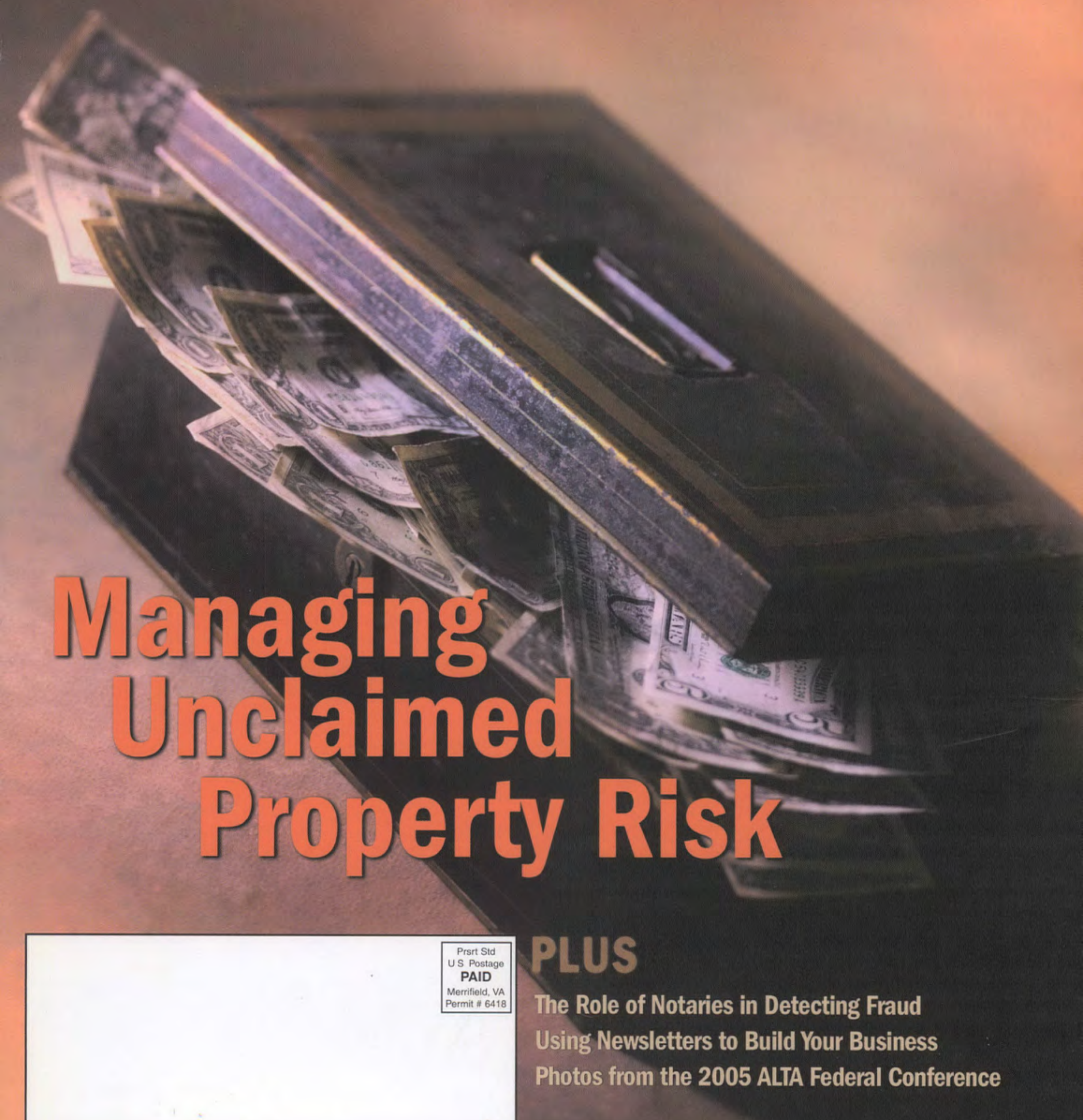
May/June 2005

# TitleNews

Official Publication of the American Land Title Association



# Managing Unclaimed Property Risk

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**The Role of Notaries in Detecting Fraud**

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**Photos from the 2005 ALTA Federal Conference**

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# TitleNews

Title News • Volume 84, Number 3



# Features



# Departments

A Message From the President-elect

# The Court of Public Opinion

My good friend Chuck Kovaleski, our immediate ALTA past President, recently told me that he has a plaque that reads, "We must ask not just is it legal, but is it right?" The quote is attributed to Eliot Richardson, former U.S. Attorney General. It was Richardson who resigned his position under President Richard Nixon when he was being pressured to fire Watergate Special Prosecutor Archibald Cox. The decision would define his integrity and become his legacy.

All too often in the news today, corporations and business leaders are being accused of wrongdoing. Adjudication is required because someone thought what was happening wasn't right. Our justice system renders a decision on what is legal. Whether they win or lose the case in court, the defender's reputation can be diminished, tarnished, or ruined. Often an industry is tainted.

If an adverse opinion is given and the practice is deemed to be pervasive, the government steps in. In the extreme, Sarbanes-Oxley. More often than not, a state or federal regulator comes to the aid of the aggrieved party. Very few industries have been spared this type of scrutiny and action. Recently, the title insurance industry has been the subject of these attacks. Our courts, our regulators, and our industry participants will sort this all out. But, for all of us, it is the court of public opinion that will define our integrity.

Most recently, I was offended by an article I read in an industry publication on how to legally pay a customer to sell your services. As this person is an attorney who makes his living selling these opinions, I would expect no less. The disturbing issue is, "Why do we need to know this?" Ask yourself, "Does this sound right? Can I defend my position to a regulator or court? Would my other customers think this is fair play?"

Some people think that "legal inducement" is an oxymoron. Not so! How about a friendly smile, an intelligent conversation, expedited title service, closing a deal after hours, or that trusty adage, "Thanks for the business."

Roseanne Roseannadana of "Saturday Night Live" fame use to say, "If it ain't one thing, it's another." Title people always have issues to address. We're dynamic, resilient, and resourceful. People rely on us because we get the job done right. Our public relations campaign is off the ground, and we're going to accentuate the positive. How about we do it right!

Rande Yeager

**TitleNews**

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# ALTAnews

## We Appreciate Dixie!

Many thanks to the Dixie Land Title Association for its donation of $3,000 to the ALTA Public Awareness Campaign. We appreciate the support of all the state affiliates throughout this campaign. If you'd like to learn more about the campaign, visit the ALTA Web site and click on the box called ALTA Public Awareness Campaign.

## PR Campaign Brochure Available in PDF

Two of the brochures that are part of the Title Industry Marketing Kit are now available in PDF format to be loaded on your company's Web site. The "Value" brochure promotes the value of what we do as an industry. The "Due Diligence" brochure explains the behind-the-scenes work title professionals perform before a policy is ever issued. It helps readers understand where their onetime title insurance fee goes. You can obtain a copy of these brochures in PDF format on ALTA's Web site under the Public Awareness Campaign button.

## PR Campaign Wins Award

The 12-minute video that is part of the ALTA Title Industry Marketing Kit, has been named an Award of Distinction winner of the Communicator Awards 2004 Video Competition. The video is part of the ALTA Public Awareness Campaign designed to educate Realtors®, lenders, and consumers about the value of title insurance.

The Award of Distinction is awarded for projects that exceed industry standards in production and communication skills. There were 2,937 entries to the awards competition, and 184 won Awards of Distinction.

The Communicator Awards is an international awards competition that recognizes outstanding work in the communication field. Entries are judged by industry professionals who look for companies and individuals whose talent exceeds a high standard of excellence and whose work serves as a benchmark for the industry.

## calendar

### ALTA Events

**May**

**1-3**
Title Counsel Meeting
Charleston, SC

**15-16**
Internal Auditors Meeting
Key West, FL

**25-26**
TRC Board Meeting
Chicago, IL

**June**

**6-9**
Forms Committee Meeting
Denver, CO

**16-18**
ALTA Board Meeting
Colorado Springs, CO

**July**

**21-24**
Education Committee Meeting
Montreal, Canada

**23-25**
Large Agents Meeting
Chicago, IL

**28**
Finance & Planning
Committee Meeting
Washington, DC

**August**

**21-22**
Research Abstracter-Agent
Committee Meeting
Annapolis, MD

**September**

**11-13**
2005 Reinsurance
Committee Meeting
Chicago, IL

**September, cont.**

**18-20**
Annual Accountants Meeting
Charleston, SC

**October**

**5-8**
ALTA Annual Convention
New York, NY

**November**

**6-8**
Title Counsel Meeting
San Diego, CA

### State Conventions

**May**

| | |
|---|---|
| 1-3 | Iowa |
| 5-7 | New Mexico |
| 12-16 | Palmetto |
| 22-24 | Californa |

**June**

| | |
|---|---|
| 2-5 | Virginia |
| 5-7 | Wyoming |
| 5-8 | New Jersey |
| 9-11 | Texas |
| 9-11 | Arkansas |
| 9-12 | Pennsylvania |
| 13-14 | South Dakota |
| 23-26 | New England |

**July**

| | |
|---|---|
| 7-9 | Illinois |
| 14-16 | Utah |
| 17-19 | Michigan |

**August**

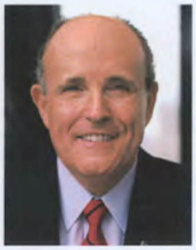
| | |
|---|---|
| 4-6 | Montana |
| 7-10 | New York |
| 10-13 | Kansas |
| 12-14 | Minnesota |

**September**

| | |
|---|---|
| 15 | Maryland |
| 15-18 | Idaho (w/OR & WA) |
| 15-17 | North Carolina |
| 16-18 | Dixie |
| 18-20 | Indiana |

# ALTAnews

## Giuliani to Speak at ALTA Convention



ALTA is thrilled to announce that former New York City Mayor Rudy Giuliani will be the keynote speaker at ALTA's 2005 Annual Convention, October 5-8 in New York City! Mayor Giuliani is being sponsored by the Fidelity Family of Companies--Alamo Title, Chicago Title, Fidelity National Title, Ticor Title, and Security Union Title.

Look for more information on ALTA's 2005 Annual Convention soon.

## Submit Your Proposal

If you'd like to share your expertise at the ALTA Annual Convention, October 5-8 in New York, now's your chance. ALTA has announced a Call for Presentations for the meeting. Some suggested topic areas include employment practices; legal issues; industry concerns, such as fraud or E&O insurance; and general management subjects, such as leadership and strategic planning. Proposals are due April 29. To submit a presentation, visit *http://www.alta.org/meetings/annual/callform.cfm*. If you have questions, contact pat_berman@alta.org.

## ALTA Releases 2004 Market Share Information

ALTA has just released a complete compilation of state-by-state, company-by-company, and family-by-family market share for 2004, plus a national comparison of 2003 and 2004 results and a unique analysis of fourth quarter 2004 market share for all title insurers. Visit http://www.alta.org/industry/financial.cfm to see the market share results.

Also, look on the ALTA Web site at the end of April for income and expense statements and balance sheets for all title insurers together with consolidated industry totals.

## calendar

### State Conventions

**September, cont.**

| | |
|---|---|
| 18-20 | Ohio |
| 21-23 | Nebraska |
| 22-24 | Missouri |
| 22-24 | North Dakota |

**October**

| | |
|---|---|
| 21-22 | Wisconsin |

**November**

| | |
|---|---|
| 16-19 | Florida |

## New on the ALTA Web Site

Have you noticed the new features on the ALTA Web Site specifically for ALTA Members? Visit *www.alta.org* and under the Membership section, click on "Log In" to be a part of the ALTA online community. Here is a sampling of what you will find.

**Meetings & Education:** Who's Registered to Attend? Click on this section to search for your colleagues and review attendee lists for upcoming meetings. Whether you're working on your networking plan or finalizing your foursome, this new tool is invaluable as you plan your travel to ALTA events.

**ALTA Leadership/Committees:** Click on this section to learn more about the ALTA Board of Governors and Committees, and if you are already a member of a committee, view agendas, minutes, and other committee documents. In this section you can also learn about the mission of each committee, current projects, and key contacts. If you're considering committee service for next year, this is a great place to start your research. Click on the Roster and you might find a colleague on the committee who can tell you more about service.

**Coming Soon:** The Discussion Forums will become more active Listservs, delivering industry conversations and expert analysis right to your mailbox. ALTA has completed installation of a new Lyris ListManager server, and testing is in progress. Ready to sign up? Use your login and password to access ALTA Online and look for instructions.

If you have questions about any of these new ALTA member benefits, contact Kelly Romeo at kelly_romeo@alta.org or 1-800-787-2582 x 224.

# GOVERNMENT & AGENCY news

## Smart Act Disscussion Draft Heats Up

The move towards state-based regulatory reform is heating up. You may have heard about the State Modernization & Regulatory Transparency Act Discussion Draft, commonly referred to as the SMART Act Discussion Draft. The SMART Act Discussion Draft is a proposal to standardize, at the state level, such items as market conduct exams and insurer licensing. ALTA is currently evaluating the proposal to see how it affects our industry, and if we should seek to have title insurance exempt from this proposal. The House Financial Services Committee staff have released a SMART Act Discussion Draft review schedule, indicating when they will review the various "Titles" (or sections) of the Discussion Draft. ALTA will be submitting comments on each Title outlining the industry's concerns. Information on the SMART Act developments will be posted to the ALTA Web site. To see the Discussion Draft or review schedule, visit *http://www.alta.org/advocacy/issue.cfm?newsCatID=27*

For additional information contact Ann vom Eigen, legislative and regulatory counsel.

## Predatory Lending Update

ALTA is currently monitoring two pieces of legislation regarding predatory lending. Our main concern is to ensure that title-related charges are not included in the points and fees that classify a loan as subprime. Representative Brad Miller (D-NC) introduced H.R. 1182, "The Prohibit Predatory Lending Act" and Representative Bob Ney (R-OH) introduced H.R. 1295, "The Responsible Lending Act." ALTA has reviewed the bills and will monitor them to make sure that language that addresses title-related charges remain innocuous. Chairman Mike Oxley (R-OH) has not and is not expected to place this on the House Financial Services Committee agenda anytime soon. If you would like more information, please contact Charlene Nieman, grassroots & PAC manager at charlene_nieman@alta.org.

## Limits on Fannie Mae and Freddie Mac?

Legislation has been introduced in both the House, HR 1461, "The Federal Housing Finance Reform Act of 2005," and the Senate, S 190, the "Federal Housing Enterprise Regulatory Reform Act of 2005." to enhance regulation of the Federally chartered entities, Fannie Mae and Freddie Mac, which created the secondary market for residential mortgage loans. These bills are a reaction to the accounting problems that Freddie Mac and Fannie Mae faced through their use of derivatives. ALTA is following efforts to limit the incursion of these entities into the "primary" market and restrict their activities to traditional secondary market activities. Current debate centers around both these limitations and other limitations to be placed on the level of the entities mortgage portfolios. The House Financial Services Committee and Senate Banking Committee are expected to consider the legislation this spring. For further information contact Ann vom Eigen, legislative and regulatory counsel.

## Real Estate Amendments Added to Senate Bankruptcy Bill

ALTA succeeded in having several amendments added to the S 256, this year's "Bankruptcy Abuse Prevention and Consumer Protection Act." These amendments are the culmination of many years work. First introduced as technical corrections in 1997, the three amendments provide several clarifications assuring that pending real estate transactions, which are perfected on a timely basis while bankruptcy petitions are filed, are afforded protection under bankruptcy law. As *Title News* goes to press, the House of Representatives is considering the legislation and the President is expected to sign the bill. ALTA will be hosting a telephone seminar on May 24 at 3:00 p.m. to review the new provisions in the bankruptcy law affecting real estate. To find about more about the telephone seminar, visit ALTA's Web site and look on the right hand side under "Meetings."

# RESPA, Reinsurance, and State-based Regulation Hot Topics at Federal Conference

A delegation from the Dixie Land Title Association met with Paul A. Lindsay, staff assistant to Rep. Charles W. Boustany, Jr. (R-LA), to discuss issues of importance to the title industry.

Chairman Don Manzullo (R-IL) of the House Small Business Committee updated the group on his efforts to overturn HUD's proposed changes to RESPA.

Mark Bilbrey, (l), ALTA president, poses with his Congressman, Frank Lucas (R-OK), after Lucas addressed the ALTA audience.

Ivy Jackson, director of RESPA and interstate land sales for the Department of Housing and Urban Development, told attendees about HUD's stepped-up enforcement of RESPA rules.

Mike Oxley (R-OH), chairman of the House Financial Services Committee, spoke at the closing luncheon about Social Security reform and other issues Congress is currently working on.


Peter Kolbe, chief insurance regulatory counsel for Fidelity, moderated a panel debate on state-based regulation of insurance.

ALTA 2005 FEDERAL CONFERENCE

Washington Affecting Your Business

March 7-9, 2005

Willard Intercontinental

Washington, DC

Erin Toll, deputy commissioner of compliance for the Colorado Division of Insurance, updated attendees on the investigation of companies participating in reinsurance agreements.


Jeff Birnbaum, award-winning author, television commentator, and columnist, provided his insider views on upcoming elections and how things work in Washington at a luncheon sponsored by TIPAC.

## Thank You Sponsors!

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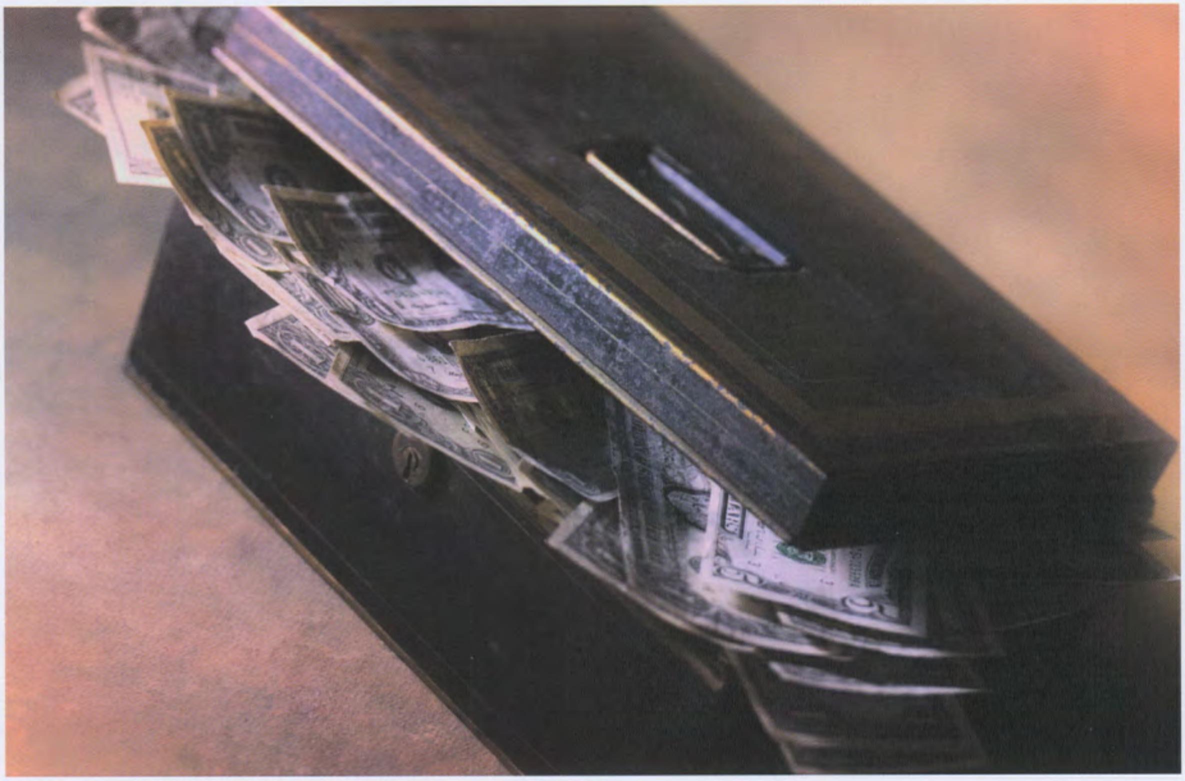


# Managing Unclaimed Property Risk

Business leaders are surprised to learn their true obligations concerning unclaimed property and the potential threat of a state audit for noncompliance.

by Debbie L. Zumoff

The normal, everyday operation of your business results in the generation of unclaimed financial obligations that become known as "unclaimed property." You may not know it, but managing unclaimed property and reporting to the states in a timely fashion is one of your job responsibilities. When not correctly managed and reported, the risk of a state audit —and subsequent fines and penalties for noncompliance—becomes a distinct reality. I hope this article will help explain some of the common misperceptions about unclaimed property and help you understand and mitigate any areas of risk.

## WHAT IS UNCLAIMED PROPERTY?

Basically, it is any financial obligation that is due and owing to another party (customer, vendor, employee, investor, etc.). The key rule to remember is that this property never becomes the company's property; it always belongs to the person or entity owed. Unfortunately many companies—title companies included—don't realize that uncashed checks, escrow balances, mysterious credits, and unclaimed payroll and insurance benefits are considered unclaimed property. Nor do they realize that by virtue of state laws if this property cannot be returned to the rightful owner, it must be reported and remitted (escheated) to the state in which the owner was last known to live once the "dormancy period" for that type of property has expired. With typical dormancy periods in most states of three to five years, that means that a company can only keep these items on their books and retain the associated funds for this period of time.

It is indeed a big issue. According to statistics compiled by the National Association of Unclaimed Property Administrators (NAUPA), the annual reporting of unclaimed property by corporations is approximately $3 billion each year. Unclaimed property is the fastest growing source of state revenue, and the widely held belief is that the overwhelming majority of unclaimed property is not reported. In fact, most state estimates suggest only 10 to 35% of companies are in full compliance with the laws.

## COMPLEX STATE LAWS

The challenge with regard to unclaimed property laws is that they are complex.

Each state has its own set of laws. Even if you only have property to report to one state, many states require the filing of "negative" reports, meaning it is your obligation as a company to tell them you have nothing to report. But you very likely have liability to more than one state, each with its own dormancy periods and rules on how to report the more than a hundred different property types that can become classified as unclaimed property.

For this reason, it's very safe to say that there's a great deal of confusion over how and when to report unclaimed property. To help clear some common misconceptions, here are the basics. To be "in compliance" means that your company is

- Reporting each year. The requirement extends to all companies—public or private
- Adhering to the unclaimed property laws of all 54 states and U.S. territories by filing a report with each
- Filing for every applicable property type that occurs within the business —ignorance never an excuse for underreporting

Whereas this noncompliance was largely ignored in years past, it is now on the front burner. The primary driver is state budget deficits. Though most states have departments committed to return unclaimed property to the actual owner, less than 30% on average is ever returned. Recognizing this fact and strapped for cash, most states use the majority of the unclaimed property money they collect to fund various public interest projects. The remainder is placed in a small reserve fund from which owner claims are paid. Therefore unclaimed property represents, in essence, a "quiet" source of revenue that most people don't know about and that doesn't require the government to raise taxes. As a result, state enforcement efforts have steadily grown and audits to drive corporate compliance are at an all-time high.

Failing to comply with state unclaimed property laws can be costly for private and public companies alike. Inappropriately accounting for unclaimed property can have a material effect on financial statements and lead to monetary risk and equally real risks to a company's reputation and brand. All of these threats are exacerbated in the event a firm is targeted for state audit. Those found to be out of compliance are subject to significant penalties (typically 12% of the underreported liability) and interest for failure to account for and report this property. As reported in the February 2004 issue of the *Journal of Accountancy*, "The administrative and economic stake is much higher once the state issues an audit assessment." Under these circumstances the audit liability "could double or triple after penalties and interest." Plus, corporations face the additional burden of navigating through an audit and reviewing or refuting the auditors' findings.

## HOW DOES THIS IMPACT TITLE COMPANIES?

One specific example with regard to title insurance companies is the improper management of unclaimed escrow funds. As an escrow agent, title companies receive funds from purchasers, sellers, borrowers and lenders; prepare documents and closing account statements; and disburse escrow funds at the close of escrow. Companies routinely aggregate customers' escrow funds in demand deposit accounts with various banks. If customers fail to instruct the title company to disburse all the funds on deposit or parties to whom funds are disbursed at the close of escrow fail to cash the check, an unclaimed property obligation has been created.

This issue has recently been in the news. In January 2005 a California Appeals court ruled that one of the large national title insurance underwriters must pay damages of more than $22 million stemming from material misstatement of the company's unclaimed property liabilities. A field audit by the state department of insurance in 1999 revealed that the company had been putting unclaimed escrow funds into income since 1980. The company filed an unclaimed property report and remitted funds to the state for the first time in 1992. Reports filed for 1992 to 1994 and 1997 understated the full amount of reportable funds. It's worth noting that the damages award was a separate matter from the company's past-due unclaimed property obligation of $9,551,527.89, which they were also required to remit to California.

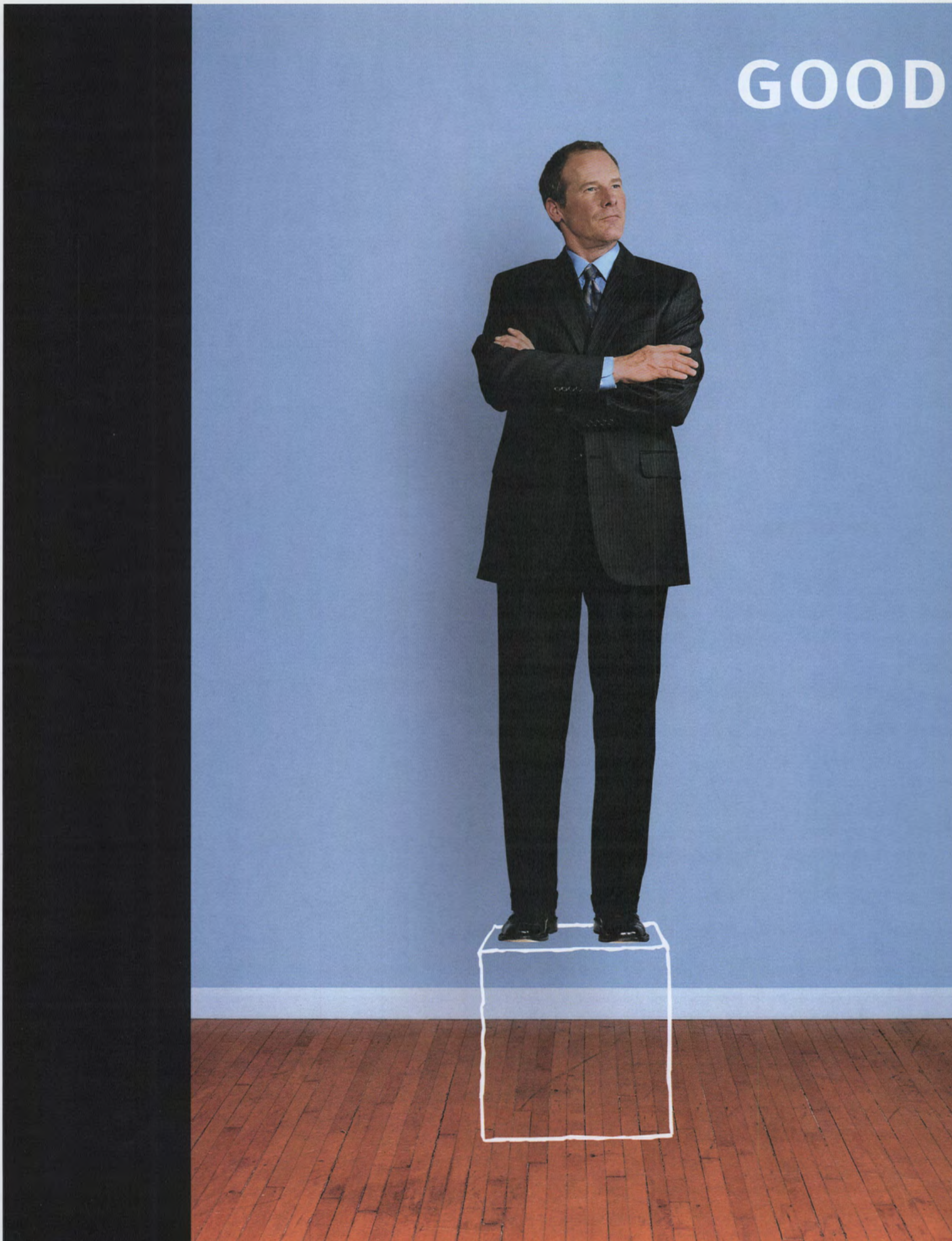
From my conversations with state unclaimed property auditors and administrators, it's clear that they don't believe this type of non-compliance is isolated to this one company. The title insurance industry is among several that will be specifically targeted by state auditors in the near future. In general, it's safe to say that "taking balances into income" is an audit red flag. You should review such practices in light of unclaimed property compliance laws.

### COMMON RISKS

Further complicating compliance is that it crosses over into many departments including payroll, treasury, accounts payable, and investor relations. And since businesses are not focused on these unclaimed property issues, a significant financial statement exposure can develop. For example, if a business consistently takes credit balances into income, nets outstanding debits against outstanding credits, voids outstanding checks, or fails to explore seemingly insignificant reconciliation issues, accounts may become severely overstated, rendering the company's financial statements suspect. While there are no silver bullets in terms of steps a company can take to avoid an audit, there are many simple red flags that can be eliminated to minimize the likelihood that you are selected for audit. As states become more sophisticated in their efforts to identify unclaimed property, the events that can trigger an audit have become more predictable. Among the more common, and perhaps obvious, indicators are

- Failure to report unclaimed property, whether at all or for several years.
- Submitting reports indicating no unclaimed property.
- Failing to report property types common to the industry.
- Failing to report amounts consistent with industry expectations.

Mistakes like those above result from ignorance or negligence. However, there are everyday events which can generate new unclaimed property concerns for companies that are already compliant. Acquisitions and mergers are one example, especially for public companies with unexchanged shares of stock. If the owners of the acquired company don't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## Best Practices

Define the Liabilities Impacting Your Company.

Preemptively Resolve Outstanding Liabilities.

Develop a Corporate Philosophy Regarding Due Diligence.

Reconcile Accounts to Prevent Overpayment.

Document an Annual Compliance Road Map.

Eliminate Audit Red Flags.

Perform Sound Recordkeeping and Accounting.

Encourage Continuous Learning and Review.

respond to company solicitations to exchange their old shares for shares of the new company, then the new stock must be reported as unclaimed property. Look back in your books to see if you have any old acquisitions that weren't fully exchanged since these are commonly underreported and may represent a past-due liability. Insurance companies who have completed demutualization (converting from private policy holders to public shareholders) may also have issues. A demutualization triggers unclaimed proceeds as policy holders must claim shares of stock and/or cash for the first time. Unclaimed shares or cash must be reported. Either of these events should be triggers for any CFO to start asking questions about what your company is doing to comply with unclaimed property laws.

### UNCLAIMED PROPERTY AND SARBANES-OXLEY

In 2002 Congress passed the Sarbanes-Oxley Act of 2002 to protect investors by improving the accuracy and reliability of corporate disclosures. It creates some much needed structure around financial reporting and internal controls. The requirement of many companies to comply with the Sarbanes-Oxley Act is likely to produce good results in terms of unclaimed property compliance. As if by design, the reforms prescribed by Sarbanes-Oxley coincide with states' historic efforts to enforce and ensure unclaimed property compliance. As such, Sarbanes-Oxley compliance should directly improve unclaimed property management practices and in the process reduce financial and reputational risk. Protection from state audits, and the associated negative publicity, is almost a by-product of Sarbanes-Oxley, as issues once swept under the rug must be proactively addressed.

Enhanced requirements of accountability under Sarbanes-Oxley are forcing these types of disclosures to be made routinely, even at staff levels in financial operations. The Section 404 rules demand a higher level of scrutiny and accountability at all levels to enable the CFO/CEO certifications that are required. (The certifications make the signers accountable for the figures.)

Section 302 of the act requires the disclosure of accuracy conditions in the operation of internal control systems so that weaknesses and deficiencies in financial reporting can be identified and corrected. These controls are critical in the unclaimed property arena to ensure effective long-term management. The new standards better prepare firms for mergers and acquisitions, as the acquiring firm is able to clearly understand and value the target's unclaimed property reporting status. This ensures the company is not acquiring unknown unclaimed property liabilities.

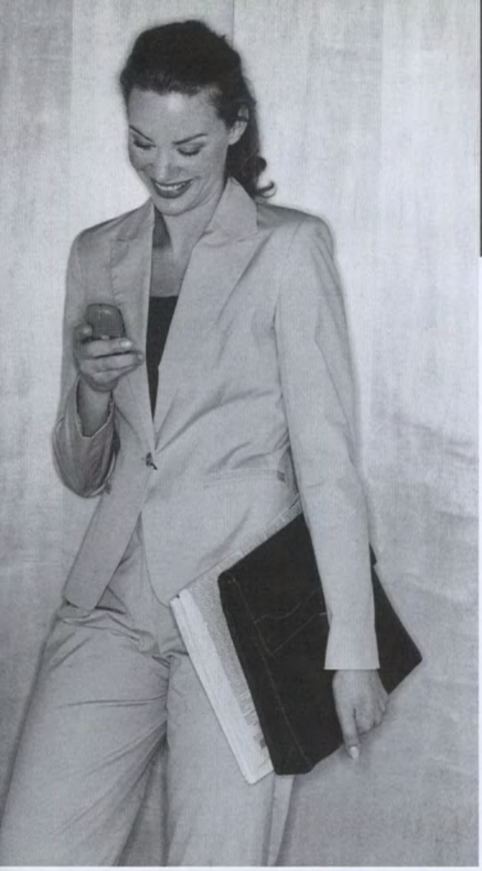
*The title insurance industry is among several that will be specifically targeted by state auditors in the near future.*

So, how does the Sarbanes-Oxley Act of 2002 help you avoid unclaimed property risk? First, Section 404 of the act outlines the rigorous scrutiny that must be imposed on a company's financial operation both annually and quarterly. Two specific actions are required each and every year: 1) an internal review of all financial controls and 2) an audit on the effectiveness of those financial controls. Throughout the year, progress must be monitored on any changes made as a result of the annual audit findings. This annual review is highly valuable for flushing out and quantifying all current and past-due unclaimed financial obligations. Under Sarbanes-Oxley, significant outstanding monetary obligations will typically constitute material conditions, which must be reported in financial disclosures.

### BEST PRACTICES

Using the Sarbanes-Oxley guidelines as a starting point is a good first step towards minimizing your risks. By that I mean establish a good set of internal controls and follow the best practices outlined below.

**Define the Liabilities Impacting Your Company.** Begin by assessing and analyzing the various property sources in your organization contributing to unclaimed property. Take a big picture, global view of your entire enterprise to engage all possible contributors to your unclaimed



property liability. In the wake of Sarbanes-Oxley, it becomes important to define what is material in terms of your firm's annual financial statement, thus mandating disclosure. Are your company's outstanding unclaimed financial obligations material? Might they impact your firm's earnings statements if disclosed? Where are the bulk of your liabilities? Typically, 80% of your unclaimed property exposure value lies in only 20% of the outstanding obligations. Identify and focus on resolving those to bring down your total liability!

Try to determine why unclaimed property is being generated at your company or why individuals or businesses have failed to take action with regard to the sums you owe them. Customers often relocate, get acquired, or their businesses simply fail. Duplicate or alternate modes of payment can go unidentified if not properly reconciled. Do you have miscellaneous income entries without adequate explanation? Are accounting policies and practices implemented consistently across your entire company? Do you have comprehensive and written unclaimed property policies and procedures in place? Are they being followed consistently throughout your organization?

**Preemptively Resolve Outstanding Liabilities.** Obviously, the primary threat presented by past-due obligations is a state (or multi-state) audit. Often it's the most well-intentioned companies that unwittingly overlook or misinterpret their obligations. The complex and dynamic laws of unclaimed property reporting leave them out of compliance and facing financial fines and penalties, as well as undeserved reputational risk. Undergo a rigorous self audit or third-party evaluation to make sure that historical practices and reporting are sound. If holes in compliance are identified, it's important to take action as soon as possible. There are still opportunities in most states to take advantage of amnesty and voluntary compliance programs which provide leniency with respect to delinquent reporting.

**Develop a Corporate Due Diligence Philosophy.** As heavyweight champion Jack Dempsey was fond of saying, "the best defense is a good offense." In the unclaimed property world, due diligence is the practice of mitigating unclaimed property liability at its source—by finding missing people and helping them take action to reconcile their accounts. Unfortunately, under most state laws, due diligence is only required once—typically within 120 days of when the property must be remitted. At this point, the property has been unresolved for potentially many years, and the likelihood of locating the property owner at the original address is minimal. The best approach is to conduct a due diligence effort within 90 days of original loss.

**Address the undeliverable mail population in your outreach strategy.** Undeliverable mail can be a significant problem, stalling many efforts to reunify owners with their financial property. Ideally you should research new addresses and re-mail or telephone those vendors or customers where appropriate. But locating businesses can be daunting since there are no available databases designed to locate commercial entities. And the IRS and Social Security Administration won't help you.

**Reconcile Accounts to Prevent Overpayment.** Part of the due diligence process should include a reconciliation of all accounts to identify and eliminate duplicate payments and other costly accounting errors. For instance, it is important to reach out to vendors to reconcile apparent outstanding balances. It is common when scrutinizing uncashed check files to find vendor obligations that appear to be unpaid, which were in fact paid in full via an alternate account. Reducing these accounting oversights creates instant savings by preventing an unnecessary cash outlay.

**Document an Annual Compliance Road Map.** Formalize all compliance goals and expectations of the individuals who play a role in the system. In today's corporate governance-driven environment it is critical to establish a working environment where compliant behaviors are the standard and executives are committed to, and encourage, an atmosphere of openness. Create clear timelines of events and milestones to ensure that semiannual report cycles run smoothly. Critical to the plan is a methodology to stay up-to-date on the latest changes to unclaimed property law. A range of unclaimed property software systems and outsourcing options exist to help with planning and execution. If efforts are instead coordinated in-house, carefully document the work flow, staff responsibilities, and information needs at each step in the process.

*Try to determine why unclaimed property is being generated at your company or why individuals or businesses have failed to take action.*

**Eliminate Audit Red Flags.** While the A-list for state audits is composed of companies that have never filed reports, the second tier is filled with organizations that call attention to themselves by the manner in which they report. Incomplete reports are certain to raise suspicion, as are reports that don't match the typical profile for other firms in the same industry. Other obvious signs include failure to report all relevant property types and inconsistent report filings from year to year. In addition, companies that are undergoing or have undergone restructurings, such as mergers, acquisitions, and reorganizations, should consider themselves high on the list for audit consideration since many accounting details—such as old boxes of uncashed checks—can easily get set aside and forgotten.

**Perform Sound Recordkeeping and Accounting.** Maintain electronic and hard copy documentation of all previous unclaimed property reports for at least ten years so that you can demonstrate your compliance quickly and easily. This practice will help to facilitate internal audits, contribute to long-term compliance efforts, and serve as a strong exhibit of your controls in the event you are audited. Make sure that internal organizations are communicating effectively to disclose all unclaimed property liabilities properly on financial statements as the Generally Accepted Accounting Principles require.

**Encourage Continuous Learning and Review.** Conduct regular training to discuss legal changes and reinforce policies and procedures. To be more proactive with your unclaimed property strategy, encourage industry interaction by your managers to learn new requirements, understand trends, and stay abreast of impending legislation.

Training, at some level, should be delivered to all relevant departments and executives to ensure organizational consistency. Regularly review performance and modify reference materials to ensure valid "living documents" that staff can use to manage the operation.

## THE ROAD TO COMPLIANCE

When to implement a best practice approach can be a challenge. If you have not reported unclaimed property previously, and are not under state audit, initiate an immediate outreach program to try to return monies to their owners. Make an effort to connect with property owners as soon as you identify and quantify your past-due obligations. Consider the time frames necessary to do so while working with the states to get your voluntary disclosure and reporting arrangements in order. Annual reporting entities can systematically develop an owner outreach program to manage outstanding general ledger obligations spanning the duration of the dormancy periods.

One major decision is whether to manage a best practice approach by outsourcing or by using dedicated in-house management resources. The decision depends upon the availability of time, resources, and staff. For some, the demand to embrace such a program is driven by the volume of outstanding obligations, their complexity and value to the firm's bottom line. Ask whether you have the time to prepare, execute, and process outbound communications and their responses. Consider your experience conducting and managing outbound phone and/or mail campaigns. Question whether you have the research tools to address your undeliverable population of individuals and businesses. Adjust your policies based on the dynamic unclaimed property laws.

In summary, the value of an active best-practice approach to your firm's unclaimed property liability will serve several valuable purposes. First, it will allow you to demonstrate strong internal controls and attention to ensuring unclaimed property compliance. Second, it will legitimately minimize your firm's unclaimed property reporting obligation and the ultimate burden on your annual reporting cycles. Lastly, it will earn your firm goodwill with the key constituencies that are protected.

Debbie L. Zumoff is chief compliance officer of The Keane Organization, Inc., a compliance and risk-management company, with a division specializing in helping corporations define, manage, and minimize unclaimed property liabilities. She is member of the National Society of Compliance Professionals. For more information on unclaimed property compliance visit www.holderadvocate.com.

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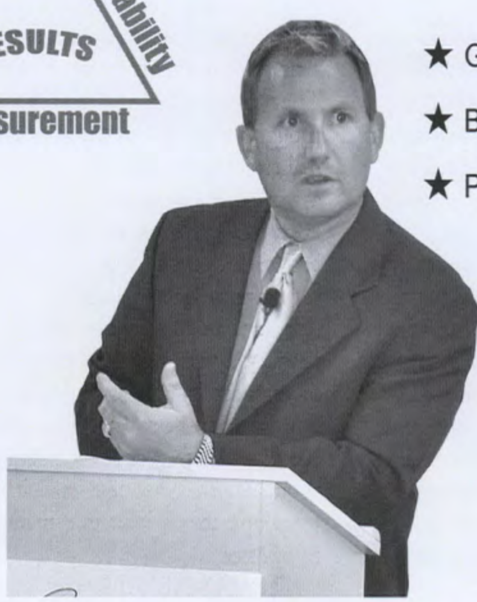

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# How To Use Newsletters in Your Business-building Strategy

Newsletters, used properly, can be targeted effectively toward your clients and prospects.

by Lisa Merriman and James Whitaker

Are you invested in newsletters? Using newsletters in your business is a lot like investing in real estate. Both can be great investments if pursued with diligence and a long-term strategy.

## WHAT MAKES NEWSLETTERS AN EFFECTIVE MARKETING TOOL?

Of all the marketing and customer service tools available to you, it would be hard to name one that does as much for as little cost as the newsletter. Like a brochure or an advertisement, newsletters present your audience with an image of who you are. But they have some important advantages over those media. Newsletters cost a lot less, build image consistently, and present timely information that keeps readers up-to-date on real estate developments. They also deliver results with a soft-sell approach, informing readers while subtly reinforcing your image as a reliable source of information about the industry. To prospects and customers, newsletters say that your firm wants to add value to your customer relationships. Finally, newsletters, used properly, can be targeted more effectively toward your existing clients and prospects.

James Whitaker is president of Smart's Publishing Group, publisher of Real Estate Digest, a marketing and communications newsletter for title insurance and real estate professionals.

Lisa Merriman is sales manager with Smart's Publishing Group. She can be reached at 1-877-774-7331 or lmerriman@smartspublishing.com.

## HOW DO YOU INTEGRATE NEWSLETTERS INTO YOUR MARKETING STRATEGY?

You can distribute your newsletters in three different ways: in person, by mail, and by e-mail. Each has its advantages and disadvantages.

Some land title firms hand their newsletters out personally, using them as a way to regularly visit their clients and prospects. Mike Snyder with Fidelity National Title in West Long Branch, N.J., for example, says, "I do very limited mailing because for us it's all about face-to-face marketing." He uses a newsletter program to market to clients and prospects, with an emphasis on prospects. "The main benefit to me is name recognition. I want my newsletter to be informative and educational. I use it with prospects as another reason to go to their office on a monthly basis for a face-to-face visit."

William Exeter, president and CEO of Diversified Exchange in La Jolla, CA, also uses newsletters to stay in front of prospects and clients. However, he mails them out. "I speak at between five to ten 1031 exchange workshops each week, and it's impossible to call and follow up with each attendee—there's not enough time and it's not cost efficient. So the newsletter is a great way to contact attendees each month, with information that's timely and content they really want to read."

Karen Hines, customer service manager at Chicago Title, Prescott, Ariz., also mails her firm's newsletter. They take a different approach though. Their newsletter goes "to all real estate agents, lenders, and associates in our county. We mail to everyone, and while we don't follow up, we do get several positive responses whenever we mail."

Some firms also e-mail their newsletter to a portion of their client or prospect list. E-mailing costs little; however, paper copies are much more effective. With spam now making up about 80 percent of all e-mail, it's easy for people to overlook an e-mailed newsletter.

The CAN-SPAM Act of 2003 also imposes certain conditions on commercial e-mail messages. Unless you have a prior business relationship, an e-mailed newsletter would likely fall under the Act's definition of advertising. Therefore, you will want to make sure any e-mail messages to prospects meet CAN-SPAM's requirements. First, CAN-SPAM requires that any commercial e-mail be identified as an advertisement and include the sender's valid physical postal address. Second, your message must give recipients an opt-out method. You must provide a return e-mail address or another Internet-based response mechanism that allows a recipient to ask you not to send future messages to that e-mail address, and you must honor the requests. Each violation of these provisions is subject to fines of up to $11,000.

Keep in mind, too, that many people do not like to read text on a computer screen. One way to minimize that problem is to have your e-mail newsletter formatted in portable document format (PDF), which closely resembles a printed page.

To ensure your e-mail marketing efforts aren't wasted, send e-mails only to those clients you know prefer to receive electronic mail rather than paper mail. And remember, the perceived value of a paper newsletter exceeds that of an electronic one. Even if people don't read your paper newsletter as soon as they get it, they will see your branding and will probably set it aside to look at later.

## HOW ELSE CAN YOU USE NEWSLETTERS TO MAXIMIZE YOUR INVESTMENT?

Using a client newsletter is not a one-shot investment. You can get additional value from each issue in several ways:

**Using it as content for your Web site.** William Exeter says posting a PDF copy of their newsletter "allows us to build content for our Web site instead of just putting our Web site out there as a sales site. The newsletter allows us to stay in front of current and prospective clients, to build our corporate branding, and to support our sales force and branch office network with educational material. That's what our online marketing efforts are all about." By including appropriate keywords in your document headers, you can also increase the chances of your site turning up on prospects' Web searches.

*Some firms also e-mail their newsletter to a portion of their client or prospect list.*

**Building an archived reference tool.** Your newsletter can become the basis of an archived reference tool for your clients and prospects. Exeter's firm archives every edition of their newsletter. That way he and his producers can refer people to topics covered in back issues. Telling people they can read more about a topic on your site is a good way to increase traffic and encourage visitors to interact with other parts of your site. If you archive newsletters online, you can increase the effectiveness of this reference tool by having your webmaster create an index of important or relevant topics covered in each issue.

**Keeping employees informed.** Be sure you and your staff read each issue before it goes out. That way everyone will be prepared to discuss any items readers may bring up. The newsletter can also be a learning tool for your own staff.

**Leaving copies where prospects will find them.** Leave your newsletters around town where likely prospects might pick up a copy, such as at banks and real estate firms, and keep extra copies in your lobby. William Exeter makes sure there are plenty of copies in the lobbies of all his branch offices.

**Adding a response device.** Add to the effectiveness of your newsletter marketing by including a business reply card (BRC) with each issue. Readers can use a BRC to ask for more information on a topic and to give you referrals. You won't get a lot of them back, but the few you get will be from motivated prospects. Including your postage-paid indicia on your BRCs will make it easier and more likely for prospects to respond. E-mail newsletters offer similar devices that allow readers to easily reply to your newsletter and to "forward to a friend," which can help you build your subscriber/prospect list.

**Adding a personal touch.** If you use a newsletter prepared by a real estate publisher, customize your front page with an article about your firm or your target market. Article ideas include profiles of new sales representatives or escrow officers; information on new branches, services, or affiliations; personnel news such as service anniversaries, professional development and educational accomplishments; news on community projects sponsored by your firm; and information on special products or real estate developments of regional interest.

## WHO WILL WRITE MY NEWSLETTER?

You could do it yourself. If you're like most people, though, the thought of creating from scratch a regularly scheduled custom newsletter, complete with industry updates and relevant articles, is daunting. Besides, this distracts from your firm's primary goal. Fortunately, real estate publishing services offer products you can customize with your corporate identity. The most important thing about your newsletter is that it be clearly written, interesting, and useful to your readers.

### TAKE A LONG-TERM INVESTMENT OUTLOOK

People have been predicting the death of print communications for years. But in this day of high-tech, electronically delivered communications, print newsletters still survive. They haven't gone away or been replaced. The only logical reason is because they still work.

Smart marketers know they are still great investments with strong, positive yields.

The most important thing to do if you invest in newsletters is to be consistent. Don't terminate your newsletter strategy before it's had a chance to start paying dividends. You may not know how highly your customers and prospects value your newsletter until you take it away from them. That's when you'll hear from them—and wish you hadn't! In other words, take a long-term outlook. Your investment isn't going to double overnight.

Many of the country's most successful regional and national firms, like those quoted in this article, have long-established communications programs. One reason they are successful is because they have invested in a long-term marketing strategy that includes newsletters to promote their firm's image, service, and value.

*Smart marketers know newsletters are still great investments with strong, positive yields.*

# Property Fraud: The Prevention Role of the Notary Public

Notaries public play an important role in detecting and deterring fraud. Learn some of the ways they can help in the closing transaction.

by Timothy S. Reiniger

"All titles depend on official records; and all official records depend on the notary's certificate of acknowledgement," wrote Professor John H. Wigmore in 1928 for the Illinois Law Review. "The notary's certificate of acknowledgement of a deed is the pillar of our property rights," Wigmore continued. "And these pillars of property become a treacherous support when they are permitted with forgery."

Jump ahead nearly 80 years and forgery and fraud in property transactions are still of grave concern. Officials from the Federal Bureau of Investigation testified before Congress last fall that mortgage fraud was nearing "epidemic" proportions. A hearing on this prolific crime, held by the U.S. House Subcommittee on Housing and Community Opportunity, disclosed a sobering fact: An estimated 5 to 10 percent of all mortgage loan applications contain some kind of fraud or misrepresentation.

"Based on industry reports and FBI analysis, mortgage fraud is pervasive and growing," testified Chris Swecker, assistant director of the Bureau's criminal investigative division. Furthermore, Swecker added that, "80% of all reported fraud losses involve collaboration or collusion by industry insiders."

What is being done to curb this crime? In February of this year FBI Director Robert Mueller testified before the U.S. Senate Intelligence Committee that "the FBI worked with the Mortgage Bankers Association, the National Notary Association, as well as FinCEN [the Financial Crimes Enforcement Network], the Department of Housing and Urban Development, and major lending institutions, to improve the reporting and detection of potential mortgage fraud."

The industries listed by Director Mueller each play a pivotal role in the fight against mortgage fraud, and the inclusion of the National Notary Association, which represents America's 4.6 million notaries public, is particularly noteworthy.

The notary ensures the integrity of the closing transaction by establishing the identity, awareness, and volition of the document signer. And yet many in the industry, including the many title agents who perform double duty as notaries, know little about the critical fraud-fighting function of the notarial process and how effective the notary can be in detecting forgery, misrepresentations, or omissions at the closing.

Notaries public represent a significant obstacle to the traditional types of property fraud, including mortgage fraud schemes, which Chris Swecker characterizes as containing some type of material misstatement, misrepresentation, or omission relied upon by underwriters and lenders.

The traditional types of fraud effectively countered by notaries fall within two basic categories: identity fraud and misrepresentations. Identity fraud often appears in the form of a forgery, which may involve a con artist posing as a homeowner and taking out a loan on a property by forging the real property owner's signature on loan documents. The loan is never repaid, and foreclosure is started on the house. Significantly, the FBI has specifically targeted mortgage identity-related theft as a growing problem.

Misrepresentations, meanwhile, often take the form of a scam, which may involve a naive, trusting, or ignorant homeowner who is tricked into signing away property. Often a homeowner's inability to make mortgage payments, and therefore with the threat of foreclosure looming, the swindler steps in and offers to help save the home. The homeowner is duped into signing loan documents with either direct misstatements of contract terms or

Timothy S. Reiniger, Esq., is executive director of the National Notary Association. He can be reached at 818-739-4032 or treiniger@nationalnotary.org.

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blank lines that are later filled in with impossibly onerous repayment terms, and any subsequent failure to comply with these terms causes forfeiture of the property. Or easier still for the scam artist, a deed is slipped into the stack of documents, and the bewildered homeowner signs away his or her property.

## HOW THE NOTARY DETERS FRAUD

The physical presence of a notary can often prevent these types of illegal acts. Notaries are effective because they make six critical guarantees regarding the integrity of the settlement/closing transaction:

**Personal appearance:** The law requires grantors to sign or acknowledge conveyance deeds in the presence of a notary public. Notaries cannot honor requests to notarize an absent grantor's signature or to accept another party's hearsay that he or she was present when the absent principal signed.

All other functions of the notary public depend upon the personal appearance of the document signer – whether that signature will be pen-and ink or electronic.

**Identification:** Once a signer is present before the notary, the notary carefully verifies the individual's identity. This act of identification provides assurance that a signer is not an impostor trying to cheat an innocent victim out of valuable property through a phony document.

**Basic awareness and absence of duress:** At the same time as confirming identity, the notary observes whether the signer appears to be alert and aware of the transaction and under no pressure or duress to sign. Only a reckless notary would proceed with a notarization if there were any reasonable doubt that the signer is knowingly and willingly entering into the transaction.

**Paper trail:** Notaries by law or best practice must record each notarization in a journal of notarial acts. The notary's journal is a public record that creates an auditable evidence trail for prosecutors in the event of an act or attempt of fraud.

**Journal thumbprint:** California law requires signers of most real property deeds to leave a thumbprint in the journal. If the impostor is not scared off by the very request for a thumbprint, the print will constitute evidence that a fraud was attempted by a particular individual and that the true owner of the property never appeared before the notary nor signed the forged document.

**Complete Documents:** Notaries must scan each document to ensure that they are not notarizing a totally or partially blank instrument—the equivalent of signing a blank check.

These requirements represent a significant problem for a would-be property or equity thief. How significant? So much so that swindlers will go to great lengths to attempt to "neutralize" the notary. They spend valuable resources to create or acquire virtually undetectable false IDs to present to the notary; they painstakingly research and select an inexperienced or inattentive notary; they steal or forge the notary's seal; or they attempt to convince or bully a notary into notarizing a document without the required personal appearance of the signer. All title agents and title insurers who also serve as notaries must be alert to these criminal tactics.

## NEW TYPES OF FRAUD

In addition to traditional types of fraud, there has been an emergence of new fraud techniques. William Matthews, vice president and general manager of the Mortgage Asset Research Institute, testified before Congress that mortgage fraud is, "not only increasing, but the types of fraud are becoming more severe."

Matthews refers to new breeds of fraud that have recently emerged, such as "property flipping," down payment scams, and "chunking." In many of these frauds, it is often the borrowers themselves who are active, knowing and willing participants in a criminal deception, and all of these non classic frauds are an attempt to circumvent the notary public during the closing transaction.

Property flipping involves a person buying a house cheaply and quickly reselling the property at an inflated price. To get that inflated price, perpetrators use false information from inflated property appraisals or bogus bank statements, pay stubs, W-2 forms or employment verification to trick a bank or mortgage company into approving a loan for the higher amount. Instant profit for them.

In downpayment scams a property sales price is inflated by the amount of the lender-required down payment. The down payment is made either by the seller, who is then reimbursed through the loan funds, or by the borrower, who gets the money back at the close of the transaction. Sometimes the borrower is promised the funds at closing or through repairs to the property, but neither occurs.

With chunking fraud, a company promises borrowers they can be landlords or own investment property, pledging to find and manage the property, arrange the loan, attract tenants, send payments to the lender, and, within a year, sell the property at a profit on behalf of the investor, who usually has not even seen it. Almost none of this happens. Instead, the company takes a cash "commission" for the final closing from the investor, who is left with property not worth the mortgage.

These new frauds serve as a painful reminder: The criminal mind never quits. The thief studies the industry, looks for weaknesses, and is constantly scheming to come up with the next great fraud. It can become a game for criminals to see how they can next outwit the industry and law enforcement officials. And there is no more attractive playing field on which to stage their exploitive games than the emerging e-mortgage market.

## THE THREAT OF eFRAUD

There has been crime for as long as there has been commerce. Hopes for preventing fraud in sensitive transactions traditionally have rested on a "three-legged stool" consisting of requirements that serve distinct, complementary purposes.

Written contracts are required to prevent perjured testimony in proof of purported agreements of important types.

Notarization is a time-tested process for ensuring that sensitive transactions are entered into knowingly and willingly by parties who are who they purport to be.

Recording of real estate and other documents provides a transparent public record that can be relied upon by parties to future transactions and the government.

The Uniform Electronic Transactions Act (UETA), adopted in some form by virtually every state, and the federal Electronic Signatures in Global and National Commerce Act (the E-SIGN Act) address point number one listed above, while the Uniform Real Property Electronic Recording Act (URPERA) addresses point number three. But UETA and the E-SIGN Act are often mistakenly cited as also enabling electronic notarization, when in actuality they merely give electronic signatures, including the notary's, the same legal force as pen and ink. UETA and the E-SIGN Act, therefore, allow for the eventual practice of electronic notarization but do not enable or authorize it.

To minimize the potential for fraud in sensitive electronic transactions, it is important to address notarization and recording requirements in a way that does not compromise traditional standards.

*Notaries Public represent a significant obstacle to the traditional types of property fraud, including mortgage fraud schemes.*

There is a common misconception though that an e-mortgage is the equivalent to a remote mortgage. Many envision a scenario in which each party sits in front of respective computers and completes the closing transaction without ever being face-to-face with the other parties – including a notary public. If mortgage fraud is reaching "epidemic" proportions now, imagine the state of the industry if remote mortgages become a reality. As already mentioned, thieves have developed elaborate schemes like chunking and property flipping in attempts to avoid the watchful eyes of the notary public in the paper-based world. The industry can ill-afford to do the same with electronic transactions.

In addition to UETA and URPERA, the states now need to adopt enabling legislation for notarizing electronic signatures and for all notarial acts that involve electronic documents. This is where the National Notary Association comes in.

Realizing the need for uniform state electronic notarization rules that simplify the interstate recognition of notarial acts and preserve such proven principles of traditional notarization as personal appearance of the signer before the notary, the National Notary Association in 2002 published the Model Notary Act, which was the creation of a distinguished national panel working over the course of several years. Specifically, Article III of the Model Notary Act sets forth a comprehensive and systematic set of provisions that states should adopt to enable electronic notarization. This Act covers not only the performance of eNotarizations but also the screening and qualification of electronically capable notaries.

Prepared by a broadly representative committee of experts, Article III provides technology-neutral statutory authority for electronic notarization. By preserving the fundamental principles and processes of traditional notarization, Article III ensures that electronic transactions can be consummated with the same level of assurance concerning identity, capacity, and volition as traditional paper-based transactions. Recognizing the complexity of digital technology, it also requires training and registration of notaries who notarize electronic documents.

Its adoption would promote electronic commerce by both removing limitations of legacy laws and mitigating the risks of online fraud.

There is an opportunity then, on a state-by-state basis, to transfer the time-tested securities of the paper-based world to the electronic one. Whether the signature is affixed by pen and ink, using technology similar to the signing pads in grocery stores, via digital signature, or some other form of technology, one crucial element must remain: the notary Public as an impartial witness to verify the identity, capacity, and volition of the signer.

# member news

## Movers & Shakers

### CALIFORNIA

**Kenneth L. Phillips** has been promoted to vice president and national sales manager of First American Title Insurance Company's National Homebuilder Services Division. He will be located in the Santa Ana office. Most recently he was vice president-national homebuilder services.

### KENTUCKY

Old Republic National Title Insurance Company, Minneapolis, has two announcements. **Alan Bryant** has joined the East Central Division as vice president and area manager for Kentucky. Most recently he was senior vice president and area manager for a national title insurance underwriter. **Dennis P. Hines** has joined the East Central Division as vice president and agency representative for the new Kentucky office. He recently served several years with a major national title insurance underwriter.

### MASSACHUSETTS

**Terry J. Romaniak** has been appointed as vice president, state manager and counsel for Massachusetts for Ticor Title Insurance Company, Burlington. Most recently, he served as assistant vice president and counsel for LandAmerica's Commercial Services Office in Boston.

### NEW MEXICO

**Carolyn J. Monroe** has been appointed senior vice president—New Mexico residential services manager for LandAmerica Financial Group, Albuquerque. Monroe has 23 years of experience and has been supervising the LandAmerica Albuquerque Title operations since 1994.

### PENNSYLVANIA

**Sue Swick** has joined Old Republic National Title Insurance Company, Canonsburg, as associate counsel and western Pennsylvania agency manager. She has 25 years of industry experience.

### TEXAS

**Mark S. Baldwin** has been promoted to division president for Twin City Title, Bowie County, a subsidiary of First American Title Insurance Company. Previously, he served as title attorney in the Houston office.

Landata Systems, Inc., Houston, announces the promotion of three employees. **Michelle Cole,** formerly director of application integration, now serves as director of IT governance. **Mark Crump**, formerly associate director of business development, now serves as director of business development. **Jennifer Dumas**, formerly associate director of product development, is now director of application strategy and acceptance.

And, **Terri Hilderman** has been promoted to director of agent technology for Stewart. Previously, she was national distributor relations specialist.

### VIRGINIA

LandAmerica Financial Group, Inc., Richmond, has several employee announcements. **Lloyd Osgood**, has been promoted to senior vice president– corporate communications. Osgood joined the company in 2001, and most recently she was vice president–communications resources. **Robert W. Sullivan** has been named senior vice president–investor relations and capital markets. He joins the company from Blue Cross and Blue Shield. **Amanda E. Viol** has been named vice president–assistant controller. She joins the company from Chesapeake Corporation. And **Albert V. Will** has been named executive vice president–lender services. Previously, he founded a regional title insurance and closing management company in the Midwest.

### WISCONSIN

**Mark A. Storey** has been named business development manager for Extract Systems, Madison. Storey has 22 years experience with high-tech sales.

## Mergers & Acquisitions

**First American Title Insurance Company**, Santa Ana, CA, has acquired United General Financial Services, Inc., Denver, and its subsidiary companies, including United General Title Insurance Company. John Dwyer will continue to manage the company as president and hold the position of regional vice president with First American.

**LandAmerica Financial Group, Inc.**, Richmond, VA, announces the purchase of Century Title Services in Fort Wayne, Indiana, through its Lawyers Title Insurance Corporation subsidiary.

## KUDOS

**Robert E. Blough**, assistant vice president–Indiana area counsel for LandAmerica Financial Group, Inc., Indianapolis, has been recognized by his peers as one of the top lawyers in Indiana. Indiana Super Lawyers® is an annual project sponsored by Law & Politics and Indianapolis Monthly magazine. No more than 5% of lawyers in the state receive the Super Lawyer designation in any one year. Blough holds the distinction of being the only title underwriter attorney named to the 2005 list.

## In Memory

**George A. Finney**, executive secretary for the Washington Land Title Association, died at home in Gold Bar, Washington, after a long illness. He was 75.

During his title career, Finney managed various offices throughout the state for Ticor Title Company, and then became vice president, agency manager for Ticor for the seven northwestern states. He left Ticor in 1983 and, with partners, opened Northwestern Title in Seattle and was vice president in charge of agency operations for Minnesota Title. He served as president of the Washington Land Title Association from 1978 to 1979. He retired in 1991 and for several years had been the executive secretary for WLTA.

He was predeceased by his first wife, Happy. They had two sons, Donn Finney and Bob Finney, and three grandchildren. He leaves behind his wife of 17 years, Carolyn, and her children, Joe Turner, Dan Turner, Scott Turner and Jane Turner Kadyk.

**Thomas P. Moonan**, president and CEO of Monroe Title Insurance Corporation, died suddenly on March 27, 2005, during a visit to family in Atlanta, Georgia. He was 71. A highly respected real estate attorney in the Rochester area for more than thirty years, Mr. Moonan was a partner in the law firm Harris Beach, LLP, until 1997, when he left the firm to lead Monroe Title, the family business founded by his father, Paul Moonan, in 1922. Under Mr. Moonan's leadership, the company grew to include 200 employees in 23 offices across New York State. Mr. Moonan was active professionally throughout his career, most recently serving as president of the New York State Land Title Association from 2003 to 2004. A charter member of the American College of Real Estate Lawyers, he was a former chairman of New York State Bar Association Real Property Law Section and a past president of the Title Insurance Rate Service Association.

Mr. Moonan is survived by his wife of almost 50 years, Marie; his sons, Paul and Thomas; his daughter, Kathleen; ten grandchildren and many nieces and nephews.

# NEW ALTA MEMBERS

## ACTIVE MEMBERS

### Alabama

**Kevin Hays**
Gulf South Title Services, LLC
Birmingham

**Chaundra Holdren**
Holdren Group, LLC
Athens

**James Davis**
Southern States Title, LLC
Orange Beach

### Arkansas

**Lori Whitehead**
Sundial Title, LLC
Jonesboro

### Colorado

**Sandra Bernard**
1st Denver Title
Greenwood Village

**Tim Werth**
Legacy Title & Escrow, LLC
Northglenn

**Gordon Esplin**
Maxima Title, LLC
Fort Collins

### Connecticut

**Angleus Tammaro**
A & T Title Services, LLC
East Hartford

**Lizabeth Bloom**
Stonington

**Ronald Laflamme**
Laflamme Titles, LLC
Middletown

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Whyte Law Offices
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