people take for granted. Facilities on boats are not like facilities in home. You don't always turn the switch on and get action. You have to live with 12-volt power rather than 110 volts."

Hofmann claims that one can't go sailing and return without work to be done. "You go out for four days—I guarantee you, I don't care if it's the Queen Mary, when you come back, something has snapped, or parted, or frayed, etc. It's the way of nature."

There are the common malfunctions. "The toilet breaks down. As soon as that's fixed, the air conditioning fails, or the special lights burn out—not to mention leaks."

Life aboard "Fat Duck" wouldn't be complete without middle-of-the-night "wake-up" calls by the Coast Guard, as they patrol the "neighborhood" for drug traffic. Maintains Hofmann, "Every day is Fourth of July around here!"

Ironically, the biggest problem with Hofmann's nautical residence is parking. From the parking lot, it's a long haul to the end of the pier where "Fat Duck" is docked—the length of four

football fields. Hofmann knows because he installed the telephone system himself—running 1,200 feet of wire under the dock.

Slip space for the boat is a "weighty" matter. "Fat Duck" is too wide for regular slip space, so she is situated at the end of the dock; entry accessible only by gangplank. Rent for the slip is extremely costly. "It's a lot for a little piece of dirty water—especially when you consider you can rent a nice condo on the beach for the same price!" Hofmann exclaims.

Is life on a boat cost-effective? "NO!" Hofmann declares adamantly, "not if you want to live with the same gentility as you do on land. You can live in a boat and save money if you're



*It's a long haul from the parking lot to the end of the pier where "Fat Duck" is docked—the length of four football fields.*

a 'wharf rat' and don't care about the usual conveniences."

Despite the negatives, Hofmann readily admits he enjoys the project and the life of a seafaring captain immensely. He insists he'd never move back to land voluntarily. If he had it to do over again, he'd do so without hesitation, only this time, he admits, with an assured source of help, so the

project could be completed in fewer years.

Fifteen years ago, if someone peered into a crystal ball, telling Hofmann what the future held for him, he claims he would have found his present life-style hard to believe. "Much as I love this boat, if I had

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***"They told me I was crazy, which I was. I told them people lived and died in my boat before it got launched!"***

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known it would take me this long to build, I never would have done it by myself. Only a madman would devote that much time to anything."

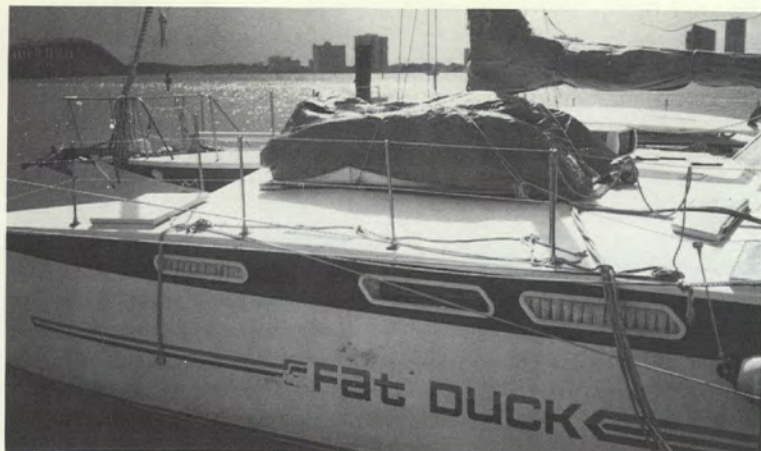
What's next for the modern-day Noah? After retiring in December, Hofmann and his wife look forward to a future filled with clear, sunny skies perfect for sailing. The Hofmanns' immediate plans are to sail up the intercoastal, setting anchor in Rhode Island to visit their son and his family.

And, if misfortune found Hofmann shipwrecked on a desert island? That wouldn't pose too serious a threat—provided Joanne and his extensive jazz collection could accompany him. Says Hofmann, "Joanne would be the most suitable person for me to be shipwrecked with. She could easily deal with my moods," and, "as long as I have tapes of my old 78s and LPs, that would be just fine—anything before the '60s, Benny Goodman or Benny Carter—particularly Lester Young, and Basie, of course!"

Although no imminent threat of a flood looms on the horizon, Hofmann claims he is host to his own entourage of all creatures great and small—cats (Max, Spiffy and Mimi), lizards, cockroaches, and other "beasties" (the latter which have all boarded two-by-two, of course)!

Considering the years of toil, bouts of seasickness, frustration, and perseverance, all this is a pretty remarkable tale for a man who taught himself to sail by reading an 8-page booklet on "how to go against the wind," which he found tied to the neck of a bottle of Johnny Walker Scotch!

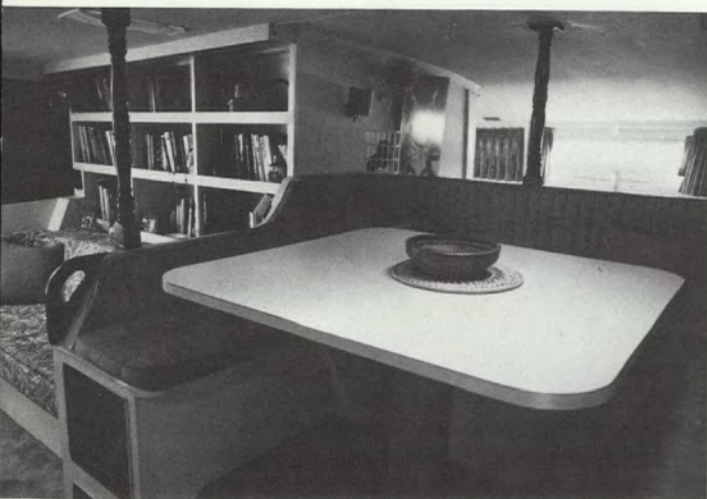
# Life Aboard . . .



**The Duck**



*The Country Kitchen.*



*The Dining Room.*



*The Master Bedroom.*



*The neighborhood.*

# Accounting for the 1986 Tax Reform Act: "Fresh Start"

Thomas R. Wawersich

In recent years, members of the title insurance industry have for federal income tax purposes utilized a variety of methods to account for title insurance policy revenues and loss claims. These methods of accounting typically involved the use of one or two or in some cases all three of the basic reserve accounts as follows:

1. An Unearned Premiums Reserve (UPR) which gives effect to the statutory premium recognition pattern of the states in which the company does business.
2. A reserve for losses that have been Incurred But Not Reported (IBNR). This reserve acknowledges that losses will be incurred on policies written and that these losses should be provided for.
3. A reserve for losses on claims which have been reported and are known to exist (case basis).

While a few title companies have utilized discounting to determine their ending reserve balances, most did not.

The use of these reserve accounts, whether discounted or otherwise, has generated a considerable amount of controversy between the industry and the Internal Revenue Service. At various times, the Service has either required or disallowed the use of these reserves by the issuance of Revenue Rulings and other technical pronouncements. This often resulted in litigation and contributed to uncertainty for title insurance companies in general.

Congress addressed these issues as a part of the Tax Reform Act of 1986. For tax years beginning after December 31, 1986, title insurers will no longer be entitled to use IBNR reserves when computing taxable income. Case basis and UPR reserves will be required and, in addition, reserve balances as of December 31, 1986, and all future reserve balances, must be computed through the use of discounting.

The act provides for a "fresh start" for the transition from undiscounted to discounted reserve balances whereby the beginning discount computed as of December 31, 1986, will effectively be forgiven. That is, the beginning discount will never enter into the calculation of taxable income resulting in a permanent tax benefit to the company.

The history of title insurance company taxation and the mechanics of discounting reserve balances were discussed by Bob Shapiro

and Jim Shanahan of the Washington office of Price Waterhouse at a Price Waterhouse/ALTA seminar held in Denver on April 6, 1987. During the seminar, a number of questions regarding proper accounting procedures for reserves and the "fresh start" adjustment under Generally Accepted Accounting Principles (GAAP) were raised in response to comments by Bob Huber, a partner in the Newport Beach, California office of Price Waterhouse.

Generally Accepted Accounting Principles and the Internal Revenue Code frequently have conflicting requirements for computing income. The use of certain reserves, while acceptable for computing taxable income, are not permitted for financial reporting purposes under GAAP. As a result, most companies will have provided deferred taxes, particularly on their UPR reserves. A portion of these deferred taxes relating to the "fresh start" adjustment can be released into income through a debit to the existing deferred tax liability and a credit to income tax expense. Depending on the method of recording the UPR reserve for GAAP purposes, the "fresh start" benefit may be required to be recognized over time or, in certain cases, all in one period.

With respect to case basis reserves, however, most companies utilized the same accounting treatment for both tax and financial reporting purposes and, accordingly, no deferred taxes were required. Since no deferred taxes exist, the question in this case relates to the proper period in which to record the "fresh start" benefit. This benefit will be recorded as a deferred debit on the company's balance sheet and, as with the UPR "fresh start," may be required to be recorded all in one period or over time.

Some guidance is available through FASB Technical Bulletin 86-1, *Accounting for Certain Effects of the Tax Reform Act of 1986*, which indicates that prospective provisions of the Act should not be recognized prior to the provision's effective date. In addition, the FASB Emerging Issues Task Force addressed this issue during its meetings on December 3 and 4, 1986 (Issue 86-37) and has reached the following consensus:

"The Task Force reached a consensus that for enterprises that do not discount their loss reserves for accounting purposes, the tax law will create a permanent difference

that should be recognized when realized, that is, as the deductions for the difference between the discounted amount and the undiscounted amount are recognized on the tax return."

"The Task Force also reached a consensus that, for enterprises that have discounted loss reserves for accounting purposes, the 'fresh start' adjustment is analogous to the effect of the change in tax law addressed by FASB Technical Bulletin No. 84-3, *Accounting for the Effects of the Tax Reform Act of 1984 on Deferred Income Taxes of Stock Life Insurance Enterprises*. Consistent with the guidance in Technical Bulletin 84-3, the enterprise should reverse the related deferred taxes, to the extent of the 'fresh start' adjustment, in the period the loss reserves are initially discounted for tax purposes (January 1, 1987)."

FASB Technical Bulletin 84-3 states, in part, that adjustments of "income tax expense for the effects of the Act (such as the 'fresh start' adjustment to UPR) should be reported as an item of income tax expense of one interim period only rather than as an adjustment of the estimated annual effective tax rate and should not be reported as extraordinary items . . ."

As a result of the above, certain companies will be allowed to record the entire "fresh start" benefit attributable to UPR reserves in the first quarter of 1987 as a debit to existing deferred tax liabilities and a credit to income tax expense. Other companies will be required to recognize the benefit over time as the amounts are recognized on the company's tax return.

The financial reporting rules for recording the tax benefit of these and other items relating to the Tax Reform Act of 1986 are subject to interpretation and are, in many cases, still being developed. As such, companies with these types of items should consult with their tax and financial accounting advisors prior to recording them on their books.

The author is a Certified Public Accountant with Price Waterhouse, Newport Beach, California.



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# Title Management Question

## What do you find is the most productive approach for managing conflict?



David W. Miller, Ed.D.,  
President, PHOENIX Human Resource Development, Potomac, Maryland

—Conflict is natural and inevitable. In the land title business, one finds it with subordinates, between peers, departments, with

clients, bankers, and attorneys. People will always have different values, goals, and ways of doing things. In the best of all possible worlds, there would be no conflict. But, since there is, the issue is how to deal with it in the most productive, least destructive way.

To successfully resolve conflict we need to:

- Recognize that it is normal
- Assume that the values and motivations of everyone involved, ourselves included, are complex and need to be understood
- Be willing to understand and accept others' feelings and points of view

There are three elements key to resolving conflict:

- Basic attitudes towards conflict and the advantages and disadvantages of each of those points of view
- The interpersonal skills most needed to resolve conflict effectively
- The steps to follow to achieve "win-win" conflict resolution, the most demanding and productive approach

### What's Your Attitude?

To identify your basic attitudes toward conflict, do the following exercise for yourself. Rank in priority order the following statements, giving the attitude that most reflects your feelings about conflict a #1 ranking and the one that least reflects your feelings a #5.

- A. Differences only serve to drive people apart. Their personal implications cannot be ignored. Conflict requires self-sacrifice and placing the importance of continued good

relationships above one's own goals. Ignore differences rather than risk open conflict.

- B. Differences are to be expected among people since people are different. Some are right; some are wrong. Ultimately, right should prevail. Therefore, one has the obligation through persuasion and power to resolve conflicts.
- C. Differences should be viewed in the light of the common goal. Feelings and opinions should be aired, but should not be allowed to block progress. You cannot please everyone. Therefore, persuasive skill and compromise should be used to end conflict.
- D. Differences reflect individual past experiences, motivational needs, personal aspirations. As such, they cannot be changed by others. Therefore, when differences arise, one either becomes involved in them or avoids them.
- E. Differences are a natural part of being human. They are of themselves neither good nor bad. Conflict indicates tension in a relationship, but when brought out, analyzed, and resolved, the relationship is strengthened rather than weakened. Open discussion of differences leads to richer ideas and greater creativity. Therefore, differences should be confronted openly.

To find out what your choices may mean and what the advantages and disadvantages of each approach are, read the following explanation:

A. If "A" was your top-ranked choice, you probably prefer to **ACCOMMODATE**. People who accommodate prefer maintaining relationships, good will, and harmony over anything else. The advantage of this approach is that it does make for harmony, but you may lose sight of important principles. People who consistently try to harmonize may be seen as weak, as people whose basic position is "I lose; you win."

B. If you gave this position the highest rank, you may favor **COMPETITION** as the way to deal with conflict. Competing is appropriate when there is an emergency, when immediate action is the answer. It is also appropriate when you need to do something unpopular, e.g., cut costs or enforce a rule. Competitors tend to see the world as "I win; you lose." The disadvantage of this

point of view is that it ignores the value of the views and feelings of others, and may be perceived in the long run as aggressive and dictatorial.

C. If you put "C" first, then **COMPROMISE** is probably what you most often work for when there is conflict. Compromise avoids blowups by giving everyone something of what they want. Everyone "wins a little, loses a little." The disadvantage of compromise is that you may miss finding a highly productive, creative solution. You may also lose sight of important larger issues and principles. People can get very cynical about the "compromise game."

D. If you chose "D," you may be into **AVOIDING** conflict. This style is useful when an issue is unimportant or there is little chance of satisfying your needs, of being successful. It is also useful as a way of helping people cool down, or of delaying a decision until more data can be collected. When used persistently, it may mean that your basic position is "lose-lose." You lose what you want, and the others lose because your withdrawal from the situation deprives them of the benefit of your values and experience.

E. If you put "B" first, then **COLLABORATION** is probably your preferred mode of dealing with conflict. Collaborators believe that it is important to find a way to meet everyone's legitimate needs without compromise, that working through tough issues helps both solve the problem and build stronger relationships. Collaborators tend to see the world as "win-win." The collaborative approach is the most time consuming. It will be dealt with in greater detail later in following paragraphs.

As you can see, each position is valid, depending on the circumstances. Each position has its strengths and weaknesses. Clearly, there are times when it is appropriate to use all your power to get something done when there is an emergency. There are also times when it is important to collaborate, to put out the effort needed both to solve the problem and improve relationships. Still, at other times, it is essential to avoid conflict and preserve your strength for other times and issues. The question is whether you:

- know what your predominant style is
- have alternative styles available to you to use when circumstances call for them

Whatever your attitude, without well-developed communication skills you may have trouble resolving conflict effectively. Now, let's

describe the skills you most need or most need to improve.

### Essential Interpersonal Skills

Behaviors are the alphabet of communication. We need to be able to recognize them, and to separate them out so that we can make choices among them, use them deliberately, and become more effective with people. Let's examine the specific verbal and non-verbal communication skills which are part of active listening, one of the most powerful communication behaviors there is and a skill essential to resolving conflict.

We do not usually think of listening as communicating, yet it is. We have all had the experience of not being listened to, and can recall the conclusions we came to about the messages that the non-listener was sending to us by his/her non-listening behavior.

Active listening consists of the following:

**1. QUESTIONING:** Questions are an essential verbal communications tool. When questions are well-asked, they get answers, i.e., provide data which you can use. The key is whether you use the data you get for or against the person you are talking with. If you ask "trap" questions, for instance, you probably will arouse hostility. So it's important to ask questions and ask them in a way which generates the kind of information that helps resolve the conflict or problem.

It is useful to think of two kinds of questions, open-ended and closed-ended:

Type	Objective	Examples
Open-ended	To get the person to open up, to talk; to overcome apprehension; to provide the greatest freedom to answer	"How is it going?" "What happened?" "What can you tell about it?" "What solutions do you see?"
Closed-ended	To elicit specific information	"How long did it take?" "What happened next?" "Who . . .," "Which . . .," "Where . . .," etc.

**2. SILENCE:** The skill of keeping silent is essential in dealing with people, but it is hard for most of us to exercise it, especially in our culture where we often think of silence as "awkward," where one is expected to fill it with words, especially when we feel that we are being verbally attacked.

Being silent goes hand in hand with asking questions. If you follow a question with silence (however awkward it may feel), you are signalling the person being questioned that the question is a serious one, that you really want to hear from him/her, and that you respect his/her need to reflect silently before speaking. Given our cultural norm that silence should be filled, the person you are questioning will probably feel compelled to talk more. So ask your questions and wait. Be wary of the impulse to speak out, perhaps to defend yourself, a colleague, or your organization.

**3. GATHERING FACTS:** It is important when actively listening to listen for and solicit the facts. Often in conflict situations, people are so aroused that they mix facts with feelings with opinions.

Facts are verifiable. That a report, a product, or a service wasn't delivered on time is a fact, because you can usually verify it. Feelings are facts, because people experience them. But, because feelings are internal, they are harder to verify and need to be dealt with differently. Sometimes we can see how a person feels by looking at his or her face and posture; we may see anger or sadness or enthusiasm. But, because people are trained to mask feelings and because facial expressions and posture can mean a number of things, we often have to verify another person's feelings by recalling similar experiences of our own or by imagining ourselves in that other person's place. Opinions aren't facts, but they may be based on facts. Opinions are generalizations, conclusions based on a series of impressions or events. Some examples follow:

**OPINIONS:** "You guys did a lousy job."  
"The service here is very unsatisfactory!"  
"You have a problem."  
"You should/ought to . . ."  
"It's a turf issue."

**FEELINGS:** "I am very angry!"  
"I'm really frustrated . . ."  
"I would be satisfied if . . ."  
"I feel left out . . ."

("I feel that you . . ." is not a feeling; it's an opinion.)

**FACTS:** "Yesterday, three customers complained that you didn't deliver on your commitments on time and on one occasion was rude to them."

"I asked to have this problem corrected last Tuesday, again on Thursday, then again today. At each point,

Mr. Arnold told me that someone else was at fault and that the problem would be taken care of right away."

People tend to get defensive when others utter opinions about them as if those opinions were facts. Opinions are like labels; they have a finality which can be threatening. No one, for instance, likes to be told their work is "lousy"; it sounds so permanent. So, watch out for defensive feelings arising when someone you are in conflict with utters opinions.

Success in resolving conflicts often depends on the extent to which you can sort out facts, feelings-as-facts, and opinions. It is important to focus on the facts and not get caught up in the opinions. If you find someone uttering mostly opinions, ask them for specifics to help you see, understand, and feel the situation more clearly. If you find someone expressing or implying strong feelings, acknowledge those feelings ("You seem to be feeling very frustrated; is that correct?"). When you find someone stating the facts, feed those facts back by paraphrasing.

**4. PARAPHRASING:** Paraphrasing, or restating in a summary fashion what someone has just said, is perhaps the most powerful active listening behavior. First, when you paraphrase someone, it tells the person that s/he has been heard and exactly how clearly. If your paraphrasing isn't accurate, the other person usually will clarify or restate what s/he said. When people know that they have been heard, tension often diminishes. Second, even if your paraphrasing is accurate, it tends to encourage the other person to keep talking, to add useful details. Third, when the person you are talking with acts defensive or hostile, deliberate paraphrasing helps you respond to whatever he says without escalating the conflict (except in highly explosive situations). As you read the example of paraphrasing below, try to discern the differences in tone between the speaker and listener:

**Speaker:** Well, what kind of production do you expect out of me when what I get from them is usually incomplete and late? It's their fault.

**Listener:** You're saying that what you get from them is often unfinished and late.

A **SUMMARY** is an extended paraphrase, done when someone finishes saying what they have to say. When you summarize, you signal

*continued on page 31*

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# Somebody's Gotta Cook The Chicken



P. C. Templeton

Most of us can recall failures of restaurants started by master chefs—famous gourmet cooks. Typical of these entrepreneurs was my old friend Gus P., a renowned chef who had offers from many world famous restaurants. Any properly managed restaurant that hired him was assured of success, as restaurateurs gathered at his door, pleading for his services.

Gus was a technical and artistic perfectionist, constantly annoyed and frustrated by management insistence upon intruding into the affairs of the kitchen.

In a moment of extreme frustration, Gus thought to open his own restaurant, ensuring that preparation of food would be his number one priority. Like many pure technicians, Gus viewed non-productive personnel as parasitical and cumbersome in ventures dealing with technical services. His belief was not to have his organization cluttered by a bunch of administrative “bean-counters.”

Of course you know the ending of this tale. Gus eventually learns that business administration requires as much expertise and skill as does cooking. He acquired this gem of knowledge as a result of going bankrupt.

Those of us who have been around a few years will recall some 20 years ago, a fast food chain was set up under the name of a popular woman, a country-western entertainment personality. Her name was used in the obvious presumption that the name on the outside of the box was more important than the fried chicken inside.

Whoever put this enterprise together knew exactly how to structure a national corporation. All the securities registrations and prospectuses were handled in expert fashion. The stock hit the big board and sold well. Good sites were acquired at fair prices throughout the country. Buildings were designed to be functionally good and buildable at reasonable cost. The advertising budget was in proper proportion to the size of the enterprise and an advertising campaign was skillfully conceived and effectively executed.

Everything looked great. Attractive yellow buildings were erected, signs were posted, parking lots were paved, ads were placed in the yellow pages—all projected schedules

were met, and the stock rose in price with active trading.

It appears that whomever was guiding the destiny of this enterprise forgot one little thing—**somebody's gotta cook the chicken.**

Remember Gus who assumed that anyone should be able to take care of the administrative functions of a business? The administrative genius running this organization conversely presumed that any idiot can fry chicken. Everything was perfect until the grand opening, at which time someone tried to eat the lousy chicken.

The signs came down, and the yellow buildings (painted a different color), were eventually occupied by other fast food operators, poodle plucking parlors, and karate studios.

In these two examples, a fatal imbalance of technicians and administrators caused failure of enterprises that could otherwise have been successful.

In its genesis, the title industry was much like Gus' restaurant. Most abstract and title offices were started by the technicians who searched the records and assembled the title evidence. Administrative considerations were inconveniences the old-time abstractor put up with in order to own and operate a title office. Among professionals, there still remain vestiges of this inclination to put technical considerations in the position of absolute top priority.

Then competition comes along and shatters the serenity.

As the pace of real estate commerce accelerated, some smart M.B.A. (probably the abstractor's son) realized service could be a strong competitive factor. He was absolutely right. The hard-headed old abstractor with the green-eye-shade and black garters on his shirt sleeves found his market share dwindling, and either went out of business or brought in a sharp administrator.

The pendulum of progress then reversed direction and started to swing toward administrative dominance. In a specific trade area where all title operations were efficiently managed and service was uniformly good, the administrative types were forced to seek other areas of competition. They hired ag-

gressive salesmen and called a staff meeting. In attendance were the administrators and salesmen, but not the old codger with the black garters who remained in the plant, affixed to his wobbly stool.

The salesmen knew nothing about abstracts or title policies, but they knew how to sell. They hit the streets and found as a result of their research that market share could be increased by innovation in two broad categories: price and give-away coverages at no additional cost.

With respect to pricing, the good administrator was eminently qualified to maneuver the course of an enterprise. History has shown, however, that when the same administrator started dabbling in coverages—sans input from his technicians—he jeopardized his company. These adventures into areas unknown gave rise to a number of traumatic results; the competitive advantage was short-lived, and affirmative coverage resulted in substantial loss.

For example, shortly after World War I, a war hero had the bright idea to increase his market share dramatically by providing coverage that insured payment of all construction costs in a building project. He was absolutely correct assuming his market share would increase. In self-defense, his competitors immediately offered the same coverage. The title insurance industry was devastated and very nearly died.

Shortly after World War II, title underwriters sought another practice unrelated to underwriting; loans to developers for land acquisition and infrastructure costs to lock in the title business. In order to obtain title premiums (a miniscule portion of the overall cash generated by a project), underwriters took a security position behind everyone else, assuming a greater risk than any other project participant. As a result of this stroke of genius, today there remains a number of “white elephants” scattered around the country, vested in title companies. It would be a safe bet to say this innovative sales tool was not launched by a title officer.

We would be extremely naive to think we can achieve a perfect balance between technical, administrative and sales personnel. We

should, however, be able to deal with a near-adversarial attitude that sometimes exists among title technicians, administrators and business development personnel.

In some organizations, there is a tendency to put each of these departments in its own corporate leper colony. This barrier can effectively be broken down by a mutual understanding of the problems and functions among the respective departments.

A title company is indeed fortunate if its CEO is a title officer who, before embarking on his career in the industry, obtained a degree in business administration.

Degrees in business administration and development are readily available in colleges and universities throughout the country. There is, however, no formal course of study offered which prepares one to be a fully qualified title officer. A law degree provides an excellent foundation upon which to build, but the only way for an individual to earn his spurs as a fully qualified title expert is by contributing years of experience to the foundation.

Obviously, we cannot expect all administrators and business development people to serve years in this capacity. How then, so they learn enough of the technician's problems and practices to achieve the desired interdepartmental understanding?

The answer of course, is **education**.

Education is available from a variety of sources such as company sponsored seminars and state title association educational programs. In many areas, these are excellent sources. In a few parts of the country, however, they remain spotty and irregular.

The American Land Title Association has an educational program available to members, on a regular regional basis.

The educational arm of the Association is becoming more active, continuing to expand. For administrators and business development personnel unable to attend ALTA seminars, another source is available, one not requiring travel and accessible after business hours: a correspondence course from the Land Title Institute.

The Land Title Institute, founded in 1970 as a private enterprise, was donated to the ALTA in 1980. Currently, it operates as a non-profit corporation subsidized and owned by ALTA. LTI offers basic and advanced correspondence courses. Many new employees find these courses extremely useful. These courses, however, are also valuable to upper and middle management—experts in administration or business development who do not have a background or the experience in the technicalities of the title industry.

The courses will not make one a title aficionado. They will, however, provide a basic knowledge and understanding of underwriting considerations that should motivate those in upper and middle management to ask for, and give serious consideration to, input from the

technicians when formulating policy—or, when creating innovative ways to gain a competitive edge by giving away additional coverages. Separate departments are then less apt to act autonomously, instead becoming part of a team that guides the destiny of the company in a competitively strong, and economically sound manner.

It seems inconceivable that any administrator or business development person in middle or upper management would not be anxious to learn a bit about how to "cook the chicken" in order to link arms with the technicians, thus keeping the pendulum of departmental balance near center.

One of the best and certainly the easiest way to do this is by enrolling in the correspondence courses offered by the Land Title Institute. There are many excuses, but no valid reason for not doing so.

For information regarding 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.

The author is president of First American Title Company of New Mexico, Albuquerque, and a member of the ALTA Education Committee and Land Title Institute Board of Directors.

## Landmark Title Opens Maine Office

Landmark Title, Inc. has opened a satellite office in Kennebunk, Maine, under the name of Benchmark Title Company. Located at 34 York Street, Benchmark represents Landmark's first facility in Maine.

According to **Joanne Stevens**, manager of the new facility, the Kennebunk office will be linked to other Landmark offices via state-of-the-art computer equipment. The company's automation capabilities enable it to speed transactions and reduce errors.

## Commonwealth Acquires Monumental Title

Commonwealth Land Title Insurance Company has acquired Monumental Title Corporation, a Maryland company with six offices in the Washington-Baltimore area.

The 35-year-old Severna Park, Md., company will operate as a division of Commonwealth. Monumental Title has been Commonwealth's exclusive agent in the Washington-Baltimore area since 1965.

"The consolidation of Monumental Title and Commonwealth will allow us to expand our direct operations in the growing Maryland real estate market," said **Joseph D. Burke**, president of Commonwealth Land Title Insurance Company.

## ALTA Staff Lineup Changes Announced

Recent ALTA staff additions and changes have been announced by Association Executive Vice President Mike Goodin.

Pat Berman has joined ALTA as director of education and membership services, a newly-created position. She has staff level responsibility for all educational activities of the Association and its subsidiaries, and for development, implementation and coordination of programs that will enhance the value of ALTA membership to existing and potential members.

Pat received her B.S. degree in business administration from Bowling Green (Ohio) State University, and previously spent more than 12 years with Mars, Incorporated, where she most recently was a project coordinator. Prior to that, she worked for three years as an ALTA staff member, serving as executive secretary to the executive vice president.



Berman



Antilety

Lynn Antilety has been promoted to director of meetings and conferences for the Association. She joined the ALTA staff in May, 1986, and previously was executive assistant.

Beth Carpenter, previously legislative assistant, replaces Lynn as executive assistant. Beth has been employed by ALTA since November, 1986.



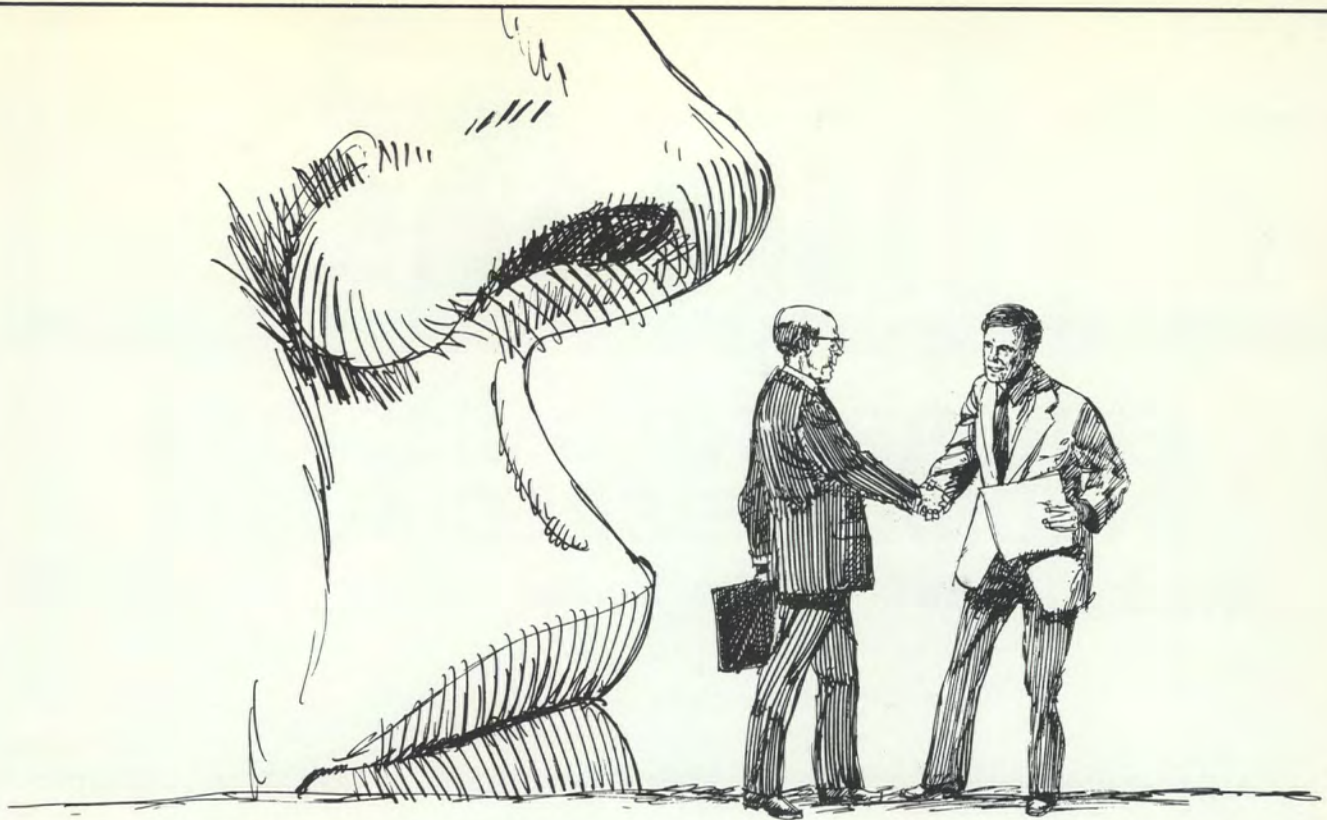
Carpenter



Kahn

Laura Kahn recently joined the staff as legal assistant and computer development specialist. She is a native of the Princeton, New Jersey, area and received her B.A. degree in international relations from the University of Pennsylvania.

While an undergraduate, Laura spent a year as a student at the University of Paris in a program sponsored by Columbia University. Laura replaces Kelly Throckmorton, who has enrolled in George Washington University Law School and who remains with ALTA as research assistant on a part-time basis.



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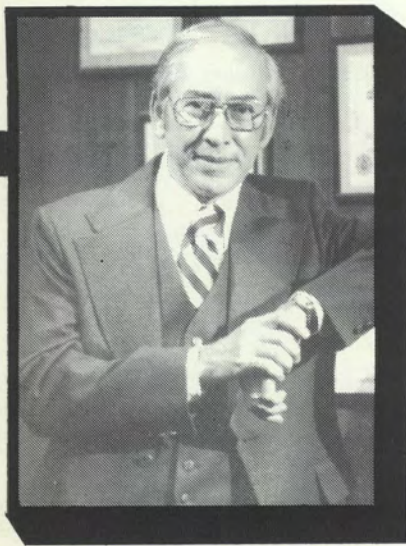
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*"There's hardly anything in the world that some men cannot make a little worse and sell a little cheaper, and the people who consider price only are this man's lawful prey."*

— John Ruskin (1819-1900)

## BOWLING INTERVIEW—

Continued from page 9

**GG:** As you know, the ALTA Title Insurance Forms Committee has completed a three-year project culminating in extensive revision and updating of the title insurance forms of the Association that are used by member underwriters on a voluntary basis. Did the work involved indicate future directions in title coverage as sought by customer groups?

**MB:** There was the traditional pull for expansion of coverage, particularly where new title problems have arisen. A good example is coverage afforded under the new form for hazardous waste liens. Current policy coverage represents a compromise between the title industry and lender counsel. As new title problems continue to emerge, corresponding requests for coverage can be expected. The troublesome area of hoped-for coverage lies in insuring against defects which may arise after the effective date of the policy, a risk not within the original purview of title insurance.

**GG:** There has been a philosophy expressed by some in the title insurance business that roughly translates as, "Give the customer what he wants and charge for it—or someone else will." Do you feel that adherence to this approach will eventually change the basic nature of title insurance?

**MB:** We have seen a fundamental change in the concept of title insurance coverage since the turn of the century, and this probably will continue. Coverage and risks have expanded. I don't think we will reach a point where we can put a stop to it, because our customers expect title coverage for new risks when they begin to appear. These new risks have to be met on an individual basis, and coverage has to be developed through experience. Underwriter companies have always provided varying coverages, and continue to do so. Coverage of new risks will be worked out individually and I don't foresee sudden, sweeping changes. It will be evolutionary rather than revolutionary.

**GG:** Your ALTA service includes 12 years as a member of the Forms Committee—10 as chairman. In view of the varying approaches to title coverage among underwriters you have just described, reaching agreement within the committee on new forms and changes in existing ones suggests an impressive ability to compromise.

**MB:** Forms developed within the committee usually result from a very studied compromise based on a knowledge of real estate law around the country, how investments are made and transactions are closed, what kinds of coverage our customers require, and the views of individual committee members on what insurance the title industry should provide. Once you throw all that together, it takes a real compromise of ideas to be successful as

a committee. Members of the committee are always aware of the fine line that must be walked between producing a saleable product and introducing new coverage that causes an unacceptably high volume of claims.

**GG:** Besides the customer input of life and lender counsel just mentioned, as well as that of other market groups, do you see a need for closer relations between them and ALTA that might extend to their respective professional and trade associations?

**MB:** ALTA Associate members who are life and lender counsel have organized into groups that meet during our conventions, and this is very helpful. It may be that other groups would find it beneficial to do likewise. Associate members could be useful in lending their individual expertise to ALTA committees when matters in their respective fields are being considered. From time to time, Associate members have made contributions through appearing in presentations during ALTA meetings. While a concerted effort was made to keep customer groups apprised during the recent ALTA forms project, some individuals felt they should have had greater input. We must be diligent in making certain that our Associate members and customers have an opportunity to provide their comments, and that they are well aware we are open about our business. And, we need to cultivate closer relationships with customer associations such as the Mortgage Bankers Association of America, National Association of Realtors, and so forth.

**GG:** From time to time over the years, ALTA has continued to file amicus curiae briefs in legal proceedings with important implications for the title industry. A recent example, of course, is the ALTA amicus brief accepted by the United States Supreme Court in *Phillips Petroleum v. State of Mississippi*, a case dealing with establishment of state sovereign title in wetlands areas. Do you envision the filing of amicus briefs to be an ongoing activity of significance in the future?

**MB:** We have been circumspect in our decisions to file amicus briefs in the past, and I believe we will continue to file them when an important real estate or insurance matter is before an appellate court. These ALTA briefs demonstrate to the courts that matters at hand are important and have widespread significance. We have often been told by counsel that our amicus briefs are especially well prepared and add much to arguments being made. This is a good example of an ALTA activity at the Association level that benefits the membership—which individual members cannot readily conduct.

**GG:** What is your view of the Indian land claims problem around the country?

**MB:** Defending their insureds against Indian land claims has been very expensive for title insurance companies. However, at the present time, Indian tribes have not been awarded

large areas of land and most of the potentially serious claims have been successfully defended. The two largest claims, the Oneida claim in New York and the Catawba claim in South Carolina, have been won in the lower courts and they should be upheld on appeal. It would appear that any valid tribal claims in the future should be settled by government response rather than by the taking of private lands by the tribes.

**GG:** This year has seen a historic effort to bring affordable and continually available errors and omissions insurance to ALTA Active and Associate members. What future impact do you see from offering E&O coverage through membership in the Association?

**MB:** The establishment through ALTA of an errors and omissions insurance program in which Association members are stockholders will provide stability in the availability of coverage that was not experienced previously. This will mean a more secure title industry and our customers will benefit from this development.

**GG:** Over the years, ALTA leaders have emphasized support from the national Association for affiliated regional and state title associations. How would you assess what ALTA currently does for its affiliates?

**MB:** ALTA has increased its support for affiliates over the past few years and I believe this will continue. The association management seminar for affiliate officers and executives at ALTA Conventions is a step in the right direction and perhaps can be expanded to other times and places. Perhaps we can assist affiliates in areas where they have priority needs. Recruiting and helping develop convention programs are but two possibilities.

**GG:** There is a widely-held view among ALTA members that the title industry and its work are inadequately understood by important professionals in the market who deal with title services regularly, and by home buyers, who have been known to register misinformed complaints with legislators, regulators and media. What is your view regarding ALTA responsibility when it comes to misunderstanding of the title business by market and home buyer publics?

**MB:** Those active in ALTA have realized for some time that the Association needs to be involved in educating the public—including real estate professionals—regarding the value of title insurance and the protection that it furnishes. The ALTA Public Relations Committee has used the media for this educational purpose, including radio spot announcements. We now are beginning a more concerted action, through joint effort by the Public Relations Committee and Education Committee, to provide educational opportunities for the public and our customers to better understand the title business. We certainly have the professional expertise to put on seminars for such customer groups as attorneys, real estate bro-

kers and mortgage lenders, in the areas of real estate law and title insurance. Any effort we can make to educate legislators and regulators certainly will be a plus.

**GG:** There has been growing concentration in recent years on ALTA education for title managers. You have been active in this effort. ALTA has embarked on a program where regional seminars for title managers are offered around the country on a continuing basis. What is your view on management education as an ongoing priority for the Association?

**MB:** In my opinion, one of the top priorities for the Association is in the educational field and I intend to make this a primary concern of my administration. I have discussed the need for education about title insurance among legislators, regulators, customers and the general public. ALTA members need to have a good understanding of new or newly amended title insurance policy forms, coverages, and real estate law. Also, we need to continue our management workshops and seminars to meet the challenges of our ever-changing business. ALTA has done a fine job in the initiation of educational activity in these areas. It remains for us to expand, refine and coordinate this ongoing work.

**GG:** Along the same lines, the correspondence courses of The Land Title Institute continue to be popular for employee education among title companies. Do you see the LTI program as an integral part of the educational priority that you mention?

**MB:** Certainly. Our overall educational effort should not only include seminars, workshops and correspondence courses—but audio visual instruction, bulletins, brochures and newsletters that keep members current on a panoply of subjects.

**GG:** I assume you feel the educational umbrella should extend to land title automation, where the ALTA Land Title Systems Committee now has a full agenda when it comes to keeping Association members informed on important developments.

**MB:** There's no question but that automation is a sine qua non for our Association because our industry is in the record gathering and information producing business, and automation certainly lends itself to that business. There's no end to the changes in automation. Those of us who think things are about as automated as they can get are wrong. New ideas are born every day in the technology. It will definitely be an ongoing service for ALTA to remain current on automation developments and what they mean to the title industry, as well as whether they are economically feasible. We will be involved in automation for a long time to come.

**GG:** Your preceding comments clearly indicate an active ALTA commitment to providing services for members. What is your view on the range of services currently offered by the Association?



Marvin Bowling, ALTA president, talks with Mike Goodin, Association executive vice president.

**MB:** ALTA exists for the purpose of furnishing services for its members, and should continue to improve those now available and expand as future needs indicate. Any proposed new service of course must be examined from the standpoint of its financial feasibility and extent of benefit. In my opinion, excellent services now are being offered by ALTA and these will improve. I hope the membership will let me know from time to time on what services we should properly provide, and let me have their critiques on existing services.

**GG:** The ALTA Research Committee is at work on a title insurance loss study, which for the first time will provide industry-level statistics on losses by policy year. This study is expected to be widely useful. Do you see other areas where ALTA research capability should be concentrated?

**MB:** The claims statistics in the loss study certainly will be helpful in showing that the protection of title insurance is very real, and that our coverage is quite meaningful to the insureds. Profitability studies have been very helpful and the Research Committee *Fact Book* should be continued. It would be interesting to collect statistics on the use of title insurance that would indicate the percentage of cases in which title insurance is ordered as protection in real estate investments. We are aware that market areas exist where the use of title insurance is near 100 percent—and that a less impressive use figure exists in other locales.

**GG:** The ALTA Liaison Committee with the Commission on Uniform Laws could be characterized as a group that works outside the limelight much of the time. Yet, the committee performs an essential function, in the view of those familiar with its operation. Similarly, the Association Committee on Improvement of Land Title Records, State Legislative and Regulatory Committee, and Judiciary Com-

mittee could be said to attract relatively little day-to-day attention—yet engage in important activity that benefits the title industry. Do you see a need for any change in the way these and comparably-structured committees operate?

**MB:** They all perform important functions, and perhaps their reports should be highlighted more. I see no need for change in the way they operate.

**GG:** From your previous remarks, it seems clear that ALTA has members throughout the country who want to be involved in the activity of their Association. Do you agree?

**MB:** Recently, I went through the committee appointment process as incoming 1987-88 president of our Association. I was very impressed with the volume and quality of response from members who volunteered for ALTA committee service in response to my written notice. My only regret is there was not enough room on the committee roster to appoint everyone who wanted to serve. We have a good group of people who are willing to work, and I feel a great need for their help.

**GG:** In recent years, more emphasis has been placed on upgrading ALTA Conventions—prominent speakers to accompany management education, an improved leisure time agenda, and a stronger spouse/guest activity schedule. Do you favor continuing this approach?

**MB:** Our Conventions have three primary functions: entertainment, education and conducting ALTA business. The goal is placing those functions in proper balance. We are doing a better job; the caliber of Convention speakers and the quality of Convention programs have improved substantially in recent years and we should continue in this direction.

**GG:** What major changes in the title industry do you see on the horizon, and how do you think these will affect ALTA?

**MB:** Title insurers will continue to merge with each other and there will be an acceleration in acquisition of agencies by insurers. The agency network will continue to proliferate but we will see an increasing tendency toward the opening of branch offices through these agency acquisitions. While we may expect more involvement in our business by state regulatory bodies in this era of growing governmental attention, we may find that the increased presence comes from the federal level instead. ALTA will continue to provide needed services to its members, with the emphasis on dealing with government and on educational resources. Through educational programs and public relations effort, the expertise and productivity of our members will increase. Recent impetus has been brought to the work by adding a director of education and membership services to the ALTA staff. The Government Affairs Committee, general counsel and director of government relations will continue to enable the Association to assist members with essential lobbying, and with regulatory liaison activity.

**MANAGEMENT**—Continued from page 23

the person who has just finished talking, that you have heard the whole message.

A simple way to get yourself into the habit of paraphrasing and summarizing is to use a standard opening like, "What I hear you saying is . . ." "You're saying that . . ." or, "To summarize what you're saying then . . ."

**5. ENCOURAGING:** People need feedback, and are often encouraged to open up and continue talking when the listener nods his/her head and makes encouraging sounds such as "Yes," "I see," "Uh-huh" (with a rising inflection), "Go on, please," and, "Tell me more."

**CONCLUSION:** These, then, are the elements that make up active listening:

- Questioning
- Using Silence
- Gathering Facts
- Paraphrasing and Summarizing
- Encouraging

It is important as you use these behaviors to do so with a calm, even tone of voice and with an open, receptive posture and gestures.

Active listening sounds relatively simple and easy. In fact, it is a hard set of behaviors for most of us to produce, because it runs counter to our culture. Most of our cultural and academic training has been in how to talk, not how to listen. It is especially hard when you are involved in conflict, under stress, and are trying to resolve it. If you don't already have the skill, it will take some concentration and effort to learn it. However, it is a learnable skill, and one of the most powerful and productive communication behaviors you can use.

**Seven Steps, 'Win-Win' Resolution**

The more you know what your predominant attitudes are and the more you know how to listen effectively, the more ready you are to use the "win-win" approach to problem solving. Each style has its value, but the style that is the toughest to do and has the longest lasting value is "win-win." It is tough because it requires careful listening in tense situations

*A Classic for the Executive*



Jimmy Dyer  
15" x 36"  
(oil on canvas)  
signed limited  
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*The Closing*



It's late. The room seems smaller than it did that morning. The exhaustive binges of research and number crunching will soon be over. Big money is about to change hands. The intensity grows as points are traded, and check-writing time drags closer.

"The Closing," the classic work in oil by Jimmy Dyer, dramatically captures the elusive moment of truth sanctified by so many in the business world. A showpiece for the boardroom, office or study, "The Closing" is the perfect gift for real estate executives, bankers, attorneys, accountants and other corporate deal-makers.

These signed, limited edition prints have an image size of 15" x 36". Priced at \$150.00 per print. Add \$6 for shipping and handling.

All inquiries and remittances should be addressed to, TreeHouse Galleries, 4242 Shorecrest, Dallas, TX, 75209, Robert Lankford, (214) 248-7724.

that invite you to use simpler modes. It is longest lasting because it strives to make relationships stronger at the same time that conflict is being resolved.

The steps in win-win conflict resolution are as follows:

- Step 1 - **LISTEN TO WHAT THE OTHER PERSON IS THINKING, FEELING, AND NEEDING** so carefully that you can accurately paraphrase what s/he has said. Doing so will help you to separate your concerns from his/hers and to deal with the situation less personally.
- Step 2 - **DEFINE THE PROBLEM IN TERMS OF THE NEEDS OF BOTH PARTIES.** You should be able to end this phase with clear statement of the problem and your needs: "In other words, you want/need \_\_\_\_\_ because \_\_\_\_\_, and I want/need \_\_\_\_\_ because \_\_\_\_\_."
- Step 3 - **GENERATE POSSIBLE SOLUTIONS** without any evaluation or discussion. If things bog down, try restating the problem and the need.
- Step 4 - **EVALUATE AND TEST THE VARIOUS SOLUTIONS.** Ask yourself what the advantages and disadvantages of each solution are for each party. Use such questions as: "Will it be too difficult to implement?"; "What obstacles are there?"; "What resources are needed, and are they available?"; "Is it fair to both?" During the evaluation phase, you may find new solutions.
- Step 5 - **DECIDE ON A MUTUALLY ACCEPTABLE SOLUTION.** Choose the one you can both support. Avoid pushing one solution which the other party may agree to but not be enthusiastic about carrying out.
- Step 6 - **PLAN HOW YOU WILL IMPLEMENT THE SOLUTION.** Carefully spell out who will do what, how, with what resources, and by when. Doing so may reveal other hidden issues and increase the chances of resolving them.
- Step 7 - **EVALUATE THE RESULTS.** Agree on when you will meet to discuss how things are going. Meet soon and frequently to forestall trouble and build trust. Review the process at the end to discuss how you could both have done it better, and to acknowledge your success.

"Win-win" takes a lot of patience but the payoff is very high.

In sum, what happens in a conflict situation depends on the basic attitudes of those involved, their skill in listening carefully to each other, and the degree to which they see conflict as an opportunity to strengthen working relationships.



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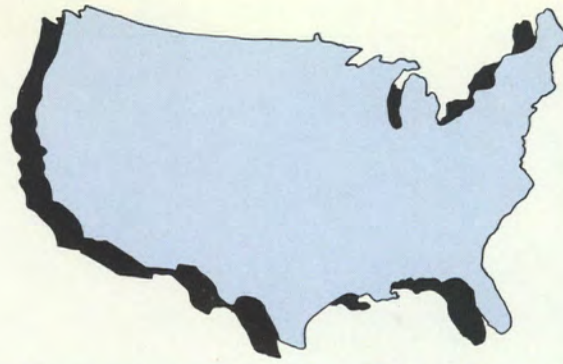
Administrator



Underwriter







## Around the Nation

### DURING CONVENTION

## Walton Elected New President of PLTA

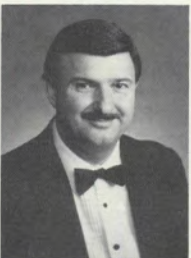
The following individuals were elected new officers for 1987-88 by the membership of the Pennsylvania Land Title Association at its 66th Annual Meeting at Seven Springs, PA: President **Herbert Walton**, Ticor Title Insurance Company; Vice President **Albert Gibboni**, Title USA Insurance Corporation of New York; Treasurer **Sam Ferguson Musser**, Conestoga Title Insurance Company; Secretary **J. William Cotter, Jr.**, T.A. Title Insurance Company; and, Executive Vice President **Albert Pentecost**.



Walton



Edward S. Schmidt (right) presented with "Distinguished Service Award, 1987" of PLTA by Selection Committee Chairman, Marvin New. It is the highest honor bestowed by the PLTA.



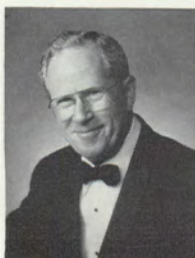
Gibboni



Musser



Cotter



Pentecost



PLTA awarded five new professional certifications; "Certified Land Title Professional," (CLTP), and "Associate Land Title Professional," (ALTP). This year's recipients are: (left to right) Sam Ferguson Musser, Conestoga Title; H. David Lasseter, Stewart Title; Michael F. Frederick, Jr., First American Title; and Richard A. Angelo, American Title (not present—ALTP Kevin Boland, Pennsylvania Abstract Company).

## Mayo Tours Rose Gardens Of Emerald Isle

Claudius Mayo, chairman of the board of Mayo Land Title Co. Inc., returned from a "pilgrimage" made to Ireland's illustrious rose gardens. While in the Emerald Isle, Mayo was escorted to the great rose gardens of Shannon, Kilarney, Blarney, and Dublin. When arriving in Dublin, Mayo assumed the role as one of the International Judges in the Final Judging of the Queen's Trial Gardens at St. Anne's Park. Fifty judges from Australia, Canada, the U.S.A., England, Northern Ireland, Germany, and Ireland spent hours grading the seventy varieties on trial.

Mayo also visited the gardens of the host for the tour, Sean McCann, the "Mr. Rose Man of Ireland," author of 20 books, editor of the Irish Press, Dublin.



McCann (left) presents Mayo with a special hybridized variety of rose, grown by McCann himself.

## MLTA Honors Sorg As 'Employee of Year'



Joyce Sorg has been named as Employee of the Year for the land title industry in Montana. Sorg was honored during the annual convention of the Montana Land Title Association recently held in Kalispell. She is employed as the Escrow Manager at First Montana Title Company of Billings and has served the land title industry for over 15 years.

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# Names in the News



Ross

Industrial Valley Title Insurance Company has announced the Appointment of **Donald A. Ross** to senior vice president, Claymont, Delaware. **Kevin B. Toland** has been named branch manager of the newly opened Doylestown Branch, Philadelphia Five County area.



Taggart

Industrial has promoted **Marcia R. Taggart** to the position of human resources administrator, Philadelphia.

Walsh Title Corporation has named **Ronald G. Gandrud** as vice president and general counsel.

Continental Title Insurance Company announces the appointment of marketing representatives, **Linda L. Interlante**, Burlington County Area, NJ, and **Thomas Christopher**, Middlesex County Area, NJ.



Dickson

First American also announces the promotion of **Richard A. Dickson** to vice president and state manager for its New Hampshire operations.

**John A. Buehler** has been appointed to serve as assistant vice president-employee benefits for the First American Title Insurance Company, Anaheim.

**Parker S. Kennedy** was elected to the board of First American Financial Corporation, and declared a regular quarterly dividend.



Kennedy



Wanich

Ticor Title Insurance Company has named **Mark C. Wanich, III**, vice president, National Title Service Southeast regional manager, headquartered in Washington, D.C.



Nielson

**J. Bushnell Nielson**, vice president of Ticor Title Insurance, has been promoted to state manager, Birmingham, MI.

**Margo Rosenthal Hannum** joins Ticor Title as associate title counsel, Birmingham, MI.



Rosenthal

The board of directors of Title USA announced **William E. King**, chairman, as president of Title USA Corporation.



Legator

Chicago Title Insurance Company has elected **Sheldon Legator** as vice president, Chicago.



Schall

**Betty Schall** has been elected vice president of CTIC and has been named regional counsel for the Pacific Northwest Region, Seattle.



Cox

The following people have received promotions at Chicago Title: **Patrice Beyer**, assistant escrow officer, Chicago; **Kathleen Bise**, communications officer, Panorama City, CA; **Nancy Newman Brown**, associate regional counsel, Cherry Hill, NJ; **William Burstein**, office counsel, Albany, NY; **Norma L. Clucus**, title operations officer, Sycamore, IL; **Margie Cox**, residential manager, Dallas; **Anna J.**

**Kotvis**, manager, Agency Accounting, Chicago; **Lester Morris**, construction escrow officer, Chicago; **H. Kelley Ouzts**, manager, Atlanta office, Atlanta.



**Recklett**

**Peter E. Recklett** has been appointed regional agency coordinator and remains assistant vice president in CTIC's New Haven office. **R. Bradley Runyan** has been appointed assistant regional counsel, Fairfax, VA.



**Zimmerman**

CTIC has appointed **Ann Zimmermann** as assistant vice president, Chicago.

**Cindy Henretta** has been promoted to assistant vice president, North Division Manager of American Realty Title Assurance Company's (ARTA) northern Franklin County area. ARTA also announces the appointment of **Scott S. Shaeffer**, director of ARTA's commercial department, and **Mike Harlor**, manager of ARTA's West Office.



**Hauser**

Commonwealth Land Title Insurance Company announces the appointment of: **Robert J. Hauser, Jr.**, to Connecticut state manager, Hartford. **John J. Piccirillo** has been promoted to assistant vice president, New York City; and **Camille Sementrianni** was promoted to assistant vice president, New Haven.

**Lana Miller** joins American Title Insurance Company as vice president, human resources.



**Yeager**

Minnesota Title has named **Rande K. Yeager** as vice president-operations. The appointment was announced by R. S. Cecchettini, executive vice president.



**Naylor**

**Mark Naylor** has been promoted to vice president and controller of Landmark Title Inc. Naylor will be responsible for all accounting and financial functions for Landmark's corporate headquarters in Manchester and satellite offices in Dover, Portsmouth, Concord, and Londonderry, NH; and Kennebunk, ME.



**Stoeser**

**John S. Stoeser** has been named county manager for Transamerica Title Insurance Company for their new Pierce County operation, Tacoma, WA.

## Lawyers Title Relocates Raleigh Branch Office

The North Raleigh branch of Lawyers Title has moved to a permanent location at 4800 Six Forks Road, Suite 101, phone number (919) 783-5567.

The office is managed by **Alice Murdock**. **Peter E. Powell** is counsel for the North Raleigh office.

## Commonwealth Relocates Southwest Regional Office

Commonwealth Land Title Insurance Company has relocated its Southwest Regional office to Suite 330/B 133, 12225 Greenville Av-

enue, Dallas, Texas, 75423. The phone number remains (214) 783-9300.

"The move to new quarters was necessitated by the increased size of our operations," said Senior Vice President and Regional Manager, **Win Myers**. "We also have installed a fax number—(214) 437-1736—to provide even better service to our customers."

## American Title Opens "Office of the Future"

MIAMI, FL—Nearly 1,000 real estate representatives from the Tampa Bay area joined American Title Insurance Company for the grand opening of its "Office of the Future," a 15,000-square-foot facility in Tampa.

The office is a prototype for title insurance offices throughout the country. "It incorporates the latest in sophisticated technology and a strategically designed work flow process," according to Frank B. Glover, president of American Title.

The prototype grew out of a year-long study of all internal operations at American Title. The office is designed to emphasize prompt and personal service, simplified title processing, and a better response to changing market demands.

American Title Insurance Company, one of the Meridian Bancorp's family of financial service companies, serves the real estate industry in 45 states, the District of Columbia and the Caribbean. American Title maintains a network of 106 branch offices, some 3,500 policy writing agents and more than 10,000 approved attorneys.

The firm is the only nationwide title insurance company based in Florida.



**Frank B. Glover** (left), president of American Title Insurance Company, prepares to officially open the company's new "model office" in Tampa. Joining him (left to right) are State Senator **John Grant** and **Bo Cooksey**, president of the Tampa Homebuilder's Association.

# NEW ALTA MEMBERS

(Recruiters names in parentheses)

## ACTIVE

### Alabama

Birmingham Title Company, Inc., Birmingham (Robert M. Reeder, First American Title Ins. Co., Selma, AL)

Cambridge Title Agency, Inc., Birmingham (Eugene R. McCullough, Southern Title Insurance Co., Knoxville, TN)

First Mobile Title, Inc., Saraland (Robert M. Reeder, First American Title Ins. Co., Selma, AL)  
Marion Abstract & Title Company, Inc., Hamilton (Bruce S. Bobo, Colbert Title Company, Tusculumbia, AL)

Southern Land Title, Inc., Fairhope (Robert Reeder, First American Title Ins. Co., Selma, AL)

### Arizona

Executive Title Company, Tucson

### California

Stewart Title of Modesto, Modesto (Malcolm S. Morris, Stewart Title Ins. Co., Houston, TX)  
Transcounty Title Company, Merced

### Colorado

Abstract & Title Co. of Mesa, Inc., Grand Junction  
Pagosa Springs Title Company, Pagosa Springs  
Valley Title Co. of Pueblo, Inc., Pueblo

### Florida

Alpha Title Company, Pompano Beach (J. H. "Skip" Boos, First American Title Ins. Co., Plantation, FL)  
Brewer Title & Abstract, Inc., Destin (J. H. "Skip" Boos, First American Title Ins. Co., Plantation, FL)  
Commerce Title Insurance Agency of Florida, Inc., Apollo Beach

Fidelity Title & Guaranty Company, Orlando (David R. Porter, Transamerica Title Ins. Co., Los Angeles, CA)

Five Points Title Services Company, Miami  
Guaranty Title Company of Palatka, Palatka  
Record Research, Inc., Bradenton (John O. Radcliff, Attorney's Title Ins. Fund, Sarasota, FL)  
Touchstone Title Services, Inc., Boca Raton

### Idaho

Adams County Abstract, Council  
Sandpoint Title Insurance, Inc., Sandpoint (Terry Gonzales, First American Title Insurance Company, Sandpoint, ID)  
Westin Title, Inc., Soda Springs

### Illinois

Burtschi Brothers & Company, Vandalia  
City-Suburban Title Company, Wilmette (John Culley, Chicago Title Insurance Company, Chicago, IL)  
Fort Dearborn Land Title Company, Glenview

### Indiana

Abstract & Title Services of Boone County, Inc., Lebanon  
Benton County Title Company, Inc., Fowler  
Massey Abstract Inc., Covington (Dean I. Williams, Lawyers Title Ins. Corp., Indianapolis, IN)  
Sharp-Mitchell Abstract Company, Inc., Lafayette (J. David Clossin, Chicago Title Ins. Co., Indianapolis, IN)

### Iowa

Mineral Point Abstract & Title Company, Mineral Point

### Kansas

Greenwood Abstract Company, Emporia (John Felder, Insured Titles, Inc., Overland Park, KS)  
O'Rourke Title Company, Wichita  
The Centennial Abstract Company, Pittsburgh

### Maryland

Free State Title & Escrow, Inc., Crofton (James H. McKillop, Tigor Title Ins. Co., Los Angeles, CA)  
Monumental Title Corp., Severna Park

### Massachusetts

Title Co., Inc., Natick (Malcolm S. Morris, Stewart Title Ins. Co., Houston, TX)

### Michigan

Marquette Abstract & Title Company, Marquette

### Minnesota

Independent Abstracting Services, Inc., Minneapolis  
LeCenter Independent Abstract Company, Inc., Le Center (A. L. Winczewski, Jr., Chicago Title Ins. Co., Bloomington, MN)  
Mahnom County Abstract Company, Mahnom (A. L. Winczewski, Jr., Chicago Title Ins. Co., Bloomington, MN)  
Northwest Title & Escrow Corp., White Bear Lake  
Rochester Title & Escrow Company, Inc., Rochester

### Mississippi

Assured Title Services, Inc., Jackson (James L. Boren, Jr., Mid-South Title Ins. Corp., Memphis, TN)

### Missouri

Cameron Title Company, Cameron (Borden Stoll, Clinton County Abstract Co., Plattsburg, MO)  
Franklin County Title Company, Union (Cara Detring, St. Francois County Abstract Co., Farmington, MO)

### Montana

Guardian Title, Bozeman (Robert J. Field, First Montana Title Co. of Billings, Billings, MT)

### Nebraska

Cornhusker Land Title Company, Omaha

### Nevada

Frontier Title Company, Elko (Gerald L. Lawhun, Western Title Company, Inc., Reno, NV)

### New Hampshire

Central & Northern Title Company, Inc., Laconia  
Intercountry Abstract Company, Manchester (Michael K. Massey, Landmark Title, Inc., Manchester, NH)

### New Jersey

First Jersey Title Services, Inc., Paramus  
Park Avenue Title Agency, South Plainfield  
Regency Title and Abstract Agency, Inc., Hackensack  
The Guardian Title Agency, Inc., Cherry Hill (David Lasseter, Stewart Title Guaranty Company, Belle Mead, NJ)

### New Mexico

Grant County Title Company, Silver City (Joe Bob Cave, Tigor Title Ins. Co., Albuquerque, NM)

Land Title Company, Santa Fe

Plains Title & Abstract, Inc., Clovis (David K. Lanier, Lawyers Title Ins. Corp., Albuquerque, NM)

### New York

Blackstone Abstract Corp., Mineola (Harold S. Schwartz, First American Title Ins. Corp., Garden City, NY)

Canal Country Abstract Corp., Albion  
Commonwealth Abstract Company, Inc., Bronx (Harold S. Schwartz, First American Title Ins. Corp., Garden City, NY)

Custom Title Services, Inc., Staten Island  
Esquire Abstract Corp., Staten Island  
General Abstracting Co. of Staten Island, Inc., Staten Island (Brian Reardon, General Abstract Corp., Staten Island, NY)

Metro Land Services, Inc., New York  
Provost & Redgrave Title Services, Inc., Ballston Spa (Helen Powell, Commonwealth Land Title Ins. Co., New York, NY)

Shaker Abstract Corp., Albany  
Ultimate Land Title Services, New York (Richard Marcus, Commonwealth Land Title Ins. Co., New York, NY)

### Ohio

Berks Title Agency, Inc., Akron (Orville Jones, Commerce Title Agency, Akron, OH)

Cardinal Title Insurance Agency, Inc., Columbus (Hylas Hilliard, Columbus, OH)

Continental Title Agency Corp., Cleveland  
Mahoning County Title Company, Youngstown (James W. Mumaw, Ohio Bar Title Ins. Co., Youngstown, OH)

MK Land Title Agency, Inc., Ravenna (Douglas Taylor, SAFECO Title Ins. Co., Columbus, OH)

The Guarantee Title & Trust Company, Cincinnati

### Oregon

Eastern Oregon Title, Inc., LaGrande (Larry Feagans, First American Title Ins. Co., Portland, OR)

### Pennsylvania

Abstracting Company of Northampton County, Easton

Abstracting Company of York County, York (Ken Kraemer, Conestoga Title Ins. Co., Lancaster, PA)  
American Land Abstract Company, Pittsburgh (Paul F. Dickard, Jr., Transamerica Title Ins. Co., Houston, TX)

Dallys Associates, Ltd., Blue Bell (Malcolm S. Morris, Stewart Title Ins. Co., Houston, TX)  
Spectrum Abstract Corp., East Stroudsburg  
Town & Country Abstract, Ltd., Limerick (Joseph T. Mulqueeny, American Title Ins. Co., Bryn Mawr, PA)

### Tennessee

Brokers Title, Inc., Sevierville (Randy W. Hardison, Title & Escrow of Middle TN, Columbia, TN)

Mid America Title Agency, Memphis (Thomas Pelham, Stewart Title Guaranty Co., Nashville, TN)  
National Title Insurance Agency, Inc., Chattanooga (J.L. Boren, Jr., Mid-South Title Ins. Corp., Memphis, TN)

Stewart Title of Memphis, Memphis (Malcolm S. Morris, Stewart Title Ins. Co., Houston, TX)

Title Escrow of Chattanooga, Inc., Chattanooga

(Malcolm S. Morris, Stewart Title Ins. Co., Houston, TX)  
Volunteer Title Company, Inc., Waverly

### Texas

Dallas Title Company, Dallas (John R. Cathey, The Bryan County Abstract Co., Durant, OK)  
Elliott & Waldron Abstract Company of Palo Pinto, Mineral Wells  
Jackson Title Company, Inc., Kaufman  
Scurry County Abstract Company, Snyder

### Virginia

Associated Abstract, Inc., Fairfax (Dave Lasseter, Stewart Title Guaranty Co., Belle Mead, NJ)  
Professional Title Services, Inc., Leesburg (John Waters, Commonwealth Land Title Ins. Co., Fairfax, VA)  
Stewart Title of Greater Washington, Inc., Vienna (Malcolm S. Morris, Stewart Title Ins. Co., Houston, TX)  
Tysons Title Insurance Agency, Vienna (Susie Miller, Columbia Real Estate, Vienna, VA)

### Washington

Columbia County Title Company, Dayton  
Home Title Company of Mason County, Shelton

### Wisconsin

Abstracts, Inc., River Falls (Carrie Hoyer, Wisconsin Title Service Co., Waukesha, WI)  
Guaranty Title Services, Inc., Fond du Lac (James Vance, Jefferson County Abstract Co., Inc., Jefferson, WI)  
J & D Abstract Service, Inc., Arcadia  
Lafayette County Abstract & Title, Inc., Darlington

Title Consultants, Inc., Portage (John Bethel, First American Title Ins. Co. of Mid-America, Madison, WI)

## ASSOCIATE

### Arizona

Data Services, Inc., Tucson (Robert J. Beck, Title Guaranty Agency of Arizona, Tucson, AZ)

### California

American Savings & Loan Association, Stockton  
Eugene J. Chiarelli, San Francisco (John L. Hosack, Esq., Tobin & Tobin, San Francisco, CA)  
Sean E. McCarthy, Esq., Sacramento

### Florida

Richard M. Brenner, Miami (Thomas Reeder, Commonwealth Land Title Ins. Co., Miami, FL)

### Kentucky

John E. Deans, Louisville

### Louisiana

Regel L. Bisso, New Orleans (Kevin Toups, Stewart Title Guaranty Co., Kenner, LA)  
Floyd A. Roddy, Lake Charles (Lloyd Draper, Commonwealth Land Title Ins. Co., Dallas, TX)

### Michigan

Russell W. Hamill, Esq., Meridian (J.L. Boren, Jr., Mid-South Title Ins. Corp., Memphis, TN)

### New York

James H. Fisher, Kingston

### North Carolina

Charles E. Melvin, Jr., Greensboro (Jack L. Donnell, Greensboro, NC)

### Ohio

Michael F. Lorber, Cleveland

### Pennsylvania

David C. Auten, Esq., Philadelphia (Ruth S. Perfido, Esq., Pittsburgh, PA)  
M. Elvin Byler, Esq., Lancaster (Ken Kramer, Conestoga Title Ins. Co., Lancaster, PA)

### Tennessee

Walter Lee Davis, Jr., Johnson City (Pamela L. Zimmerman, Commonwealth Land Title Ins. Co., Nashville, TN)  
William Jerry Flippin, Milan (James L. Boren, Jr., Mid-South Title Ins. Corp., Memphis, TN)

### Texas

American Surplus Underwriters Corp., Barker  
Ken Bernard, Dallas  
Daniel L. Lowry, Fort Worth (Billie J. Ellis, Jr., Kelly, Appleman, Hart & Hallman, Fort Worth, TX)

### Washington

Dennis E. McLean, Seattle (David W. Thorne, Seattle, WA)  
Douglas J. Smart, Seattle (J. Dimmitt Smith, Smith, Smart, Hancock & Tabler, Seattle, WA)  
Softech, Inc., Tacoma  
Erwin Wood, Bellevue (Thomas J. Brusca, First American Title Ins. Co., Seattle, WA)

### Wisconsin

Dennis P. Dolan, Madison

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Aaron Burr Survey, A-2223

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Harris County, Texas



around? We'd better leave. We've children to feed, a mother-in-law to support."

I sat down to do something drastic. Create a new type of company that would be so enticing that people would be fighting to join it rather than leaving it.

Several things were put in perspective, but the overriding thing accomplished was producing a company which, in the workplace—factory, accounting, marketing—had on-the-job equality.

***"We leveraged our assets and tried to overcome our weaknesses."***

Even today, there is no visible difference among any of the Remington employees—**everybody** flies tourist. There is **no** executive wash-room, **no** executive cafeteria. In fact, there is **no** cafeteria. Where do people eat? At their workbenches.

Where do I eat?—at my desk. In the seven years I've been in Bridgeport, I've gone out to lunch three times.

And what about participatory programs, which make people feel like the company is theirs—that there is no difference between the factory and office? Profit sharing was implemented.

We had a six-year vesting. Most companies require more time on the job for vesting. I don't care how small your organizations are, give the other workers a piece of the action, even if it's tiny. Let them feel they're part of you and your company.

We have no pension plan. I tell people, "If you have to wait until 65 to retire and if you haven't saved enough with us, then you shouldn't be here."

We give individual incentives. That is meaningful to everybody in the company.

Unheard of, yes, but we have no unions. How is a union going to come into our company that pays a base salary of \$7.00 an hour, when competing base salaries are \$8.00 an hour? Very easily, right?

The base salary in our company is only two-thirds of the earnings of the people in the factory area. Because we have incentives so that the other third puts them at close to ten bucks. They make more money for the company, and the profit sharing goes up.

The other thing we do is to treat our employees as though they are shareholders. Nationally, we no longer have investors. In the old days, back when our country was founded, when a family lived on a little stream up in New Hampshire or Massachusetts, they had the idea of building a gristmill on their property so they could grind corn for the community. Where did they go when they didn't have enough finances? They went to their neighbors, where all put money in working cooperatively to make it a success. When the neighbor died, he left the property to his children.

They became investors in the business and the future of their community.

What do we have today? We have a pension fund manager who, at the end of 90 days, is going to be measured as to whether his is a successful pension fund. So, what does he do? If he has an inkling that maybe a business wasn't what he thought it was, he dumps it. The stock goes down.

What does that do to the managers of these businesses? They are 90-day wonders. Public companies today plan their earnings on a 90-day basis because they have to meet the projections of a financial community. They know, if they don't, their stock is going to be dumped—they will be vulnerable to takeover. So we don't have, in the public sector today, the luxury of investors, or long-range corporate planning.

And, we are dealing with nations. The communist system is all

planning from the top. The Japanese have MITI. It's the same sort of thing. It happens to be an economic arm of the political government, but it's long-range planning. And we in this nation have gone to short-term fingers in the dike. How many times have you ever witnessed with these takeovers or mergers any statement by an individual or company, that the employees will be better off because of what is going to happen? You don't see it, because nobody thinks of them any more.

But we do at Remington. They are our "shareholders!" So, when I arrived there, every month I met on the factory floor with everybody within the company. We brought the chief financial officer, the manufacturing vice president . . . we all went to the factory floor and I told them how were doing. I still do it, but on a quarterly basis.

**Employee Recognition**

There are other things. We give recognition. We give recognition at the lowest possible level. If you have a large organization, with a chief financial officer who did something great, you congratulate him when you don't really have to. He knows it. And, he knows he did a good job.

But, you seek out old Charlie, who has been cleaning the parking lot at Remington for 16 years, keeping it spotless of paper and cigarette butts. You go into the maintenance department, find Charlie and say, "I don't know how you did it. But I just drove in the parking lot and there isn't a piece of paper. It's spotless. Thank you, Charlie. Everyone in this company appreciates what you do for us. How long have you been with us, Charlie? Sixteen years. Don't ever leave us."

Is that meaningful to this man? Of course. So reward at the lowest. Keep everybody equal.

As a result, our company (the smallest in the global business of electric shaving), is the fastest growing company in our field.

Who do we compete with in this global economy?

You in the title industry are lucky because you are insulated. The Japanese are not going to come in and open up offices to do what you do. The Japanese certainly have come into the shaver business.

And, if our nation is going to succeed, we have to compete on a global basis. We are going to have to generate enough wealth so that people can buy real estate so you can stay in business. Because, if we stagnate as a nation, you are going to stagnate, and so will the rest of us.

Our largest competitor, Matsushita, is at \$42 billion. They don't just make shavers. Next competitor—they make Panasonic and Technics. Next competitor, Phillips, very small company out of Holland, \$27 billion annual sales, net worth: \$8 billion. Remington net worth, when we started, \$500,000.

Next competitor, Gillette. They own Braun. Annual sales: \$3½ billion. My first year, our sales volume was \$43 million.

***"You show me an entrepreneur . . . who has never failed and I will show you somebody who has never tried anything."***

We had a quality product. Test after test—number one, *Consumers Report*, etc. We had a company that had a dream and a vision with people who thought they owned the company. We are in the book, *One Hundred Best Companies to Work for in America* and are the smallest company featured. We are the only leveraged buyout. Who are the others—3M, IBM, Hewlett Packard, Dayton Hudson. How did we do it? Quality product and people. That's really it. And ideas. **Ideas.**

**A Philosophical Approach**

We did something that all of you can do. We leveraged our assets and tried to overcome our weaknesses. When I started out, I wanted to get ahead. I had a monkey on my back, no question about it.

I looked at life and realized I am going to work more in my life than any other activity except sleeping. What other single thing do you do more than work, except sleep? Nothing!

Now, if I was going to spend the majority of my life working, why not treat it as a game? A game you win. Winning means being proud of what you have done, having a sense of accomplishment, so that at the end of the day, you can look back and say, "Yeah, I did a quality job today." That has been my direction.

With that in mind, I used to sit and look at my personal balance sheet, listing my strengths and my weaknesses. There were no dollar signs. Nothing. What assets and liabilities did I have? I tried to be as honest as I could in my assessment.

On the left hand side were the assets. On the right hand side were the liabilities. I can tell you one liability. I hate paperwork. I hate administration. I would work to overcome that. I would do it first before I got to the more pleasurable things that I liked.

What were some of my strengths? For one, I was willing to work—that was a great strength. Second, I felt an innate sense of creativity. So, I would try to keep thought processes going.

You could do the same thing in a business. You all have intangible assets within your own businesses. You have a location. Maybe that is an asset. You have access to records and files which are unique to you.

In the Remington situation, what were our strengths? We had an international name. We had a quality product. We ended up with a personality which we didn't have when we started. And we advertised very heavily. The other strength was we were entrepreneurial.

What were our weaknesses? We were a peanut against giants. We were undercapitalized. We didn't have money to invest or explore new territory. We had one plant at Bridgeport. You might say that was an asset. But as the dollar grew in value against the world, we had one heck of a time. You realize this balance of trade business.

Our company is unique. Most companies in the export business have opened up factories overseas, so if the currency swings one way or another, they can produce in Singapore, or in France and balance the currency.

We cannot. We ship from Bridgeport—one hundred percent made in the USA. Therefore, that becomes a tremendous liability or a tremendous asset. Over the past four years, it has been an enormous liability.

Taking those major points, we tried to build businesses without investment. How do you build businesses without putting money into them? Through ideas. Through leveraging off our strengths.

Now, all of you can put a balance sheet down and list your assets and your liabilities. What do you have? Have you a guy who is only working 50 percent of the time? If so, what can you do with him for the other 50 percent of the time? He is an asset sitting there. Utilize him. If you have computers in your organization, why not use your computers, and rent out your services? Every single thing you have can be maximized.

Here are some examples of what we have done with no money. First, we had service centers—19 of them around the United States. Our shavers were so good, we weren't repairing any and we were losing our shirt. And we had long-term leases, largely in downtown cities. We were losing perhaps \$400,000 a year on these service centers.

Well, I looked at it and said, "We have real estate. We have people. We have some traffic. Why don't we take those and put them together?" So, we started to look at what kind of traffic we had.

We had mostly male traffic in downtown sections. Men shave every day. Therefore, men wear out shavers quicker than women. That's why you have more traffic.

### Employees Generate Ideas

The other thing, very simple, was to make our people think the same way. Once a week, we took 12 people—a person from the factory floor, a person from accounting. (it didn't make any difference), and put them in a room and gave them a subject. We gave them a week ahead of time to think about the subject. One day the subject was: How could we leverage our shaving technology into other areas? In that meeting,

there was somebody from the assembly line, a vice president of marketing, etc., and a lot of ideas. I wasn't there, but heard about it afterwards.

In this meeting, a little girl from the factory raised her hand. She said, three weeks ago she had an operation and needed to be shaved. As it turned out, they nicked her and the area became infected. She couldn't have the operation.

Could we make a shaver that could prevent that? We developed a product and put it in the St. Vincent's Hospital, in Bridgeport, and a few surrounding hospitals.

There was a salesman for 3-M (the largest seller of surgical tapes) who happened to see the product when he was visiting Bridgeport. He

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## *"You have to carry the flag of innovation, and ideas, and creativity."*

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called his office, and the next thing we knew, a group from 3-M came down.

In 1986, at the National Operating Room Nurses convention, the 3-M surgical clipper by Remington was introduced. It has a disposable head, which can be sterilized, so that each patient gets his own blade. The patient is protected against nicking. We are currently manufacturing 200,000 blades a month. It is going global and, in another two or three years, will be much more profitable than our shaver business.

An idea. Now, what product was utilized? The base was the ladies' shaver, all we did was change the head. Total investment was tooling costs of \$50,000, plus the time. We had to go through clinicals but 3-M paid for that.

I wrote a book. Why did I write a book? Well, I wanted to help other people—young folks particularly, but I knew it would give exposure to Remington. How much money does it cost to write a book? Zip. Just time and energy. The book was written for that reason and I could go on to other products.

Now, we are just a microcosm in this country. But we have within our company, people who feel they want to succeed. Everyone has people within your respective companies you want to stay with you. You want them to feel that they are part of an organization. Make them. Give them a piece of the action. Let them feel their efforts will be rewarded.

In the years ahead, we are going to have a heck of a time. The reason for this being is we have forgotten in many areas, what it took to build this society. It took a lot of hard work and entrepreneurs crossing the country in wagon trains, opening up new areas, willing to take chances.

We have to build a society of people who are willing to commit themselves to the success of whatever they do. We have to develop people who are looking for new ideas.

There are a few other things. You know I have experienced many failures. You show me an entrepreneur, or anybody who has never failed, and I'll show you somebody who's never tried anything. My most notable failure was when I had the opportunity to seize Velcro and didn't. I was younger then and wasn't as risk-oriented.

I also brought out a product, which probably was the worst product I ever tested—a male girdle. It was my idea. And, ladies, I sympathize with you. When you take those girdles off and you have to scratch, holy mackerel! We had a great name. I thought the name was going to carry the product, because we called it the "pot holder."

I am proud of what Remington has done. And many people would say, well, that's a fluke. We took over a padlocked necktie company in Wilmington, North Carolina, called Fran's Neckware. The sheriff had padlocked it. Today, it's the second largest necktie company in the United States. I've taken over seven companies. Today, we do \$300 million, of which the product you know—Remington—counts for about \$170 million. The others are products you would not be aware of, like

the Arnie necktie at Sears.

It can be done. But it's important to know that you can do it too. You can do it in your business but, more importantly, you are people who stand for something in your communities. Aside from making the effort within your own company, your own organization, you have to carry the flag of entrepreneurship, of innovation, ideas, and creativity. You have to spread the word that quality work is not something to be shunned,

and work itself is not something to be gotten through as quickly as possible. But that it is important for the survival of our society.

In the novel, *Cyrano de Bergerac*, Cyrano is reminded of Don Quixote who says that windmills, if you fight with them, will swing around their long arms and cast you down into the mire.

Cyrano, the eternal entrepreneur, responds, "Or up among the stars."

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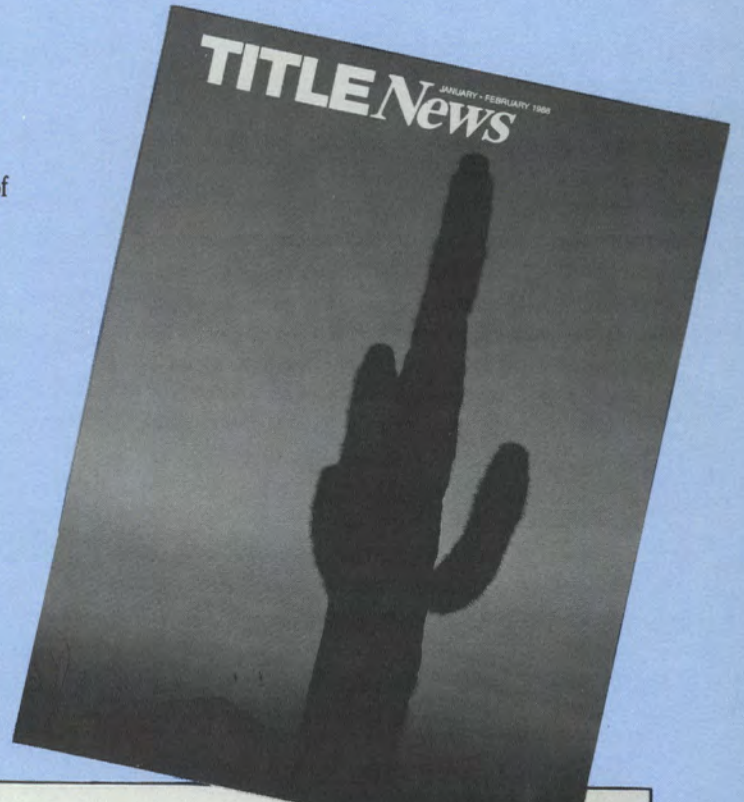
# TITLE News

JANUARY • FEBRUARY 1988

**B**eginning with our January-February, 1988, issue, **Title News** will offer an entirely new look—designed in keeping with the objective of ALTA leaders to enhance the magazine as a publication that every member of the Association will want to pick up and read. Besides a new brightness in appearance brought by a complete physical redesign, the magazine will emphasize better readability and more features while continuing its informative content.

These improvements are made with you—the ALTA membership—in mind. After reading the inaugural issue, please feel free to write the editors with your reaction to the new editorial profile. Your views are important. We want to hear from you. Just address your comments to **Title News** Editors, American Land Title Association, Suite 705, 1828 L Street, N.W., Washington, D.C. 20036.

See you next issue—with the all-new **Title News**.



## Foreman Heard: ALTA's Urban Cowboy

Adina Conn



**B**y day, he's a title officer at Lawyers Title Group Inc., of Semosole, Sanford, Florida. But by night, Tom Heard flies away his ornaments and dons his jazz shoes to assume the role of championship clogger.

Clogging, deemed mountain tap dancing by some, gained "respectability" with the motion picture *Urban Cowboy*. That movie spurred Heard's desire to learn the fine art of clogging. Says Heard, "I went to a fancy western nightclub, saw people clogging and said 'Hey, that's what I want to learn: the back with the other stuff!'"

Thanks to Martha McDonald, daughter of Tom McDonald, former ALTA president and current president of Lawyers Title of Semosole, Heard found his clogging class. One fall evening in 1981, the McDonalds (Martha, Tom, wife Mary Lou) invited over with Foreman to the clogging class offered at the local community college. All successfully completed the eight-week course—except for Tom, who joined the ranks of the "clogging dropout" after just two weeks. Heard was the only one who opted for "graduate courses," signing up for additional lessons—sometimes attending class 2-3 times a week.

Since his beginner days six years ago, Heard has attended weekly classes and competitions. He and the group he manages, "Buckin' Mules," have danced all over the Southeast including Disney World, Sea World, Six Flags Over Georgia, Opryland, and the Knoxville and New Orleans World's Fairs. They have also been featured on *Disco 101* on the Nashville Network.

Today, "Buckin' Mules" boasts the coveted clogging club and title of 1985, 1986, and 1987 National Clogging and Heel-down Council Championships. In competition with teams from Kentucky, North Carolina, Mississippi, Tennessee, Virginia, Georgia, West Virginia, and Utah, "Buckin' Mules" has earned first place trophies in all the major clogging categories and, in competition with 92 other teams, they were named the Universal Grand Champion Team for 1985.

In January of each year, the Southern States Clogging and Heel-down Championship is held in Central Florida. The "Buckin' Mules" is the organizing and host team for this annual event.

beyond. The result of my beginning to dance when I was seven years old, and six, and nine. You see the way every-

from the waist down, so you end up looking like a bucking mule. "Buckin' Mules," from Soldier's Creek, Florida, specializes in traditional mountain style dancing as well as flashy, show-stopper numbers that audiences love. The "Mules" have a diverse repertoire of music—ranging from classical (Beethoven's Fifth), to rock and roll (Bob Seger's "Old Time Rock and Roll"), to, of course, country (Mel Tillis', "Stay A Little Longer").

"People think clogging is the same as square dancing," admits Heard. "But it's not. The music is similar, but the two are differentiated by the slides, steps and speed of the respective dance. Clogging utilizes more movements, slides, steps and figures than does its counterpart. Square dancing, on the other hand, uses an English quadrille formation, originally used by soldiers with rifles—it's a military maneuver which carried over to the dance."

"People don't realize that the name or style of a dance often times depends on where you happen to be. The evolution of the two-step probably went something like this: Some guy on route to his ballroom dance class took the wrong road. It just so happened he ended up at Billy Bob's Bar and couldn't do any of the dances they were doing. So he did the fox trot. And people turned and said, 'They, whaddya call that?' It got himself out of trouble, he answered, 'well this is the Texas two-step.' The name stuck!"

**I** think people chose the mountains so they could find peace. In the mountains, they were totally isolated and could be themselves.

Also, people don't realize clogging has been around for a number of centuries—since the 1700's. During this time, the minstrel peevish dancing and all that most wicked activity, and was thus forbidden throughout the community.

The pilgrims had a way of getting around this situation. They partook in what was deemed "pious party figures" in which one couple would circle around other couples, a dance group from North Carolina performing through the extended, cathedral-



Heard, team manager, (top row left) and his group, "Buckin' Mules"

the raised arms of those around them. This "pious" prayer like positioning of the hands enabled couples to dance in the presence of the preacher.

Mountain style clogging, the type practiced by Heard and his group, is said to have its origins with the European immigrants who came to America in the late 1800's and early 1900's. This form of dancing quickly spread through newly developed communities—particularly those in the Appalachian Mountains.

Says Heard, "I think people chose the mountains so they could find peace. In the mountains, they were totally isolated and could be themselves."

What could one do in the mountains, sans electricity on a Saturday night? Simple. You got a group together and danced. The result? Evulsion the dance on the floor suit. The Irish or Germans would be in the circle dancing together, combining steps, melding into one large and colorful mosaic.

Says Heard, "Clogging is not a native dance as such, but it is the basis of native American dances. Clogging is the foundation of western square dancing and all county type dances performed in America today."

The dance never received any real recognition until 1932, when the Queen of England came to Washington, D.C. There, a dance group from North Carolina performed for the Queen. While watching the

dance, the Queen allegedly said, "That looks like the clogging we do in England with wooden shoes." The term "clogging" stuck.

Then, in the early 1980's, with the release of *Urban Cowboy*, clogging gained remarkable fame. Heard explains that, in 1973, there were only a few clogging groups in the entire state of Florida. At that time, six clogging instructors got together to form a Florida clogging council. Today, there exists some 3,000-4,000 cloggers throughout the state, with an average of 150-200 teams, groups, clubs, etc. In addition, team competitions are held throughout the nation, sometimes on a weekly basis.

For Heard and group, the average routine of competition begins at 6 a.m., with wake-up calls, breakfast, and plenty of waltzes (a must) beforehand. Official competition begins at 9 a.m. Depending on the category entered, a group may dance only three times during the entire weekend.

Says Heard, "It's good not to be the first group dancing. That way you can catch other people's mistakes and learn from them before your group competes."

Costumes for competitions vary from group to group. "Buckin' Mules" does not wear an "official costume," but "Mules" wear more traditional costumes: for example, a dance group from North Carolina performing for the Queen. While watching the

# Calendar of Meetings

1987

**November 12-14**

Arizona Land Title Association  
Doubletree Inn  
Scottsdale, Arizona

**November 15-18**

Florida Land Title Association  
Hilton at Walt Disney World Village  
Orlando, Florida

**December 2**

Louisiana Land Title Association  
Westin Canal Place  
New Orleans, Louisiana

1988

**January 18**

ALTA Board of Governors  
The Breakers  
Palm Beach, Florida

**March 11-13**

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

**April 24-26**

ALTA Eastern Regional  
Title Insurance Executives  
Radisson Resort Hotel  
Myrtle Beach, South Carolina

**June 8**

ALTA Board of Governors  
The Broadmoor  
Colorado Springs, Colorado

**June 9-10**

ALTA Western Regional  
Title Insurance Executives  
The Broadmoor  
Colorado Springs, Colorado

**October 16-19**

ALTA Annual Convention  
Westin 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.

**April 30-May 2**

(tentative)  
ALTA Eastern Regional  
Title Insurance Executives  
Marriott's Griffin  
Gate Resort  
Lexington, Kentucky

**June 7**

ALTA Board of Governors  
The Broadmoor  
Colorado Springs, Colorado

**June 8-9**

ALTA Western Regional  
Title Insurance Executives  
The Broadmoor  
Colorado Springs, Colorado

**October 15-18**

ALTA Annual Convention  
Hyatt Regency Embarcadero Center  
San Francisco, California

1990

**January 15**

ALTA Board of Governors  
The Ritz-Carlton Hotel  
Naples, Florida

**April 4-6**

ALTA Mid-Year Convention  
Hotel Inter-Continental  
New Orleans, Louisiana

**April 29-May 1**

(tentative)  
ALTA Eastern Regional  
Title Insurance Executives  
Hotel Undecided

**June 6**

Board of Governors  
The Broadmoor  
Colorado Springs, Colorado

**June 7-8**

ALTA Western Regional  
Title Insurance Executives  
The Broadmoor  
Colorado Springs, Colorado

**September 30-October 3**

ALTA Annual Convention  
Hyatt Regency  
Chicago, Illinois

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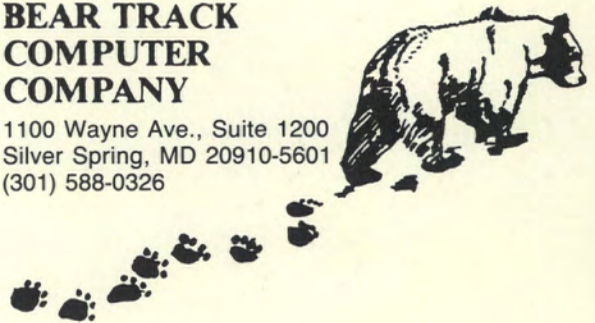
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