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# TITLE NEWS

Official Publication

THE AMERICAN TITLE ASSOCIATION



VOLUME 25

JUNE, 1946

NUMBER 3

# TITLE NEWS

Official Publication of

## THE AMERICAN TITLE ASSOCIATION

3608 Guardian Building — Detroit 26, Michigan

VOLUME XXV

JUNE, 1946

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# TITLE NEWS

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## THE AMERICAN TITLE ASSOCIATION

3608 Guardian Building — Detroit 26, Michigan

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## Open Forum — Abstracters Section 1945 Convention, Chicago, Illinois

WILLIAM A. McPHAIL

*Chairman, Abstracters Section;  
Secretary, Holland-Ferguson Co.  
Rockford, Illinois*

### Introductory

CHAIRMAN McPHAIL: Ladies and gentlemen, we will have to start the meeting immediately.

One thing slipped my mind yesterday afternoon. As I sat here yesterday and listened to the papers as they were read and discussed I thought of the action we took Wednesday afternoon when we raised the dues from whatever they happened to be, to a minimum of ten dollars. As I listened to those papers I could not help but think that when the abstracters throughout the country get a full report of the papers as they were given they will have in their hands enough value to pay their dues for six years to come at the rate of ten dollars a year. Every one of those papers had a lot of valuable information. I wanted to make these remarks this morning in order that the record would show how the Chairman of the Abstracters Section felt about it.

Yesterday the attendance was excellent and the interest was so much greater than it ever has been before that I was very happy about the whole thing.

There is one thing I want to say to you abstracters who are here today, and that is that for the next two or three years to come we have a great deal of work to do, and those of you who are here, and have heard the papers, and have felt the interest shown, have got to go home to your respective states and preach the gospel of the Abstracters Section of the National Title Association. We don't want to lose a single member because the dues have been raised a little.

And in the future we want to do more for our members if we can by way of our national bulletins.

Today the meeting is to be an open forum meeting and if you have any

questions at all we want you to be frank about stating them. We want the meeting to move along just as rapidly as possible.

Mr. Joe Meredith, the President of the Indiana Title Association and President of the Delaware County Abstract Co., Muncie, Indiana, is going to be in charge of this meeting. And, Joe, I am going to say in introducing you, that when you feel that we have talked long enough about one subject, to cut it off short and go to the next subject because we have a very limited space of time at our disposal. Joe Meredith.

### Open Forum

MR. JOSEPH T. MEREDITH: There is no set program in this forum discussion. You can talk about anything you want to talk about providing it has to do with the abstract profession and anybody who has any questions should bring them right up.

For our first question in the forum discussion this morning, let's talk a little bit about what our relations are with our employees.

What are we doing to keep them satisfied?

What are we doing to train them?

What are we doing in the way of incentives to keep them with us; because there has been a large turnover in a great many of the abstract companies' employees, perhaps more than there should be.

You know that if you have employees who have been with you for a number of years, they possess a great deal of value to you that comes

with the knowledge that they have gained over a long period of time. Of course you want to do everything you can to keep them with you. Perhaps you have some means that you have evolved to make those employees happy and keep them with you a long time.

Now, let everyone else in the profession have the benefit of the experience which you have had.

Is there anyone here who gives their employees life insurance? (Showing of hands)

All right. Let's hear something on it.

MR. OSCAR W. GILBART (St. Petersburg, Fla.): Mr. Chairman, we have three or four things we do for our employees to keep them with us and to keep them happy and up until the present time we have been very successful.

We have a pension plan in our office. The employee has to be with us two years before he is eligible for it, however, and we give group life insurance.

CHAIRMAN MEREDITH: Now wait just a minute. I haven't heard enough about that pension plan. Do they contribute to it?

MR. GILBART: No, sir. The company contributes the entire amount to the pension plan. It is contributed through the pension committee which is formed by the employees and it is deductible from your income tax return and it is all contributed by the company itself,—so much annually.

The finance committee of the pension committee of the employees handles their own finances. They make their own investments. It is handled by them and it is controlled by them.

That is about as near as I can tell you about it in brief words.

Any other questions you would like to know about now?

MR. GLASSEN (Waterloo, Iowa): On what basis is it made? On the

earnings of the company for the preceding year?

MR. GILBART: In other words, what ever the board of directors feel like they can contribute this year on what they made last year. That's the way we do it.

MR. THOMAS J. LLOYD (Pueblo Title Guaranty Company, Pueblo, Colorado): What is the amount of the pension and at what age then do you pension?

MR. GILBART: Sixty and sixty-five.

MR. LLOYD: Sixty for the women employees and sixty-five for men?

MR. GILBART: Yes. That is correct. That pension is based entirely on the years of service with the company and their position in the company at the time of being pensioned.

CHAIRMAN MEREDITH: Are the officers eligible for the pension fund?

MR. GILBART: Yes.

CHAIRMAN MEREDITH: Thank you.

MR. GILBART: Going on, then, the next thing we have is life insurance policies. Those life insurance policies are only purchased and the premiums paid for on key employees. We have a great many employees in the office who are not eligible for the life insurance policy. We only select the key department heads which is about ten or twelve.

That premium is paid by the company. They are given the policy and they are at liberty to name their own beneficiary; as long as they are with the company, the company will maintain that policy for them but if they should leave the company they have the choice of taking it over themselves and continuing it on the same basis and the company is relieved at the time they leave our employ.

We give the employees a Christmas bonus and that is based upon a percentage of their annual salary. We've done it for fifteen years and they always look forward to the Christmas bonus.

We give them two weeks vacation with pay and we do not deduct when they are sick. If they are out for sickness, legitimate sickness, hospitalization, we do not deduct their time. Their salary goes right on.

We give them turkeys at Thanksgiving and at Christmas.

Now that may be a small item but you'd be surprised how they look forward to that turkey on Thanksgiving and Christmas because they know they are going to get one and it's a small item but it builds up the morale of the employees. I don't have to worry about getting the work out.

CHAIRMAN MEREDITH: Now, Mr. Gilbert, if you will, after the meeting is over, take a place in the ante room out there, these folks will line up for jobs. (Laughter)

Now there are others in the room who have had some experience along that line.

Andy Dyatt, is he in the room?

MR. DYATT: Here.

CHAIRMAN MEREDITH: Haven't you had some experience along those lines?

MR. DYATT (President, Landon Abstract Co., Denver, Colo.): We have available to all our employees a life insurance policy of one thousand dollars for which the company pays. For the officers or the department heads, the policy is up to twenty-five hundred dollars.

We also work on a bonus plan that has been in effect for twelve or fourteen years, in which we try to get the employees to think of themselves as stock-holders. We start in with a minimum of five percent of their salary the first year. That graduates on up until it reaches ten percent of their



By W. A. McPHAIL

salary, or ten percent, that is, of ten times their monthly salary. It starts at five percent of ten times your monthly salary which, in ordinary times, I think is a very good thing.

I am not too sure that a pension plan is particularly good during the conditions and times that we have been going through because I think the employees are apt to feel that if their salary is \$150.00 a month, that is their total salary. They don't take into consideration an income from a bonus in comparing the jobs they have in our title plant to the jobs some of their friends have.

They forget that there is fifteen or twenty dollars additional each month coming to them at the end of the year. So my experience hasn't been as happy as yours so far as the bonus situation is concerned, during the past two years. I think in ordinary times it is a very fine thing. The employees actually receive a better percentage than the stockholders do in the company and

your old-time employees, I think, appreciate that. The new ones coming in don't recognize it, I am sure.

CHAIRMAN MEREDITH: Do you think that your employees have stayed with you because of any of your incentive plans?

MR. GILBART: I doubt it very much.

CHAIRMAN MEREDITH: Are there others who have had experience? I think we saw several hands. Mr. Lloyd?

MR. LLOYD (Pueblo, Colo.): We have a bonus plan for our company which is based on the net earnings of the company at the end of the year. It is pro-rated on the basis of their salaries at the end of the year; and, in addition, we have hospitalization and the company takes care of that.

We don't deduct for time off on account of sickness.

CHAIRMAN MEREDITH: Thank you, Mr. Lloyd.

Now let's see the hands of those who have some sort of hospitalization plan, Blue Cross or another.

(Showing hands)

Really not a large percentage.

Are there any questions about any of these employee relations anyone would like to ask? (Pause) We'll leave it.

I don't know whether any of you are interested in this, but we had quite a discussion yesterday about mechanized processes and systems, office equipment. Does anyone have any further question this morning on that subject which he wishes to bring up? (Pause)

#### Time Charge

Now the question of time charges in the preparation of abstracts.

It seems to me as though there is the place where a good many of you are missing the boat because you have every argument in favor of putting on your fees a time charge. You may examine a thousand judgments for one year, two thousand for two years, three thousand for three years, and so on. Why would you make the three thousand search for the same price that you make the one thousand search?

And the method of selling your clients is so simple and so easy that I don't think there is any argument at all against a time charge.

Now, of course, the charge can vary in a good many places. Personally, we get fifty cents a year after the first year for each year we make our search and you will find in round figures that the time search will increase your income anywhere from ten to fifteen percent immediately and public reaction to it will not be bad.

It seems incredible that when you institute an increase like that, that you wouldn't have some objections. However, in my particular county we didn't have a single objection to the charge. In making our bills, we list this time charge as a separate item so that our

customers are fully aware of its inclusion.

MR. LLOYD: Take for instance an abstract that, we'll say, was brought up on a date of 1940. You have your certificate charge of so much, and that is a basic charge, and then you would charge for five years at fifty cents a year?

MR. MEREDITH: If it was 1940 we would charge for four years because we give the first year.

MR. LLOYD: In other words that is in addition to the number of entries that goes in the abstract. If the abstract hadn't been touched since 1900 you have forty-four years.

MR. MELVIN JOSEPHSON (Boone, Iowa): Do you make a time charge on a complete abstract, that is a new one?

MR. LLOYD: No.

MR. FRANK K. STEVENS (President, Brazoria County Abstract Co., Angleton, Texas): What is your certificate charge for the first year?

MR. LLOYD: Three dollars.

MR. STEVENS: That's the minimum and then fifty cents for each year?

MR. LLOYD: It's not a certificate charge; it's a time charge and it is listed separately.

MR. STEVENS: You have three dollars though as a minimum, do you not?

MR. LLOYD: Well, of course, it's never that low but that is the certificate charge itself.

MR. STEVENS: I mean if it was for one year would that be what it would be?

MR. LLOYD: Well, that is what the certificate would be but we have invariably entries in there, four or five of them.

MR. JOHN S. THORNTON (Birmingham, Ala.): We have, since 1938, something that varies from your time charge. We have a flat charge for our certificate and then we charge so much for each year's taxes that we look up which makes the examination coverage for one year less than it would be for five years.

We used to have a plan that I would like to know if anybody else has ever tried and whether or not it was successful.

About ten years ago, prior to January 1, 1938, we had an increased liability certificate. Under our regular certificate we assumed only liability up to twice our charge for the work. In other words, if the charge was twenty dollars, we would have liability up to forty dollars. But if the customer wanted to increase liability he could purchase it at so much per thousand.

We have had that plan for a period of about ten years and we abandoned it for this present plan which we find gives us increased revenue due to the fact that we couldn't sell the public on the idea of purchasing the additional liability coverage.

MR. PAUL S. JONES (Columbus Abstract Co., Columbus, Ind.): Since

you base this on a similar search, on your judgment search, why would you charge for 44 years?

MR. THORNTON: I didn't intend to say that we based it on the judgment search. That was merely one thing.

You have five thousand mortgages and deeds to examine in one year and ten in two. It goes through the entire gamut.

CHAIRMAN MEREDITH: Are there others?

MR. C. D. EIDSON (Owner, Hight-Eidson Title Co., Harrisonville, Mo.): How do you explain your time charge, Joe?

CHAIRMAN MEREDITH: How do I explain it to my customers?

MR. EIDSON: You say it's listed as a separate item. You have a lot of kickbacks on that?

CHAIRMAN MEREDITH: Never a single one.

But, I tell you, Mr. Eidson. At the same time we took up the plumbers' way of making bills—in other words, if you have a plumber at your house, he will list every little nut and bolt down the line and down at the bottom will be his time and then he will total it up.

Now, you can't argue with that plumber about how much your bill is because there it is—all itemized.

Now we have done the same thing with abstracting. For instance, we will list so many entries at so much per entry; so many years at fifty cents a year—our time charge—and our certificate fee all separately and total it up.

Now they get the bill and it's broken down for them and they can't argue about any single item, so—they don't argue about the whole bill. (Laughter)

MR. EIDSON: Suppose a fellow had a forty year abstract and had only one deed on it.

CHAIRMAN MEREDITH: If it's a forty-year continuation you have done your work.

MR. EIDSON: But, his next door neighbor had a one-year extension that had ten deeds on it.

MR. MEREDITH: Okay. But you have done so much more work for the forty year man than the neighbor you have only covered for one year.

MR. EIDSON: You understand it, but the customer . . . it's hard for them to see it.

CHAIRMAN MEREDITH: Well, he has understood it; that's all I know.

MR. EIDSON: Where did you arrive at this one year idea?

MR. MEREDITH: Not charging for the first year, is that what you mean?

MR. EIDSON: Yes. Beginning one year afterwards.

CHAIRMAN MEREDITH: We figured, I guess, our certificate in the past entitled him to something so we gave him the first year without a time charge.

MR. L. O. ARNOLD (Wabash Valley Abstract Company, Peru, Ind.): I want

to back up our Indiana President, Joe Meredith. I want to back up Joe.

I've been asked by my people if I got anything out of the State conventions which I have been attending in Indiana for twenty-five years.

I said: "Yes, two years ago they brought up this . . ."—possibly it's three years ago; I don't know— . . . "they brought up this question of time charge and it set me to thinking."

We had had those abstracts, you know, beginning with 1900, 1910, and so on, and I wondered what we could do with it.

I got that time charge out of a State convention, Joe, and I went home and put it into effect.

Am I right in saying that the time charge in some of the larger plants, in larger cities, is a dollar?

CHAIRMAN MEREDITH: I don't think so but they do put a charge on for so much a year for so many years and then they drop down after the first ten years—I think they drop down to where their time charge is only fifty percent of what it is for the first ten years.

MR. ARNOLD: But some of them do have fifty cents. As one gentleman here says, "Abstracters have tender consciences." We were in that class and we did not make our time charge fifty cents a year but we did make it twenty-five cents a year. It added materially to our income and I verify what Joe says about it.

I have had no objections to it.

I show them the reason for that—"here's the record—the reports have to be run for twenty years, twenty-five years and naturally there is more work to it."

You're right about that thing. It has helped me and that is one of many things that I got out of the State convention that helped me.

CHAIRMAN MEREDITH: Thank you, Mr. Arnold.

Even if you start with twenty-five cents, it isn't so hard then later on to raise it.

MR. GILBART: In connection with this time charge, Mr. Chairman, I would like to hear some discussion on valuation charges.

I am very much interested in that and I will tell you why as soon as you start.

CHAIRMAN MEREDITH: We'll get to that in a minute. Soren Johnson had a little experience to tell us.

MR. JOHNSON: We have been, up in Wisconsin, discussing that matter now since Jim Sheridan came to our State meeting. We took it up in our regional meetings and we haven't arrived at anything definite yet as I haven't gone far enough in my investigation to make any statement as to what the thing may mean.

I did this to begin with. I asked twenty abstracters of our particular region to keep track of the next one hundred orders, the first next one hundred orders that came in to their office

and then we would have a background of two thousand orders. We could then go ahead and arrive at what would be the average—how often that abstract came back to the office—how long was the average time elapsed, and all that sort of thing.

Then we would know what it would mean per order and what revenue we might derive on this time charge. I don't think anybody can question the logic of this charge and why we should make it—but it seems to me we're backing up on it and the farther back we go the more the time charge should be rather than less.

If you extend an abstract for twenty years and charge for the first ten and the next ten are free, aren't you then contradicting yourselves?

And we have thought, just tentatively at least, that perhaps we might give the man the first year or possibly two years free and then as each year goes by we would add to the search charge proportionately for the number of years we searched.

Are we wrong in that sort of thinking?

CHAIRMAN MEREDITH: Well, keep in mind, Mr. Johnson, you are substituting a new charge for an old one (and I am glad you are going into it so thoroughly, because you will be amazed at what it will mean to you). When you put the charge into effect, you must put it in at not too low a figure, because they are going to accept it anyway and they might as well take it at the right figure rather than a smaller figure.

MR. JOHNSON: We had in mind twenty-five cents. I think somebody mentioned that.

CHAIRMAN MEREDITH: Yes. In my judgment that is just half too little. It ought not to be less than fifty cents. You can get it very easily and fifty cents a year doesn't seem much.

MR. JOHNSON: How far do you go then on the fifty cents and where do you stop?

CHAIRMAN MEREDITH: Personally, at the present time, we stop at the end of ten years but we are considering taking that off now and go all the way. They're educated to it and so we feel it will be easy to eliminate the limitation.

MR. JOHNSON: Would the original certificate charge not have some bearing on that position too? Suppose a man has a three dollar certificate charge in the smaller communities.

Would you then advocate fifty cents for, you say, ten years?

CHAIRMAN MEREDITH: I would advocate fifty cents for all the time.

MR. JOHNSON: I understand that suggested fifty cents right straight through each year would bring that certificate charge up to eight dollars then? You might not find a thing in the record title.

CHAIRMAN MEREDITH: But you

have done your work, Mr. Johnson, just the same.

MR. JOHNSON: Suppose you go back twenty years, would you give them the last ten for nothing?

CHAIRMAN MEREDITH: No. I don't think so.

CHAIRMAN MEREDITH: Now let's get on to the next step. The valuation charge. Now we find a good many people who are using it or flirting with the idea of a valuation charge.

Is John Harvey here from Sioux City?

What is your experience with that, Mr. Harvey?

MR. JOHN V. HARVEY (Talley, Harvey & Company, Sioux City, Iowa): We feel that our success up in Iowa in the northwest corner of the state since our state convention two years ago has been due to two things:

First our simplicity in the method in which we put it in; and

Secondly, the manner in which we get at our valuation charge.

It is almost impossible to criticize it and we feel that that has carried us through.

We had three real objections to it. One was national, which, thanks to our good secretary, Jim Sheridan, was wiped out completely, and I don't think anybody has to worry about national interference. This was an insurance company and Jim handled this and answered them so thoroughly and convinced them so decisively that it was accepted by the life company.

The other was a state client which happened to be from a Joint Stock Land Bank in the state next door to us where, as most of you know, they have tract indexes in the courthouse. They said that if we charged valuation charges then they would send up their own men and make their own abstracts. We told them gladly to go ahead knowing our position in Iowa. As soon as they found the conditions they realized the difficulty of trying to make an abstract from the public records—how virtually impossible it was even though they sent up an attorney to make the abstract. There was no more objection.

Our own local objections are like we all have—ambulance chasers and so forth—that interfere with our work but we had no trouble from them when we decided to make no extra charges based on valuation.

In other words, we don't charge for extra names and judgment searches or extra years for taxation or anything like that. We simply put a valuation charge on and hold to it. And after writing several states and getting answers from as many places as we could in the country, we decided to take the regular tax lists in the county treasurer's office each year and base our valuation charge on that valuation that is yearly placed in the treasurer's office.

CHAIRMAN MEREDITH: The assessed valuation?

MR. HARVEY: The assessed valuation, and we have had no argument along that line at all.

CHAIRMAN MEREDITH: Well, let's go just a bit farther, Mr. Harvey, please.

What are your rates?

MR. HARVEY: Half of one percent for the first twenty-five thousand. A quarter of one percent up to fifty thousand, and we have two cities only up to seventy-five thousand, so we haven't many deals that go much over fifty thousand in valuation at all but we make a small percentage lower than a quarter for anything over fifty thousand.

CHAIRMAN MEREDITH: One half of one percent on the first twenty-five and one fourth of one percent on fifty. That is in addition to your regular per-page or entry charge and in addition to your regular certificate charge.

MR. HARVEY: Yes.

CHAIRMAN MEREDITH: Do you list it separately when you bill them?

MR. HARVEY: No. That's where I made my mistake and listed mine with an insurance company and raised the rumpus. But that is all cleared up now.

CHAIRMAN MEREDITH: You don't do it now?

MR. HARVEY: We don't do it now and we have no objections.

MEMBER: What are your regular charges for entries?

MR. HARVEY: Seventy-five cents per entry and our certificate is five dollars.

MR. DYATT: How much a page?

MR. HARVEY: We want to get away from the entry and per-page charges if we can. It gives the world and especially our good friends the bankers, the realtors, the real estate people, and the lawyers a chance to figure our prices and I don't think that the world in general has a right to tell us how to put on our own price. We, up in our corner of the state, are subject to being made the laughing stock of those three main sources of business because they were telling us what to do. When we finally got to using a little head work we have commanded more respect. We have made our own prices now and I think that as soon as we can get away from the fixed style of how we do our business the better.

I like the sound of this time charge too but it's up to us to make our own charges. We are sure where we are that the valuation charge has helped us a lot in making our own prices and giving us a little better standing in the community.

MR. GILBART: Mr. Chairman, our certificate in Florida, in our community, is ten dollars. Sometimes it is known as a "search charge" and then it's a dollar an entry or a dollar a page for each item that goes into the abstract.

Now last year there was a large hotel sold in our community for half a million dollars. They had an abstract of title. They brought it in for continu-

ation and it had five items on it and the bill was fifteen dollars.

I charged the regular rate and did the regular search but I still got the fifteen dollars on a half a million dollar transaction! That set me to thinking because a few days later some of the delinquent property, delinquent tax property was sold at the city hall steps. Let us assume a man buys one lot at \$100.00, just a vacant lot way out in the bushes somewhere. He wants an abstract and he comes in to us to make it. It's a long chain of title and it runs anywhere from fifty dollars to seventy-five or one hundred dollars,—on a vacant lot way out in the woods!

Those two incidents came so close together that I began to think that there was something wrong and I have never found the solution to it yet. In fact, I have done nothing about it but I have been doing a lot of thinking as to whether or not the valuation basis of charging didn't have some or a lot of merit to it. That's my problem.

CHAIRMAN MEREDITH: I think there is no question but what it has some merit.

Jack Rattikin, is he here?

You have some good experience along that line, haven't you?

MR. JACK RATTIKIN (State Manager, Kansas City Title Insurance Co., Ft. Worth, Tex.): Well, we have, for a long period of years, made a valuation charge in the higher brackets. We don't make any charge up to fifty thousand. Over fifty thousand and less than one hundred we charge fifty percent extra. I mean we make a one and one-half charge. If it's from one to two hundred thousand we make a double charge. If it's over three hundred thousand we then triple the charge.

As far as I know, of course, that all involves pretty good property and as far as I know no company has ever made any objections to it and I think we should go further and make that charge come down into the lower brackets, but we haven't done it yet.

CHAIRMAN MEREDITH: Anyone else have any experience you would like to tell us about?

MR. DYATT: Yes. I would like to ask the gentleman from Iowa what the average abstract bill in Iowa is, if he can give that information.

CHAIRMAN MEREDITH: Mr. Harvey, can you give them your average?

MR. HARVEY: Nine thirteen.

MR. EIDSON: I'd like to ask Mr. Harvey if the assessed valuation of the land in his county represents the fair price of the property—forty to fifty percent in value?

MR. HARVEY: On a sixty percent basis.

CHAIRMAN MEREDITH: Of course, I don't think it makes much difference what the valuation is if it's a general rate over the state, whether it's fifty percent or whether it's actual cash value. It doesn't make any difference.

It might make a little difference on the rate you put in—but it would be fair for everybody.

MR. HOWARD D. CLARK (First Abstract & Title Corporation, Valparaiso, Ind.): Joe, have you given the question any thought yourself? Have you anything to add?

I've been wondering what would happen in the case of complete abstracts, if you were using valuation charges entirely in getting away from your entry and page charge.

How would you break it down for your continuations. I can readily see if a person wants to charge a percentage of the valuation and forgets the entry of changes, in a complete job, but what would you do when it came to your continuation?

CHAIRMAN MEREDITH: Is a gentleman here from the City Title Company in New York?

I was talking to him yesterday evening and they make their charges completely on a valuation basis. The number of entries or length of time covered by the continuation is not taken into consideration. The sale price is the basis of the fee. They seem to feel that over an average they can afford to do the tough ones as well as the easy ones on such a schedule.

I just throw that out because it is being done that way in at least one place.

MR. C. W. DYKINS (President, Realty Abstract Co., Lewiston, Mont.): We make normal regular charges in our office and have for several years. But with rising costs and higher taxes they are not sufficient. In the last two years we had conditions that really warranted us to change. We use the other charge just the same, judgment search charge and certificate charge of five dollars, and our added valuation charge is based on the value of the transaction.

In other words, to illustrate the cash value,—and we ascertain from the parties, for instance, how much is involved in the sale of this house. They tell us seventy-two hundred. We have a valuation charge of one dollar a thousand and that would make it an eight dollar valuation charge in addition to all the other charges.

We have had repeats in sales since this boom has come on and maybe we'll get a dollar charge or maybe more the next time on the same lot. When it's been transferred maybe two times within the year, it is quite an addition to your business.

We have never had any complaints or arguments about a valuation charge, especially from the lawyer. We point to the fact of what he bases his fees on and also what the statute allows in probate matters, administrators and others of that kind. They come in and say, "What's the valuation charge?" And we ask them, "What's your charge now on the sale of the property?" And he immediately has to tell us, based

on the valuation at five percent, I think is what they charge, so they don't seem to want to argue and there's been no objections.

MR. DYKINS: We start in at one dollar a thousand to fifty thousand of valuation and fifty cents a thousand over that.

#### Tract Indexes

CHAIRMAN MEREDITH: Now, tract indexes, are there any questions on that?

MR. LEONARD F. FISH (Dane County Title Company, Madison, Wis.): I would like to have some discussion on the matter of a geographical separation of your take-off slips as against some usual form of bound tract index where you fill in your transcript, only numerically.

CHAIRMAN MEREDITH: Anybody here who can answer that question?

"What is the advantage of a geographical tract index over a regular one?"

MR. FISH: I would like to know how many, if there are any, other than our friend from Michigan, who are actually using this sort of a system.

CHAIRMAN MEREDITH: Oh, I think we will have quite a few. Let's see the hands of those that use the arbitrary plat system.

MR. FISH: No; maybe I didn't make myself clear on that.

I mean you take the transcript and you sort them out according to the description and thereby all the transcript or take-off sheets for any particular lot you will find in one place as against the system where you take your transcripts and you file them numerically according to the book and page.

CHAIRMAN MEREDITH: I see what you mean. Throwing them together.

MR. FISH: I would like to know how many use this unit or geographical system.

CHAIRMAN MEREDITH. Let's see those. Are there some here? (Showing of hands)

Quite a few. For the record, I state a number have this system.

CHAIRMAN: "Central Plants for competing abstracters"—that is a central take-off.

Anybody using that system?

MR. GILBART: We have used the consolidated take-off system in our county for the past twelve or fifteen years. There are three of us in the county. One in the courthouse and two of us twenty miles away. We are violent competitors but we do get together on the take-offs. We have one take-off force that makes the three take-offs, the original and two good carbons, and we alternate in taking the carbons and the original ever so often and we divide the expense three ways. It has worked wonderfully for fifteen years.

Our take-offs cost us about eight cents apiece that way as against about

fifteen to eighteen cents apiece individually.

It's working wonderfully.

CHAIRMAN MEREDITH: Are there others that are using a central take-off?

MR. DYATT: We do, and it works out the same way. Very good.

CHAIRMAN MEREDITH: Any questions now about this take-off?

Anyone have anything they think we might use?

#### Abstracters State License Laws

CHAIRMAN: A great many states do not have a license law and there seems to be a little divergence of opinion whether they are good or bad. Missouri has one, I think. Does it, Mr. Eidson?

MR. EIDSON: We're in the process of trying to get one through the legislature at the present time, Mr. Meredith. We do not have a law now.

MR. MEREDITH: I see. Is your state association backing this license law?

MR. EIDSON: Yes.

CHAIRMAN MEREDITH: Mrs. Calder here from Arkansas? No?

MR. SHERIDAN: She is missing the convention by reason of family sickness.

CHAIRMAN: Well, the Dakotas. We have someone here from South Dakota.

Don't you have a license law?

MR. LYNN MILNE (Security Land & Abstract Company, Sturgis, South Dakota): We have a license law, yes. There is some advantage to license laws as we see it. We have eliminated the curbstoner in our state.

MR. GEORGE M. LATHROP (Nebraska City, Nebraska): I would like to ask the gentleman from South Dakota—do they still have the public indexes that are kept up by the county court?

MR. MILNE: In most counties we do.

MR. MILNE: The law now provides that anybody wishing to engage in the abstract business must have a complete title plant.

That eliminates the fellows with the typewriters who come in and put up a bond and start making abstracts from the county records.

Among the disadvantages of the law is that our fees are greatly regulated. We have a fee schedule that we are supposed to stay by. Our fee schedule hasn't been changed for a good many years.

CHAIRMAN MEREDITH: You mean that it is a part of the law?

MR. MILNE: That is a part of the law.

It provides what we can charge per entry; how much for each name searched; how much for each tax entry shown and each lien.

However, since the passage of the license law we have had Social Security, County Poor Relief, State Income Tax

and other liens for which the license law fee schedule makes no provision. We make a charge for the search and showing of these liens. Once in a while someone will object to our charge as it does not entirely conform with the law. However, an explanation of the charge or the offer to delete the paragraphs from the certificate and reduce the charge will usually satisfy the customer.

Well, naturally, the examiner wants to know what these liens are and they say, "Well, if that's the charge, guess we'll have to pay it."

So it's all right. We don't have too much difficulty.

There are a number of advantages and a number of disadvantages in the license law, but it is a protection to the abstractor who is in business and prevents anyone without responsibility from coming in with a typewriter and starting in business.

CHAIRMAN MEREDITH: Thank you, Mr. Milne.

I think there are still a good many whom you call "rugged individualists" who are not licensed and who are not wishing to be regulated by state government in any shape or form and will take their chances on competition. Then, there are others who like protection and like to get the so-called curbstoner, the fellow who doesn't have much of a plant, out of business.

We have a good many in Indiana who would appreciate being wet-nursed a little bit along that line.

Is there any other question about that?

MR. GILBART: Who is the judge as to what kind of plant he should have?

MR. MILNE: In our state it is an examining board appointed by the Governor on the recommendation of the State Association. We have three in our state, three of our Abstracters, who are recommended by our State Title Association to the Governor.

CHAIRMAN MEREDITH: Have you ever had any political favorites who were given a license and who were not entitled to it?

MR. MILNE: Not to my knowledge.

MR. DYKINS: We have had a license law since 1931 and we have found it to be a comparable act, an act which has prevented curbstoning. I should suggest to Mr. Eidson of Missouri, or anyone else contemplating any act, that they study the different acts, including the one in Montana, because we do not have in that any other feature except control of parties who want to go into the abstract business.

We have an Abstracters Board which also examines. It does provide for certified abstracts, and we have a board that passes on the qualifications of these parties who desire to become certified abstracters and it also passes on any plant—as to whether or not they have not only complied with the law but are still complying with the law.

CHAIRMAN MEREDITH: Didn't you have a Grandfather clause in your Bill?

MR. DYKINS: We did, but the Supreme Court, luckily for us, in a case where a fellow left for other employment and later wanted to go into the business in another county, decided that not only he did not come under the Grandfather clause, but even went far enough to say that at any time we desired to compel those who were not within the law with their plants that we could make them come under it.

And I think you will find it a very good law.

I think the suggestion of South Dakota that very few legislators are not in favor of permitting a man to contract for his work seems to be one of the things they are fighting for now all over the world and that is one of the statutes in Montana, that expressly states that the charges that an abstractor makes are a matter of contract.

CHAIRMAN MEREDITH: We are talking now relative to the subject of co-operation of the State Bar and State Title Associations.

Are there other states where they have that co-operation? I think it is one that you officers of the individual state title associations could well afford to give some thought to because we do have and we do want to work so very closely with our State Bar. In fact, a good many of you are members of the bar but for the benefit of our state associations, and also national, the better co-operation we can have with our Bar, the better off we are all going to be.

MR. LATHROP: We have our Nebraska Bar of about forty standards similar to what they have in Minnesota. Lawyers do not all agree to it, I am sorry to say, but they are there.

CHAIRMAN MEREDITH: Is that a state or a local bar arrangement?

MR. LATHROP: That is an integrated bar.

CHAIRMAN MEREDITH: Are there any other questions along that line?

MR. PRYOR: Mr. Chairman, the situation in Minnesota may be of interest. The State Bar Association has two standing committees that are interesting to abstracters in the state. One is called Committee on Real Estate—Torrrens Law—Title Insurance. On this committee, among others, are Al Soucheray of the St. Paul Abstract & Title Guarantee Company, George M. Maloney of the Title Insurance Company of Minnesota, from Minneapolis, and myself from the Consolidated Abstract Company in Duluth. We were not appointed to this committee as abstracters, but as practicing attorneys. A rather close co-operation exists between the Title Association and this committee.

The second committee is on "Abstracters and Fees Therefor; Title Registration; Examination of Titles in

Cities of the First Class Down to Plats and Advising Bar Thereon." Mr. Maloney is also on that committee, and Mr. Arthur M. Clure of Duluth is the chairman. Mr. Clure told me recently that this committee hoped to have a bill passed, raising the fees of Register of Deeds for making abstracts. In other words, the Bar Association is trying to raise the standards of abstracts by providing greater fees for the Register of Deeds who are making abstracts.

In an additional endeavor to clarify titles, and in the interest of uniformity, the District Bar Associations are adopting what they call "Real Estate Standards" and in the Eleventh Judicial District, of which my county is a part, some thirty-seven standards have been adopted. These standards are used by all attorneys, and they now agree how they will treat a specific title question.

Our company offered to print these standards and to supply the members of the district bar with them. It was about the finest thing we ever did to bring out a spirit of good feeling. The Hennepin and Ramsey County Bar Associations are adopting similar standards.

In the Title Standards, as printed by our company, the following preamble appears: "By resolution unanimously adopted at a regular scheduled meeting of the Eleventh Judicial Bar Association, held at Duluth, Minnesota, November 29, 1944, the Committee on Real Estate Standards were empowered to promulgate and announce such standards concerning the examination of abstracts of title as from time to time may be approved by the committee.

"Pursuant to such resolution, the committee has announced 37 standards.

"The situation which brought this committee into being is well known. It is the hope of the Eleventh Judicial Bar Association that support of these standards may relieve the situation.

"This possibility prompts The Consolidated Abstract Company to supply this booklet."

Mr. Clure and his committee hope to have standards adopted by the State Bar Association which will be state-wide in their application. The Bar as a whole are not as closely in agreement as are the members of the District Bar Associations where the cities of Minneapolis, St. Paul and Duluth are located. Not long ago, an attorney from southwestern Minnesota, who was examining a title to a tract of land in our county, raised a lot of objections. I felt that most of his objections were of little importance and mailed him a copy of the Title Standards of our District Bar. I told him what was the practice in our county, and also advised him that the Hennepin and Ramsey County Bar Association took the same position. Well, that country attorney came back at me this way: "That might be the law up in Duluth, Minneapolis and St. Paul, but down in my county, this is the law . . ."

When the State Bar succeeds in

adopting Title Standards that are state wide in application, many of the common questions now facing examining attorneys and abstracters will be eliminated.

CHAIRMAN MEREDITH: Do you feel that these standards that were adopted are helpful to you?

MR. PRYOR: Yes. They are helpful to us; but they are primarily intended for the examining attorneys.

CHAIRMAN MEREDITH: But they take away some of these questions that you are called upon to answer and some of the requirements you are asked to meet?

MR. PRYOR: Very many of them.

CHAIRMAN MEREDITH: Would you mind letting the record show that you will mail copies of these Title Standards to abstracters who write for them?

MR. PRYOR: We still have a few copies left and we will be glad to comply with these requests as long as possible.

CHAIRMAN MEREDITH: Personally, I want to get one.

MR. PRYOR: I will give you one right now, Joe, and I have two more copies with me which I will give to the first two asking me.

#### VETERANS TRAINING PROGRAM

CHAIRMAN: We had a discussion yesterday, I believe, or the day before, about using returning G.I.'s in our business, giving them training under the G.I. Bill of Rights.

Are there any questions this morning about that from any abstracters?

It seems as though it might be some sort of source for getting some employees that might turn out very good and, at the same time, letting the government pay them a part of their salary over a period of anywhere from thirty to forty-eight months, or twelve to forty-eight months, I believe it is. Yes.

MR. BODLEY: Yes, twelve to forty-eight.

CHAIRMAN MEREDITH: And what you need to do, as I understand it, is to see your county veteran officer and make the contact with him to get your plant approved as a training ground and then you can use them.

#### SHORT-TERM ABSTRACTS

CHAIRMAN: Anybody have any use or threat of short-term abstracts they want to talk about?

We in Indiana had a law proposed last year freezing all titles at twenty-five years, and they did not get very far with that one but they have still got it in mind. A representative of the bar came before our state association last month and read us the same law and tried to convince us that that is what we ought to have and said that they were going to try to get it through the next session of the legislature.

Are there any states here who have a statute of limitations?

MR. SOREN JOHNSON: Wisconsin has such a law which they erroneously call a thirty-year law which freezes all titles at thirty years with the exception of restrictions running with the land and plats and so forth which go back to sixty years and they seek to cure everything—minors, inheritance taxes — and they recently passed an amendment to that law in the inheritance tax which freezes that at thirty years. That law is all-inclusive so far as we have been able to understand, at least.

It does not matter what the subject of your title is, if it is over thirty years old, it is automatically cured (at least theoretically) by the operation of that particular law and the only burden it imposes upon the owner is he must file in the registrar of deed's office within that thirty-year period a declaration as to what his interest is in the title.

If he is the mortgagee for more than thirty years he files that he is the mortgagee, the holder of that particular mortgage that covers such and such real estate and other data and renews it for another thirty years.

CHAIRMAN MEREDITH: What about rights-of-way?

MR. JOHNSON: Rights-of-way are not included. They go back sixty years.

CHAIRMAN MEREDITH: Party wall agreements?

MR. JOHNSON: Frozen at sixty years.

Restrictions on plats are frozen at sixty years but all other matters are frozen at thirty years. That's been on our books now since 1941, I believe, and there has been two successful amendments to that law and they are seeking now to cure some of the glaring errors that were in the first Bill or the first Law that was passed.

In so far as it protects the abstracters up to this particular point, we have not noticed any changes. Our district bar association went on record with a resolution that they would not rely on short-term abstracts.

I do not know of anyone in the state that has had any trouble with this question but we are definitely anticipating trouble on this thing when they get it ironed out to their satisfaction, and possibly a few cases of appeals to the Supreme Court may arise.

MEMBER: What group agitated that bill?

MR. JOHNSON: That came from the bar association itself. We have it there and I believe it is a definite menace. It's a danger to owners of real estate and mortgage lenders.

CHAIRMAN MEREDITH: I think we are threatened with it now, only ours is a twenty-five year one, which is even worse.

MR. JOHNSON: Yours is worse than ours.

CHAIRMAN MEREDITH: They haven't passed it yet.

# How High?

By JOHN W. WEBER

Assistant Treasurer  
Bankers National Life Insurance Co.,  
Montclair, New Jersey

No doubt many of you attended the Mortgage Bankers Association Convention at the Hotel New Yorker recently. Perhaps you came away with the same conclusion I did—that the highlights of the convention were current costs of construction and market prices, and how far appraisers, F.H.A., and lenders are going toward recognizing these important elements.

To my mind there came out of the convention a very important and definite pattern for mortgage bankers and appraisers to follow. It is—do not permit, under any circumstances, the pressure of idle funds to color the appraiser's judgment or yours in establishing value for mortgage purposes. Lending institutions, mortgage bankers, and appraisers should and must present a united front against that part of construction costs and that part of the market price of existing construction which are inflationary.

There does not appear to be any justifiable reason why a prospective borrower, either building a new home or purchasing an existing one, should expect the appraiser or the lender to give credit for that portion of the construction costs or of the purchase price representing premium because of the effect of the law of supply and demand unless he blindly expects it in the absence of knowing the truth. If he is not familiar with what is going on, he should be told. We all know that in the hands of the public today rests the largest amount of spendable cash in the history of our great country. If, then, Joe and Mary Doakes want to build or buy a home at today's premium prices, why do they deliberately set out to obtain the largest mortgage possible based on those prices? I'll tell you why I believe they do—they have not been told the truth—they have not been properly educated by the lender, appraiser, real estate broker, or builder.

It is common knowledge that the lender is under pressure today to employ idle funds. By virtue of that, the lender either intentionally or unintentionally places the appraiser in a position where the poor fellow has to reach for the sky so the lender can make the loan. He has to battle with his conscience every time he makes an appraisal, and it is not fair to him or to the borrower.

Let today's prices for either new or existing construction be what they may, but let me say this—if we fail in our duty to acquaint the borrower with existing conditions and to think of his interests first, last, and always, there will be no end to the dilemma in which we will all find ourselves. If the real estate broker, appraiser, build-

er, and lender will straightforwardly tell Joe and Mary Doakes that a certain portion of today's construction costs and of the price of existing construction is a premium because of the law of supply and demand, they will soon start to ask questions and be on their guard. In my opinion, prospective home buyers, after they know the facts, will do one of two things: either build or buy if the need is pressing and increase their initial equity sufficiently



JOHN W. WEBER

to include the premium (they have the funds to do it) or hold on to their money until the relation between supply and demand improves to gradually reduce or wipe out the premium.

You and I, and everyone who has any connection with real estate, owe it to all the Joe and Mary Doakeses that want to build or buy homes to tell them the truth about present day conditions. They have a right to know and to decide with proper guidance what path to take. It is our duty to make certain they make their decision with eyes wide open. The tools are available if we have the courage to use them to help Joe and Mary Doakes. At the same time we will be helping ourselves.

Both Mr. Raymond Foley and Mr. Curt Mack, Commissioner and Assistant Commissioner of F.H.A., told convention members that F.H.A. would steer a "middle of the road" course on new and existing construction. Theirs

is a realistic, wise, and practical approach to a difficult problem.

A lender who is overcautious because of fear or some other reason and embraces too low a cost and price level will create two unhappy situations. He will get few, if any, loans and will prevent many Joe and Mary Doakeses from getting that home they have looked forward to for so long. On the other hand, a lender who is overoptimistic will end up with plenty of headaches and will have done an injustice to the Doakeses.

What, then, is the answer? It must be evident that, in the absence of any knowledge of whether costs and prices are going higher, and if so, how high, the sensible and practical way to navigate in the cost and price sea is to stay off the shoals and keep in the channels until there is some reasonable indication that the flood tide of costs and prices is beginning to ebb. To expect that costs and prices will stabilize at 1932 levels, which is the lowest point since 1917, is unadulterated, wishful thinking. On the other hand, to expect that costs and prices will stabilize at 1945 levels is equally foolish.

There does not appear to be any likelihood that labor is going to sacrifice much of the gains it has made. It, therefore, goes without saying that we may expect to have increased labor costs with us for a long time. Since these costs enter into the manufacture of materials that go into a home as well as the costs of construction, it can be seen that this in itself will exert quite an influence in stabilizing over-all construction costs at a much higher level than 1932. In my opinion, we have to seek out a point of beginning at other than 1932 to commence our approach to deciding what cost and price level we will follow until stabilizing does begin to appear.

According to Roy Wenzlick the over-all cost of building a standard six room, frame residence in St. Louis was \$6,026 in January, 1940. The average cost over all the years from 1913 through October, 1945, was \$6,010. In 1913, it cost \$3,836, and in October, 1945, \$9,404 to build such a house. During the years 1913 through October, 1945, there have been some up and down movements in these costs, but in the main there has been a steady rise since 1932. The cost then was \$4,480.

Now, then, it appears that a good place to begin at building up to the X cost figure for use today would be January, 1940. This should be a reasonably good base rather than 1913, 1932, or some other year. The October,

1945, cost of \$9,404 represents about a 56% increase over the January, 1940, cost of \$6,026.

The cost of materials of this house in January, 1940, was \$3,129, and in October, 1945, \$4,354. This is an increase of about 39%. Labor cost was \$1,702 in January, 1940, and \$3,177 in October, 1945. The increase here is about 86%. Overhead, profit, and other costs were \$1,195 in January, 1940, and \$1,873 in October, 1945. The increase here is about 56%. It can be easily seen that increased labor costs have contributed largely to the over-all cost increase of 56%.

If we assume that labor will hold most of its gains, the only inflationary elements left for us to deal with are probably confined to material costs and contractors' overhead, profit, and other costs. These two elements account for about 52% of the over-all cost increase of 56%; labor accounting for about 48%.

Let's go back to our January, 1940, over-all base cost of \$6,026. Would you agree that labor costs will hold

about 75% of the October, 1945, figure? If so, we could add three-quarters of the \$1,475 increase in labor to our base cost. Next, would you agree that not more than 50% of the increase in material costs and of contractors' profits, overhead, and other costs is inflationary? If so, we could also add one-half of the \$1,903 increase in these costs to our base cost. The result would be this: allow \$1,107 of the total increased labor costs and \$951 of the total increased material costs and contractors' overhead, profit, and other costs. Now we have arrived at what could be labeled "stabilized costs." This would be \$6,026 + \$1,107 + \$951 = \$8,084, the total over-all reasonable stabilized cost of a standard, six room, frame residence built in St. Louis. In other words, add about 34% out of the 56% increase in total costs to the January, 1940, base of \$6,026. The remaining 22% out of the total increase of 56% is considered premium or unstabilized costs.

The point to be made is that Joe and Mary Doakes should be required to add to their normal down payment

the difference between our reasonable stabilized cost of \$8,084 and the actual October, 1945, cost of \$9,404, or \$1,320. The Doakeses should be told why they have to make this additional cash payment.

I would like to see every real estate broker, life insurance company, banker, title company, appraiser, savings and loan association, or anyone having anything to do with mortgage lending get squarely behind a movement to thoroughly educate the Doakeses along the lines stated in this article. The Institute of Life Insurance, the American Bankers Association, the United States Savings and Loan League, the Mortgage Bankers Association—all these could bring tremendous pressure to bear on the inflationary elements present through a sincere and truthful education of every potential home buyer. This could be done by word of mouth, advertising, or any other effective means.

Everyone should benefit from a movement of this kind, and the threat of new government actions and controls may disappear in the process.

# Employer - Employee Relations

*Statement of Policy Summit Title & Abstract Company, Akron, Ohio*

## Statement of Policy

The officers, who are charged with maintaining an efficient and loyal working force, are interested in the welfare of our employees and are endeavoring to make it possible for them to earn enough money to enable them to live in comfort and provide for their future. The company wants all employees to enjoy their work and to have pleasant relations with their fellow-workers and with their employer. We realize that it is much easier to be satisfied when one is well paid for his efforts and realizes that he is progressing.

Suggestions from employees will always be welcomed and given careful consideration.

## EMPLOYMENT

### Probationary Period

New employees come into the company on a temporary basis. If at any time within three months the management feels that an employee is not fitted to fill the requirements of the position for which he was employed, the employee will be released, thereby giving him an opportunity to find a position suited to his particular qualifications, rather than to be kept on indefinitely, wasting the time of both the employee and the company. If the employee is retained at the end of said

three months' probationary period, then the employee's salary for the ensuing year will be fixed at that time. If for any reason the employee leaves the employment of the company during or at the end of said three months' period, he is with the understanding that Summit Title is not to be liable in any way to said employee for Unemployment Compensation.

### Promotion

Personal qualification and worth are the principal determining factors which shall decide promotion in the company, usefulness to the company being the first consideration. Your value to the organization depends upon your intelligence, skill, efficiency, adaptability, and initiative. The important thing is to prepare yourself for advancement when it comes.

The company operates under a merit system. All promotions and increases in salary will be based on the ability of the employee, and the quantity and quality of work produced.

Promotions and increases in salary will be considered on the employee's anniversary of employment.

### Notice of Leaving

If you intend to voluntarily sever your connection with the company, you should give at least two weeks' notice

to your department head. In turn, the company will give equitable notice or pay to employees who may be released.

## REMUNERATION

### Method of Payment

All salaries are paid on a semi-monthly basis. Pay days for employees are on the 15th and the last day of each month, unless those days happen to fall on Sunday or a holiday, in which case the employees are paid on the previous working day.

### Overtime

This company prefers not to have employees work any more overtime than is absolutely necessary. However, our business is a seasonal business and it is necessary that titles be issued promptly to enable our customers to close loans and deals, so there are occasions when it is necessary for employees to work overtime. Since the company may be subject to the provisions of the Wage and Hour Law, no employee should work overtime without permission from his department manager. Whenever an employee works overtime, he must report such overtime to the department manager promptly and the department manager must in turn report promptly to the bookkeeper.

Overtime in excess of 40 hours per

week will be paid for at the rate of 1½ times the employee's regular salary rate. In the discretion of the management, time off may be given in lieu of money.

Employees will not be paid for fractions of an hour in excess of regular office hours unless the sum of such fractional parts of an hour plus the regular office hours exceed forty hours per week, and then only for the time in excess of 40 hours.

If an employee works on a holiday, he will be paid overtime. On other days in a week containing a holiday, overtime is not paid until total hours worked exceed the difference in time between 40 hours a week and the regular weekly office hours.

If an employee is sick one or more days during a week and works overtime during one or more of the remaining days of the week and such overtime exceeds the difference between 40 hours per week and the regular office hours on the basis of a full week, he will be paid for such overtime.

If an employee reaches the office before the regular office hours start or if he remains in the office after office hours, he must not perform any services for the company during such extra time without reporting such overtime as above provided.

#### Pay Roll Deductions

Pay roll deductions are made for the Federal Old Age Benefits and withholding tax.

#### HOURS OF WORK

The regular office hours vary between the Court House employees and office employees and may be changed from time to time, but in no case do they exceed 40 hours per week.

Out of the regular office hours the management expects the employees to spend not more than 15 minutes each morning and 15 minutes each afternoon in the rest rooms.

#### Lunch Period

In some instances our work requires that one or more persons in each department take their lunch period earlier or later than the regular lunch period, in order that someone may be in the department at all times. All other employees should take their lunch period at the regular time.

#### Leaving Office During Working Hours

Leaving the office during working hours is not permissible. Exceptions for legitimate reasons may be arranged with the office or department manager.

#### Holidays

The company observes all legal holidays. There are other occasions when the Court House is closed and the abstracters may not be able to work at the Court House.

#### Other Time Off

Employees will not be paid for absences due to illness of members of their families, but such absences may

be deducted from the next vacation, provided the time deducted does not exceed one-half of the vacation.

Employees will be permitted sufficient time off to attend funerals without deductions being made in their salaries.

If an employee wishes to be absent from the office a part of a day or one or more days for personal reasons, the consent of the department manager must be obtained and such time off will be deducted in calculating the next salary payment.

#### Vacation Plan

##### (1) Vacation Seasons.

Vacations may be taken any time during the calendar year subject to the approval of the office and department managers and subject to priority of other employees due to length of service.

##### (2) Continuous Service.

Each employee who has worked for the company less than six months will



R. G. SMILEY

*President of Florida Title Association  
Exec. Vice-President, West Coast Title Co.  
St. Petersburg, Florida*

be allowed one day vacation for each month worked, with pay. Each employee who has worked for the company more than six months and less than one year by August 1 will be allowed one week's vacation with pay.

Each employee who has worked for the company more than one year by August 1 will be allowed two weeks' vacation with pay.

##### (3) Extra Time.

Employees who may be entitled to a vacation period of less than two weeks but who may desire extra time without pay may be allowed such extra time if approved by their office and department managers.

##### (4) Holidays During Vacation Periods.

Whenever a holiday or a Saturday

falls within a vacation period, it is to be counted as a full day and as a part of the vacation and does not entitle the employee to an extension of vacation time.

##### (5) Obtaining Pay Checks in Advance.

If a pay day occurs during the vacation period, the employee may obtain the salary due on that pay day in advance if he will notify the Bookkeeping Department three days before leaving on vacation.

##### (6) Preference.

In allocating time for vacation, preference is given to length of service.

##### (7) Carrying Over Vacation Time.

Vacations earned during any calendar year must be used during that year.

##### (8) Leaving Early.

Employees leaving for their vacations will not be excused early on the last business day before the first day of their vacation.

##### (9) Splitting Vacations.

Vacations cannot be split except for reasons of business convenience to the company.

##### (10) Changing Vacations.

Vacations once scheduled are subject to change only at the discretion of the office manager.

##### (11) Vacation Pay for Employees Leaving the Company.

When employees are contemplating severing their connection with the company, they should discuss it frankly with their department head and the office manager. Misunderstandings are often avoided in this manner. If and when separation has been decided upon, two weeks' notice should be given to the office manager. The company cannot supply a clear service record to future employers if this notice is not given. Of course, there may be times when the employee finds it impossible to give the full two weeks' notice, in which case he should consult with his department manager. In the event of resignation, an allowance in lieu of vacation will be made.

#### Notifications of Absence

All employees who cannot report for work must notify their department manager or the office manager of that fact before 9:00 A.M. unless circumstances make such notification impossible.

#### Pay During Absence on Account of Sickness

In addition to the vacation period hereinbefore referred to, each employee may be absent on account of sickness for an average of one day per month without any deduction from his salary. If the employee has been absent for more than one day during the month, a deduction will be made from his last pay of each month for all of the time over the one day in said month that said employee has been absent.

The company desires to compensate employees for not being absent by

paying a bonus to those who have not taken the time off that they could have taken without deductions.

Therefore, on June 30 and December 31 of each year, if an employee has not been absent at all during the preceding six months' period, he will receive a bonus of six days pay, computed on a "straight time basis," in addition to his regular salary. If the employee has been absent, but the absences do not total six days, then he will be paid a bonus which will be proportioned. An employee will be permitted to make up his "absent time" by working overtime on a straight time basis, if he desires to do that. If the employee has not been employed for a period of six months on either of said adjustment days, then said adjustment will be pro-rated. Each day shall be computed on the basis of 7.30 hours.

The "straight-time" hourly rate shall be  $1/173-1/3$  of the employee's monthly salary. The hourly rate for "over-

time" shall be  $1\frac{1}{2}$  times the "straight time" rate.

In cases of prolonged illness the employee is protected with Unemployment Compensation and Industrial Commission Compensation, for which this company has been paying for many years.

Employees who have been with the company for many years may feel that the foregoing rules are rather harsh insofar as they are concerned, but our experience indicates that those employees are very seldom absent and that if the foregoing plan had been in effect in past years, said employees would have profitted thereby.

Under the above arrangement, if the employee is not absent at all during the year, he will receive nearly a full month's pay, in addition to his regular salary for time during which he has not worked.

Some companies are able to be much more lenient about vacations, absences, etc., but by reason of the nature of our work, salaries constitute about

90% of the overhead of this company. In addition to that, we are working on a very small margin of profit, consequently absenteeism means much more to us than it does to some companies.

We have attempted to work out a program that will be fair to all employees and that will take into consideration all contingencies but that seems to be impossible, so we have tried to adopt a plan that is as fair as we can make it to all employees.

Individual employees may feel that their special circumstances justify special consideration, but, in order to make the plan fair to everybody, we cannot deviate from the foregoing.

We trust that everyone will feel that we have tried to be fair to and considerate of all of the employees, and we hope that the foregoing plan is as fair as we have tried to make it.

Very truly yours,  
THE SUMMIT TITLE &  
ABSTRACT COMPANY  
By R. B. Meade, President.

# Employer - Employee Relations

*A statement given to all new employees by A. W. Suelzer, President  
Kubne & Company, Inc., Fort Wayne, Indiana*

## TO OUR NEW EMPLOYEES . . . . .

This is written to give you in a very general way some understanding of the work in which you will participate in this office.

Our work has to do with only one thing, namely, the title to real estate. When a man owns a parcel of real estate he has "Title" to it. Therefore, when we speak of "Title to real estate" we mean "Ownership of Real Estate."

To do your job well you must know something about the theory and practice underlying ownership of real estate; how it is acquired; how it is transferred from one person to another; how it is used as security for the repayment of loans of money; how it is often lost through claims being enforced against it.

As you will see our work is very important work. There is not a home, not a business building, not a lot, not a farm, for which the purchase price was not paid in reliance on the information we supplied about its title. Every time a bank loans its depositors' money on a mortgage it first asks us to certify the title. So you see, hundreds of millions of dollars depend for their safety as to an investment on the information as to the title that came out of this little office. That is why we say our work is important.

When we furnish that information we do it under a written guarantee that it is complete and correct. It is that guarantee which makes people

invest their money in reliance on what we tell them. If we make a mistake—and we do, sometimes; but happily for us not often—it may be a costly lesson. If our information given to Smith showed that Brown was the owner of the real estate, and Smith, relying on that information, bought it from Brown, and paid over his money to Brown, and it developed later that Brown did not in fact own it, and that we had failed to show the true owner, we would, under our guarantee be compelled to make good Smith's loss. Or, if we showed the taxes paid when they were not, or missed an assessment for a street pavement, we might have to pay those taxes or that assessment.

So we do our utmost to avoid mistakes; to keep our minds on our work. That means every person in the office, including especially the typists. If the amount the typist was to type was \$500.00, and she typed \$50.00, and the mistake was not discovered in the comparing, we might have to pay the difference.

It might be a good thing to mention here that there are typists who type mechanically but not—shall we say—intelligently. They can copy an entire page absolutely free of even the slightest error without having the context touch their minds. What they are typing might not make any sense at all; but they would never notice it. That kind of a typist serves well enough when the copy from which she types

is free of error. But the typist who keeps her mind on the facts and conclusions she is typing, will discover and ask about errors in the data given her, and will for that reason be much more useful, and will for the same reason be much more likely to prove herself entitled to advancement.

And now to come back to the Title to Real Estate and some explanation of the work in this office.

All instruments which in any way affect the ownership of real estate—deeds, mortgages, leases, etc., must be filed in the Court House. There they are copied into permanently bound books and thus preserved for all time to come. These instruments might otherwise be lost—as they often are—and then there would be no evidence of ownership or of other rights in real estate.

When a person receives a deed for a parcel of real estate he takes it to the Recorder's Office in the Court House and asks to have it recorded. The Recorder copies the deed into his Deed Records and then returns it to the owner. When so copied it becomes a record for all time and it makes no difference whether the original is lost. Similarly if a lease is made, or a mortgage, these instruments are copied into books in the Recorder's Office, just as the deeds are copied.

In the same general way other instruments or proceedings are made a matter of permanent record in other

offices in the Court House. When a person dies and leaves a will in which he gives a parcel of real estate to somebody that will is copied and made a matter of permanent record in the Clerk's Office, as are also proceedings in Court which in one way or another affect the ownership of real estate, like suits to foreclose mortgages, or divorces, adoptions, guardianships, and many others. There are also other matters, like taxes, judgments, etc., which are made matters of permanent record in the Auditor's, Treasurer's and Sheriff's offices.

In your work you will shortly become familiar with the records kept in all these offices in the Court House and will learn the essential features of all the instruments and proceedings that affect ownership in real estate and what may now seem very complicated will become almost a matter of second nature to you.

All instruments, entries and proceedings in the Court House, pertaining in any way to the ownership of a parcel of real estate, from the very beginning of Allen County, in about 1820, and right down to this very moment, constitute what is called the "Record Title" to that parcel of real estate.

These records are all public records. Every person has a right to go into the Court House at any time and inspect and examine the Record Title to a parcel of real estate. And under the law every person is bound by what is in the public records. The law charges him with notice or knowledge of what is in the public records. Just as the law excuses no one because he did not know the law so it is with the public records.

That is why it is so important to make all instruments pertaining to the ownership of real estate a matter of public record. It is the Record Title that counts. When a person fails to record an instrument that shows him to have an interest of any kind in a parcel of real estate he exposes himself to loss of that interest.

If Jones receives a deed for a parcel of real estate and records his deed, so that he appears on record as the owner of that parcel of real estate, and then sells and deeds it to Smith who fails to record his deed, and then later Jones, aware perhaps that Smith did not record his deed, sells and deeds it over to Brown who records his deed, the Court will award the title to that parcel to Brown, because Brown had a right to rely on the fact that the record title was in Jones, even though Smith brought in his deed from Jones and proved that he had paid Jones in full for it.

It is the Record Title that counts and every person is charged with notice or knowledge of what the records show.

It follows, therefore, that when a person is going to buy a parcel of real estate from another, the only way in

which he can be sure that the seller actually owns it, is to examine the record title to that parcel of real estate, and that means to examine not only the deed in virtue of which the seller claims to own it, but it means all the deeds from the very beginning of the County on down to the deed to the seller, to make sure that all the persons who ever owned the parcel, or any part of it, had actually deeded it away by deeds that were recorded, and that all these successive transfers of the title ended in the seller with whom he is dealing, because so long as a person does not make a deed which is recorded, he retains his ownership in that real estate.

Of course, this necessity to examine the record title is not restricted to deeds. Persons frequently die owning real estate. They may leave wills giving the real estate to certain persons, or they may die without wills, in which case the real estate goes to descendants, or to brothers and sisters, or fathers and mothers. So the examination must also include all wills and the determination of who were heirs of a certain decedent. And over and above all that there are such things as mortgages held by banks and others against the real estate, and claims of many other kinds.

All of these things must be examined in the record title before a person can with safety pay over his money when he is buying a piece of real estate.

Now, obviously, no person could make such examination and get results with any degree of certainty, no matter how skilled he might be in searching the records in the Court House, because these instruments, entries and proceedings run into the hundreds of millions, going back as they do to the very beginnings, and they are entered in chronological order as they are filed, without any grouping whatsoever with respect to the separate parcels they affect.

That is where the abstracter comes into the picture.

The abstracter maintains in his office a set of Title Ledgers or Tract Books. In these books he divides all the real estate in the whole County into its smallest component parts. These parts he sets up as headings in his books.

In the case of City real estate this heading is usually a lot in a certain addition. For instance, if the Addition is Hamilton's Fourth Addition and there are three hundred lots in the Addition, he establishes a heading for each lot in the Addition. In the case of real estate out in the country he divides each section into a quarter and makes separate heads for the four quarters in each section.

Each day the abstracter brings from the Court House all the instruments, entries and proceedings that have been recorded, entered or filed there, examines these carefully to discover what

parcel of real estate each affects, and then posts them against that particular parcel on his books. We have been doing that for more than 70 years and the data so accumulated represents a valuable and irreplaceable asset.

Therefore, when Jones, (who is buying a particular parcel of real estate and must examine the entire record title to that parcel and finds that impossible) comes to the abstracter for help, the latter turns to his ledgers, locates that particular parcel, and there finds posted all the instruments, entries and proceedings in the Court House that affect that particular parcel.

Of course they are posted in very brief form. The abstracter then notes down all that he has posted. Most of the instruments you will find in the office where the typists need only copy them. Much of it, however, must be abstracted in the Court House, where the information posted takes the abstracter right to the book and page of the record where the information is to be found.

The abstracter must, of course, have many records besides these ledgers or abstract books, because he can put into them only those instruments which contain descriptions of real estate. For such things as divorces, guardianships, judgments and other things which also affect the ownership of real estate he must and does keep other records in his office.

All this data pertaining to the title to the parcel Jones is interested in the abstracter gathers together in brief form in what is called an Abstract of the Title.

It will be your job to type these abstracts. You will type them from books in the office, from other abstracts and forms in the office, from notes made by an abstracter in the Court House—some of it you will type in the Court House right from the record itself.

The abstract is a history of the title. It shows how and when the real estate was acquired from the government and all the successive transfers since then down to the present; it shows every deed that was ever made, every will in which it was willed, every person who ever died owning it. That succession in title is called the Chain of Title. The transfers follow each other and hang together like links in a chain. In addition to that the abstract shows everything in the nature of a claim against the real estate: like taxes, mortgages, etc.

When this abstract is delivered to Jones then, without looking at a single record in the Court House, he knows he has before him the entire record title to the parcel he is interested in. But Jones needs further help. He has the record but he is not qualified to interpret it. He does not know whether the instruments shown are correctly executed according to law, nor, at one stage where an owner dies owning the

real estate, who were, according to law, the heirs of the person who died, or whether a will legally meant what it appeared to mean. There are a thousand and one questions of that kind that it takes a lawyer to answer. So Jones takes the abstract to his lawyer, who examines it, and either approves the record title and tells Jones he can safely pay over his money, or points out flaws in it which require correction.

This will suffice to give you a glimpse behind the scenes and it is hoped will start you out with a fairly comprehensive idea of the why and wherefore of the things you will be required to do. If you try as you go along to understand what underlies the things you type, not merely from the angle of doing your job well but also from the angle of the transactions about which you type, and the persons

who figure in them, you will find the abstract a record not only of the title to real estate but of the lives of the persons who owned that real estate, their family histories of births, marriages, divorces and deaths, their tragedies, successes and failures, and, if you can do your job with that angle sometimes in your mind, you will find your work very interesting and do it much better.

# Employer - Employee Relations

*In pamphlet form this is handed to all new employees of the American-First Title Company of Oklahoma City. This is carried in Title News through the courtesy of William Gill, Senior, Vice-President of the Company*

## WELCOME TO THE AMERICAN ..

In adding you to our personnel we have chosen carefully, and we believe you have in turn considered what it means to your future to be a member of our organization.

As time goes on you will appreciate more and more the "family spirit" which pervades our organization . . . the friendly cooperation of men and women in serving our customers . . . and you will share the pride we take in our fine institution.

We extend a warm greeting to you and want you to know we shall do everything possible to bring you pleasure and success in your association with us.

### History of Your Company

#### Departments and Their Functions

##### Title Department—

- (a) Abstracts
- (b) Escrow and Loan Closing
- (c) Title Guaranty Service
- (d) Trusts

##### Reproduction Department—

- (a) Blue Prints, etc.
- (b) Photo Copies
- (c) Laminating

##### Accounting Department—

##### Legal Department—

#### Abstract Department

The Abstract Department makes abstracts to property located in Oklahoma County. This department consists of the Order Counter, Compiling, Index Room and the Court House Office.

The order counter handles all orders. Each order bears the name of the customer to whom charged with proper identification of the customer's loan number, etc. When instruments are to be filed, the records are first checked to ascertain if descriptions are correct and if judgments appear against the buyer or seller. Instruments are then copied and the order assigned to one of the compilers. A record is kept of orders assigned to each compiler and such record is corrected daily.

The compiler checks the indexes and prepares a record card with the order number thereon and any instruments

being filed, sending the same over to the Court House with a memorandum on the card of any court cases appearing upon the index. The Court House indexes are checked and instruments to be shown are copied. The tax checker makes a search for personal, general, paving, grading, sewer and drainage taxes, making a complete report of such search. If instruments are recorded by us, the Court House reports the time of filing and checks the reception record for anything filed, not on our index at the time the order was taken, or subsequently. All such information and copy work is returned to the compiler who assembles the abstract, checks our judgment, lien, and suit-pending cards against parties appearing in the chain of title. The abstract is assembled, certificate prepared, and invoice of charges made. The order is then ready for delivery and the charges posted by the bookkeeping department to the customer's account.

It will be noted that close cooperation is necessary since speed and accuracy is required from the time of receiving the order to the delivery of same.

Information concerning any abstract order is never given to any person other than the party entitled to receive such information. Care is exercised to keep all transactions confidential. An oil company or other order left carelessly lying around might prove detrimental to a customer. Too much "conversation" around strangers or customers could thoughtlessly disclose confidential information.

#### Index Room

The Court House office makes a daily take off of all instruments filed, together with judgments and liens entered, and new lawsuits filed, including notice of delinquent income tax, etc., this information is entered upon our tract index against the property involved or properly filed in our court record cards. Affidavits, powers of attorney, certificates, etc., which do not contain land descriptions are entered upon the miscellaneous index. The daily takeoff of all instruments is later

returned to the Court House for insertion of the book and page where such instruments are recorded. The index room posts the book and page to the tract and miscellaneous indexes. The index room also contains a part of the files of the abstract, guaranty, escrow, trust and mortgage departments. Copies are kept of numerous abstracts, some court cases, all guaranties issued and pertinent papers in connection with real estate loans made by the company.

"Shyster" oil lease and royalty dealers should be guarded against. Confidential ownership lists, etc., are carefully guarded. Useless conversation in the index room regarding any order could easily disclose the "confidential operations" of an oil customer. During an "oil play" the curbstone lease broker can obtain valuable information by seeing the index an employee may be using—REMEMBER always, that realty transactions are confidential, and a customer's confidence must be kept.

#### Escrow and Loan Closing

Hundreds of escrow transactions are handled annually for the buyer or seller, or both. Escrow instructions must be very definite; care must be used to see that such instructions can be carried out with safety to the company. Every escrow is given a number, indexed, and filed. Funds received are immediately given to the bookkeeping department, together with the name of the escrow and the number thereof. When closed, a release for satisfactory performance is obtained. Disbursements are not made of escrow funds where checks are deposited with us until such checks have cleared, unless approved by an officer of the company. The company assumes no liability beyond acts of good faith or following written instructions. We reserve the right to hold all papers or funds in the event a controversy arises until such controversy is settled to our satisfaction. An executive officer of the company must pass upon every escrow before same is accepted.

It is safer to use the company's escrow forms. If a customer presents his

own form of contract and escrow instructions, be on your guard for "dangerous" or indefinite provisions.

The nature and the amount of the escrow determines the charge.

#### Title Guaranty Service

Our Title Guaranty service is statewide. A guaranteed title is an obligation upon the part of the company, by the terms of which it guarantees that the holder of the guaranty will not suffer any loss by reason of any defect in the title if the title is attacked in court, such attack is defended at the company's expense, and any loss resulting therefrom is paid by the company, subject to all the terms of the guaranty. Several forms of guaranties are used; if an employee is not thoroughly familiar with the terms and conditions of a guaranty, let someone who is discuss the provisions with the customer. A written application for guaranty is necessary, showing correct information as to the amount, type of guaranty, to whom to be delivered, etc. Bear in mind that the published schedule of guaranty rates is not always used. If the title is extraordinarily long or complicated an additional fee must be charged. After the title is examined a "Preliminary Certificate" is given the customer. This certificate is the company's guarantee to issue a guaranty subject to the provisions thereof. Only an executive officer of the company has authority to waive any requirement made by the examining attorney, regardless of how minor such requirement appears to be, the waiver is initialed by such officer.

In many instances we have previously examined the same title, or one in the same addition. Expense of title examination can be reduced by taking time to find out if the title was previously examined.

Employees who are not attorneys can seriously involve the company by expressing an opinion regarding title matters.

Frequently parties inquire if we have or will guarantee titles in a certain addition and even consult our indexes to see if we have a guaranty in force. Be careful in giving information of this character. A title may have been guaranteed for a purchaser or a mortgagee a year ago or within the past thirty days—and yet the company might not now be willing to again guarantee same. In some cases a bond is accepted or a cash deposit required to protect the company against certain "known defects" in the chain of title or awaiting the completion of probate cases or suits to quiet title or even the release of liens, payment of taxes or judgments. It is dangerous to agree that the title is "OK" or will be again guaranteed. You must have all the facts and must know "what you are talking about" before committing the company. If you don't know that you know let someone who does handle the matter. Many times losses occur because ambitious and well meaning em-

ployees assume too much authority, or go off "half cocked". BE CERTAIN before you do anything.

When removing a guaranty, pending guaranty or escrow file leave a signed "file out" card in the file; as quickly as possible return the file and remove the "file out" card.

#### Reproduction Department

The success of this department depends upon two things: Prompt, confidential service and the quality of work produced. A delay in relaying the order when received to the department, or a delay in getting the work out after received, or a delay in delivering the work, will quickly and surely lose customers.

A price or promise of prompt delivery on large orders is never given without first checking with the reproduction department.

Federal Statutes, carrying a criminal offense, prohibit the photocopying of copy-righted maps, papers, books, etc. United States money, money orders, etc., likewise cannot be reproduced.

#### Accounting Department

All matters of accounting are handled by this department for the various departments of the company. Its work will be expedited if charges and credits are properly identified. Information regarding the status of a loan, balance of principal or interest due, etc., is furnished by this department.

All checks are written by this department upon written "check order" properly approved. Expense item check orders must be approved by an executive officer.

#### Legal Department

Legal matters of the company are handled by the legal department. By statute, a corporation is prohibited from practicing law. This does not mean that the Legal Department cannot handle our own transactions. As a corporation, we do not give title opinions, prepare legal documents or handle suits or litigation for customers—neither should an employee attempt to tell a customer what "the law may or may not be." A title question based upon what the law today may be, might be the reverse a week later. New laws are being enacted; courts frequently reverse a former decision—if you are not a lawyer—the law prohibits you from giving legal opinions.

The legal department is usually "swamped"—if necessary (but be sure that it is) call upon the legal department. "Chiseling parties" often annoy us seeking "free legal information"—if it's in connection with business or potential business, use the legal department. Much litigation and unfavorable publicity has involved other title and abstract companies for encroaching upon the field of attorneys. To be sure your company is "Title Headquarters," but this reputation can be maintained by employees using "common sense".

Our business is highly technical—litigation can be avoided by referring legal matters to this department.

#### Our Personnel Policy

It is the desire of your company to maintain the highest type of personnel. An efficient, loyal and dependable working force is necessary to meet the needs of a complicated business. It is the desire of the management to give each employee a square deal consistent with the rights of the employer and employee. We want employees to take an interest in and enjoy their work—they should feel that their ability is recognized and their efforts appreciated. Employees should discuss their "peeves" or problems with the management. Naturally, pleasant relations with fellow workers and with employer is required. Bear in mind that employees and employers are human—both make mistakes, but should be big enough to discuss what either may think is a mistake.

Employees (at the company's expense) are required to furnish a surety bond.

The company has "bought" your time during office hours, and expects you to be reasonable in this respect.

Please do not "breakfast" upon company time; and care should be used in seeing that someone is available to answer your phone when you are out of the office for a few minutes.

Officers and employees of the company should not absent themselves from the office without letting someone know where they are and when they will return; keep in touch with the office at all times.

It is against the policy of the company for you to loan money to other employees or sign the note or other obligations of an employee.

Your company does not permit solicitations for any purpose by outside parties, without securing permission of the management. It does not permit employees to take up collections or solicit employees for any occasion or for any purpose. (This includes the giving of Christmas or birthday presents to officers, department heads or employees, and collections for flowers, wedding presents, showers, "going away gifts", the sale of chances or baseball or football pots, etc.)

What you do is your business PROVIDED your conduct does not reflect upon your company. Your company has a good reputation which it cannot maintain unless its employees maintain a good reputation.

Drinking intoxicating liquor during office hours (this includes beer) is prohibited. Many customers are quickly and permanently prejudiced against transacting business with persons who drink.

Promotions are based upon personal qualifications plus willingness to prepare yourself for advancement and your loyalty and ability to work in perfect harmony with the management

and all other employees. Your value to your company depends upon intelligence, skill, efficiency, initiative, etc.

You are expected to give at least two weeks' notice of your intention to resign. It is not a company policy to rehire anyone leaving its employ, nor is it our policy to hire relatives of present employees. There have been exceptions to this rule, but are the result of unusual circumstances.

#### Remuneration

It is the policy of this company to pay as liberal wages as business will permit. It does not expect you to work overtime without pay, provided ap-

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In sorrow, we report the passing of Mr. George Vaughan, President of the American Title Association in 1911.

A founder of our association and very active in its early years, Mr. Vaughan will be remembered by our elder members as a brilliant and entertaining man.

For many years, Mr. Vaughan taught law at the University of Arkansas, Fayetteville, from which college he was graduated. He was a member of the State Senate, 1919-1921, a former president of the Southwestern Political and Social Science Association, a member of



**GEORGE VAUGHAN**

Phi Beta Kappa, and a member of the Methodist church. He became professor emeritus of the University in 1940 and resumed practice of law in Little Rock.

Thus passed from our midst another of that heroic group who in 1907 formed the organization we now know as the American Title Association. Mr. Vaughan steered the good ship, "American Title Association," or as it was then known, "The American Association of Title Men," through the shoals and delivered it in safety to his successor in office.

We salute his memory. God grant him peace in his Eternal Home.

proval is first obtained from the department manager. Neither does it expect you to be a "clock watcher" nor neglect your daily work necessitating payment of overtime. Naturally these things are considered when advancement of employees and salary increases are contemplated. It is not the desire of the company to go outside of the organization when vacancies occur. It is frequently necessary, however, because some employees are not willing to fit themselves for better and more responsible positions. Your salary is a personal matter between you and your company—do not discuss salaries with other employees.

#### Hours—Attendance and Vacations

Present work hours are from 8:30 a.m. until 4:30 p.m. on week days, and from 8:30 a.m. until 12:30 p.m. on Saturdays. One hour is allowed for lunch. The character of our work requires variations of lunch hours for some employees.

The company reserves the right to make salary deductions for time lost. Employees are required to promptly report if sick; keep the office posted on their condition and when they will likely return to work. Otherwise, salary deductions will under no condition be waived. You are not expected to work if your condition will not permit, neither are you to remain away from the office upon the slightest provocation.

Vacations are based upon one working day for each month of employment as of April 1, of each year. Employees with one year or more employment will be given 12 working days. Saturdays and holidays (excepting Sundays) will be counted as full working days. Vacations should not be planned until approval of the time desired is obtained. Additional time at the expense of employees may or may not be allowed. The work of the company must be continued; and if your presence was not necessary you would not be in its employ. The company will be as liberal as business conditions permit. In allocating time for vacations, preference will be given to length of service.

#### Suggestions Wanted

A company cannot progress without improvement. Service to the public must constantly be improved. Employees can suggest ways and means of doing this; your ideas are invited. You may be able to suggest plans for plant improvement or short cuts that will simplify or improve the work of your department. We're looking for new ideas. If you have an idea, put it down in writing and give it to the management. Because we've always followed a certain practice in the past, is no reason why an improvement cannot be made.

#### Personal Items

This company does not wish to dictate, but it urges that you use care in the clothes you wear during busi-

ness hours. Simple, inconspicuous dress is the appropriate thing. Be neat, be clean, dress in good taste—that about covers it. You don't have to dress expensively, nor do you have to have a manicure, marcel or a permanent daily to be a neat looking employee.

Let us be orderly about our work. Keep your desk neat, and go about your work in a systematic manner. Do your part in making the office a more businesslike place. A desk piled high with papers scattered helter skelter, or desk drawers overflowing with "junk", creates an impression that the employee cannot promptly find any-

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Ralph C. Becker, President of the Lawyers Title Company of Missouri, St. Louis, Missouri, and nationally known handwriting expert, died of heart disease at Miami, Florida, February 21st.

A member of the Board of Governors of our Association a number of terms, and always active in the affairs of his national and state title associations, Ralph Becker contributed much to our profession.

He was a consultant, as a handwriting expert, in many famous cases,



**RALPH C. BECKER**  
Deceased, February 21, 1946

among them the Muench baby hoax, various estates litigation and in the Lindbergh kidnapping case.

The title fraternity will remember Ralph Becker for his genial personality and good sportsmanship. He radiated the good humor which has so great a part of his make up.

Surviving him are his widow, Margaret K. Becker; a son, Clark; his mother, Mrs. G. V. R. Mechin, and a sister and brother.

Ralph C. Becker will be missed whenever his fellow title associates of Missouri and the nation gather. His associates of the title guild join in condolences to Mrs. Becker and the remaining members of his family.

thing or accomplish much with things in such a muddle.

Let us know if you change your address or telephone number.

#### Prevent Waste

Working materials should not be wasted. Be as economical and careful as you would in your home. Don't let the lights burn when not needed, nor use more pencils, paper, carbon, ribbons, paper clips, etc., than necessary and consistent with good work. A little waste soon amounts to a lot. Your value to us depends not altogether upon the quantity and quality of your work, but also on your ability to save time and materials.

Waste comes out of profits—profits make jobs.

#### General Suggestions—

##### Prices

Employees not thoroughly familiar with abstract, title guaranty, escrow, blue print or photocopy charges should never quote a price. If you are not certain, ask someone who is. Any complaint regarding charges or service should be reported to the management.

We do not give commissions, rebates or discounts on abstract work, but the manager of the abstract department will quote special rates when more than one abstract containing the same chain of title is needed.

##### Mail

A thirty minute delay in mailing a letter may result in it not reaching its destination until a day later. This is especially true with airmail. Unless various departments deliver mail to the mail desk promptly there may be a delay in reaching its destination.

Registered mail must not be sent without the initials of the employee, loan, guaranty, escrow number or some other means of identification, shown on the return card.

##### Messenger Service

Satisfactory service is not complete without a "snappy, courteous, intelligent, neat appearing" messenger service. Several of our present employees started as "messenger boys"—their ability, willingness and desire to "do better" resulted in deserved promotion. Present messengers have equal opportunity for advancement, contingent upon the ability and willingness to do a job well and equip themselves for something better. Requests for messenger service should always clear through the abstract department in order to avoid confusion or delay in our service.

##### Help Us Help You

An executive once said, "The ability to deal with people is as purchaseable

a commodity as sugar or coffee, and I'll pay more for that ability than any other under the sun."

Ours is a service organization. The commodity we sell is largely service. The manner in which we meet and treat our customers is doubly important. Unsurpassed service, with a smile, should be the invariable rule. Your company is merely a reflection of the personnel and management. Clients are continually calling on us, writing to us, getting letters from us, contacting us over the phone, thus getting a vivid impression of cordial or uncordial treatment accorded by company representatives.

Whether we realize it or not, each is a salesman and product we have for sale. As the "American-First Trust



HAROLD LEE

Company, a corporation" we are able to attract only a small portion of our business, but as approximately 75 individuals, with numerous friends, relatives and acquaintances throughout our trade area, we attract unlimited customers. Whether or not we get and retain a customer depends largely on the salesmanship displayed by the employee with whom the customer comes in contact, plus the manner in which we serve the customer. The personnel of any service organization can and does make or break it. Salesmanship may mean the manner in which you answer the phone, how you greet a customer, the neatness and promptness of your work, a cheerful hello, and handshake or a smile. Your ability to

concede that "the customer is always right" although you know he is wrong, and yet keep him satisfied, is superb salesmanship.

Employees who think about the interests of their company and how to attract business are invaluable. Our acquaintance is wide—your job is not dependent upon the earnings of your own department, but upon the success of the company as a whole. Keep your eyes and ears open for business tips—be alert, and above all, have the interest of your company at heart. Your progress, your salary, your future with the company depends upon its continued growth and success.

It is highly important that you familiarize yourself with the location and functions of the various departments—get acquainted with other employees—find out generally what they do. Then, if you are asked questions about our activities you can intelligently and properly direct the customer to the right person. It is disgusting for an employee to tell a customer "I am sorry, I don't know."

Your company prizes highly its employees, and wants to keep them—there are certain things no company can or will forever tolerate—if an employee is competent and willing to do the right thing—such employee is assured of a permanent place with one of the largest organizations of its kind in the southwest.

#### HAROLD LEE HONORED

*Appointed Governor of Federal Home Loan Bank Board System*

Colonel Harold Lee, General Counsel, Federal Home Loan Bank Board Administration, has been appointed Governor of the system, according to an announcement by John H. Fahey, Commissioner.

Associated with the administration since 1924, Colonel Lee was General Counsel for the past seven years. Prior to his promotion to the top legal post of the administration, he was Deputy General Manager of Home Owners' Loan Corporation.

During World War I, Colonel Lee served with the United States Army in France as battalion Commander and later in command of the regiment of the 162nd field artillery brigade. His home is in Oklahoma City.

A graduate of the Missouri Military Academy, Colonel Lee received his education at the University of Kansas. He holds a membership in the American Title Association.

# CODE OF ETHICS

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**FIRST:**—We believe that the foundation of success in business is embodied in the idea of service, and that Title Men should consider first, the needs of their customers, and second the remuneration to be considered.

**SECOND:**—Accuracy being essential in the examination of titles, Title Men should so arrange their records as to eliminate the possibility of mistakes.

**THIRD:**—Ever striving to elevate the title business to a plane of the highest standing in the business and professional world, the Title Man will always stand sponsor for his work and make good any loss, occasioned by his error, without invoking legal technicalities as a defense.

**FOURTH:**—The examination of title being to a large extent a personal undertaking, Title Men should at all times remember that fact, and endeavor to obtain and hold a reputation for honesty, promptness and accuracy.

**FIFTH:**—The principal part of business coming from real estate dealers, lenders of money and lawyers, it is obvious that relations with these men should at all times be friendly. To further this friendship we declare ourselves willing to aid them in all ways possible in meeting and solving the problems that confront them.

**SIXTH:**—We believe that every Title Man should have a lively and loyal interest in all that relates to the civic welfare of his community, and that he should join and support the local civic commercial bodies.