

The Bulletin
Of the
Title Abstracters' Association
Of New Jersey
Incorporated 1931

Volume 76 Issue 1

Our 76th Year

January 2007

Next Meeting

February 20, 2007
Hilton Garden Inn
Raritan Center
Edison, New Jersey
7:00 PM

All meetings include dinner at \$35 per person with reservation at least two (2) days in advance. Call 732-545-4457 or fax 732-545-4718 to reserve your seat.

Topics to be discussed

Constitutional/Bylaw Amendments

Errors and Omissions- Speaker possible

County Copy Cost Lawsuits

Health Insurance

This newsletter is published as a source of information for the title abstracter. It is available to members in good standing of the Title Abstracters' Association of New Jersey.

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The board of the TAANJ wishes all a happy, healthy and prosperous new year. It has been awhile since there has been a newsletter and we do apologize for that. But, we are back and hopefully it will not take so long until the next one. The past several years have been tough for the abstracting industry and certainly more so for the independent. We are constantly assailed by the creation of multi-county and statewide search services whose product, to say the least, is certainly lacking. However, most of the title industry does not seem to care one whit whether their searcher knows the difference between a deed and a deed of trust or joint tenancy versus tenants in common. The question the board has been struggling with is how does the independent compete in this environment? We are not hourly or salaried employees. This is our livelihood and our product needs to somehow move with the times while we continue to abstract correctly. This has certainly bedeviled the executive board. What should be the right way may just seem to be delaying the inevitable. We are certainly trying and have some ideas that are still in their infancy, but we welcome any help or suggestions. This needs to be a group effort. I know that we are all competitors but sometimes even competitors need to combine efforts to battle against the forces of evil (or incompetence).

Enclosed with this bulletin you will find a copy of proposed Senate Bill 2229, a memo from the NJLTA regarding the bill, and a copy of a sample letter that should be sent to your elected state officials. The force behind the bill is a prominent New Jersey builder who happens to own a title company as well. According to our sources, this bill will pass and be signed into law. We need everyone to send letters to their elected officials to make sure that the bill is clarified to such a point that it affects new construction out of the developer transactions only. While you are sending letters to your representatives, it would be great if you could also send letters to all the members of the Senate Commerce Committee. The following link will get you their contact information.
<http://www.njleg.state.nj.us/committees/ShowCommittee.asp>.

.... "He placed particular emphasis on how dependent our national economy was on the accuracy of our submitted abstracts. This, we all realize, but the reiteration ought to have a two-fold result. One, the determination on our part and the part of those using our services to see that only the most efficient and conscientious people enter our field. The other is that since all depends on what we submit that all be fully appraised, that our fees are reasonable and **in many cases ought to be higher.**"

TAANJ monthly bulletin January 1948

59 Years later and the same issues are still here!

Title Teaser of the TAANJ Bulletin

"A" died intestate in 1910 with "B" and "C" as her heirs at law. "B" and "C" and their respective spouses mortgaged the premises in July 1912. "B" becomes a widow in 1927. "C" died in 1931 with a devise to his wife of his real estate; his wife died in 1937, at which time she devised her real estate to "D", "E" and "F", her sons. At the time of the foreclosure of the aforesaid mortgage "B" was seized of a one half interest and "D", "E" and "F" of the other one half interest in the premises in question. Prior to the foreclosure sale, "D", "E" and "F" consulted their attorney, "G" respecting the proposed purchase of said premises. "D" purchased the premises at the foreclosure sale and when "E" and "F" refused to contribute he accepted a contribution from "G" to pay the monies due in the foreclosure, whereupon the Sheriff executed a deed to "D". "D" and his wife executed a deed to a dummy and from the dummy to "D" and "G" and their wives respectively. "The principle of law involved is that a tenant in common in possession and enjoyment of common property occupies a confidential relationship to his co-tenants and has the obligation to protect the common title; hence if a co-tenant in possession purchases at a foreclosure sale he acts for all the co-tenants and takes legal title as a trustee. Again another principle of law involves the appearance of the attorney "G" who entered into an arrangement with "D", "E" and "F" to purchase said premises upon which a quick profit was made, inasmuch as the law would presume that the attorney's acts are fraudulent; and further another principle that "H" bought with notice of the defects, if any, in said title.

The question resolves itself into whether or not "H" possesses a marketable title?

Please send your answers to the Associations' office and we will publish the correct submissions in a later edition.

Minutes of September 12, 2006-
Edison, New Jersey

The meeting was an intimate group of primarily independents and our resident legal counsel, Dan Lebar. Ron Axelrod, who really has kept this Association together for the last decade, could not be at the meeting so most of the committee reports were not entered into the record. We did catch up on the next meeting which shall follow this report. The attendees were as follows:
Daniel Lebar, Esq.-Legal Counsel
Geraldine Salvatore-Essex
Erin Mahony- Morris
Richard Dugdale-Middlesex
Susan Walsh-Middlesex
Joy Trivigno-Middlesex
Mike Rizzo-Essex
Fred Wallace-Bergen
Nancy Wallace-Bergen
Jonathan Zisa-Passaic
Greg Savad- Middlesex

There was a request to get the website up and running again. A voice vote was held and the board was given approval to do whatever needs to be done to regain control of the TAANJ.org name (still in the process) and to get the TAANJ.com site up and moving again. We would like to thank Vickie Moat for all her work on the website in the past. To date, the site is still in the works but should be up soon.

There was discussion about other forms of advertising and there will be investigation into the various websites and publications and what their cost will be. We are also looking at printing the membership books to distribute to the title industry. Cost will be looked into.

There were no new applications for membership and two applications were withdrawn from consideration. Matt Dios' membership status was changed from active to associate because he has not fulfilled the time requirement for active membership.

There was a discussion of how to increase our membership rolls and whether it was worth getting anyone to join or should the quality of our members be of paramount importance.

The various relationships with the county clerks were reviewed. The conclusion reached was to try and reach out to the County Clerks' Association instead of dealing with each county clerk and their different methodologies. Perhaps a statewide approach may make communication a bit less contentious. We will attempt to get an invitation to present our viewpoint and concerns and perhaps some good will come of this.

There was a lengthy discussion about the impending sales tax. Since we are not subject to the tax, any further reporting of the conversation is not necessary.

Minutes of December 14, 2006
Cherry Hill, New Jersey

Call to order at 7:40 pm

The roll call of members and their representative counties was made.

The roll call of officers and their organizational function was made.

Committee Reports

Membership Committee- There was one new application for Active membership made by Michelle Calloway of Mercer County. It was good to have her present at the meeting as well. The application will be voted on at the next meeting. Trin Joewono's membership status was discussed and his reinstatement was put on hold until the next meeting, where we hope he will attend. He had been two years in arrears and was removed from the membership rolls in June, 2006. We then received dues for 2006/2007. He will be contacted and told of this decision. This may be treated as a reapplication.

Treasurer's Report read by Ron Axelrod:

General account balance	\$9463.57
Scholarship Fund balance	\$1023.20

Financial Secretary's report read by Ron Axelrod: As of Dec1, 2006 we have 83 paid members and approximately 41 unpaid members. A second notice will go out to those who have not responded and hopefully at the next meeting we will have many more paid members.

We discussed the benefit and drawbacks of carrying Errors and Omissions. How do we market the fact that some of us carry this? Should we market it? Is it cost effective? Barnett Carney told us

about processing the claims for the underwriters. For those who did not carry E&O, Barnett has been able to convince the processing attorneys that they should proceed under the normal claims loss that is anticipated in the matter. The few that have E&O are pursued by the attorneys to the full extent of their hourly charges in the matter. Another searcher said that he was told not to advertise the fact that he carries E&O because then one becomes a target.

A proposal was made to create a committee to discuss the efficacy of the coverage and report back at a later date. Ron went through his thought process when he had a presentation in 1999 or 2000. Many members applied but less than ten actually signed up for it. The idea was that if we even got a third of our members to pick up coverage, a group rate lowering the premiums significantly would occur. But this was not to be and a group rate was not forthcoming.

Health insurance was discussed as well. We will investigate further to see what our options are.

Barnett Carney gave us a report on some goings on in Ocean County. He will continue to monitor the issues and will let us know how these issues are resolved

State licensing was brought up, again. The idea was first bandied about in 1938 so 69 years later it is still being discussed. At one point there was a proposal that reached the legislative level was removed at the request of our Association. Personal interaction and animosities at the county level was the reason the bill was removed. When you are professionally licensed in New Jersey, you fall under the Affidavit of Merit statute which says that before you can sue anyone, you need a licensed professional in the same industry to testify that you screwed up and many times there is nobody in the same industry willing to testify. This may lower our E&O rate. Licensing may be a protectionist measure as well. If we are licensed, then the title industry may have to deal with those of us who are licensed and only us, if that is what the Department of Banking and Insurance and perhaps the underwriters require.

Don Doherty and Sandor Freedman, the attorneys who spearheaded the class action lawsuit that declared that several Counties were charging excessive copy machine fees gave a presentation and led a long discussion. Camden, Gloucester, and Burlington counties were found guilty at the New Jersey State Supreme Court level and the counties were ordered to put money in a fund so anyone who paid these extreme copy costs would be able to apply for reimbursement. The remainder of the state is going to be sued as well and seven counties have been served in the past few weeks.

The suggestion to our members is to get your copy costs for the last six years together and have them available. There does not seem to be any avenue which the counties can get out of making

restitution. One never knows but it is better to be able to have the information at our fingertips.

Members present:

Barnett Carney-Ocean
Olivia Carney-Ocean
Melinda Morsa-Atlantic
Jane Ann Jelesiewicz-Cumberland
Erin Messmer-Camden
Jennifer Colvin
Mark Plocharski-Gloucester
Michele Calloway-Mercer
Brian Getts-Mercer
John Getts, Jr-Mercer
Daniel Lebar, Esq.-Legal Counsel
Malinda Clickner-Charles Jones
Ron Axelrod-Morris
Erin Mahony-Morris
Greg Savad-Middlesex

Guest Speakers:

Don Doherty
Sander Friedman

Meeting Adjourned around 10:30 PM

Miscellaneous Notes

We are going to try and resurrect the liaison committee with the agency section of the NJLTA. Anyone interested in serving on the committee, if it comes to fruition, please contact the Association at 732-545-4457.

There is pending legislation on change of adverse possession time periods. They will change to 30 years for woodlands and other vacant land and 20 years in most other cases. The measure is pending in the Assembly. Adverse possession does not apply to real estate held by government units in most cases.

Twenty years in the business. I never would have thought that this could or would happen. But it has and it appears I am in it for the long haul. The problem is, is there a long haul for the independent abstracter? I have seen a lot of changes in the past two decades, not many of which have bided well for us. Certainly, the last five years have seen degradation in both the quality of the title searcher as well as the title agent, coinciding with multiple increases in the number of both. Title insurance has almost become a casualty type of insurance. Fast and cheap has become the order of the day, with quality oftentimes taking an undeserved backseat. National companies are now offering full state search capability, both upper and county level, and this is an area we cannot offer. In response to this movement, several statewide search companies have sprung up as well. Their success remains to be seen but early results have been mixed. Quality once again seems to be taking a backseat to speed. The end result for us is the completion of the title search, not so for the national companies. The data collected is used for patriot searches, drivers' license checks and for other background data derived industries.

What do we need to do in this new world to stop us from being abstractersaurs? What do we need to do as searchers to compete with those who offer more than one piece of the puzzle?

Our disadvantage can also be our advantage. There are no layers of bureaucracy for the client to deal with. If they have a question about the search, one phone call should solve the problem. Technology allows us to fax and email all of our searches if so requested. The

age of mailing searches via regular mail is almost gone and even FedEx and UPS are sometimes not fast enough. We need to cease being a reason why the binder has not been completed. We need to help make the title agents' salespeople look like magicians. We need to be partners with our clients and we need to make them aware of this fact. The customer is always right does not mean that we cannot go the extra chain or link to make sure there are no problems with the title. Remember, until recently, this was the actual reason for the title search. If a full search is required, find out what is meant by that. Amongst my clients, it can mean anything from 60 years to 25 years to the ever specific "find a good beginning point."

Knowledge is power and power can be used as a weapon. If you are a member of this Association, then you should have some knowledge. If you have PLTA designation, then you certainly possess an arsenal able to search tall buildings and the smallest of gores. Make your client, your partner, aware of your knowledge. After all, the clients' well being translates into our mortgage payments.

Let us be the little businessmen (and businesswomen) that could.

The TAANJ will do all we can to help you in this endeavor. We need your thoughts and your help.

I wish you all success and good health.

Greg Savad

The following amendment proposals were presented at the December 2006 meeting and will be voted on at the next meeting. Further discussion is always

welcome. The highlighted, underlined words are the new proposed changes.

CONSTITUTION

Preamble-

We, the members of this Association, in order to promote the profession of land title abstracting, **comprised of persons and stand alone entities whose core function is to provide land title abstracting services**, and to develop uniformity and proficiency therein, and to encourage improved methods of furnishing land title evidence in order to advance the common interests of all members and the general public, do establish this Constitution.

Constitution: Article 3 Item 8

All affiliated members shall each be entitled to one vote at any regular or special meeting so attended by and only through a person named in writing, under seal, submitted to the Financial Secretary, prior to the January meeting.

Void this section

Constitution: Article 5 Item 3

All officers of this Association shall be chosen by a nominating committee appointed for that purpose by the President of this Association at the first meeting **of the calendar year**

Instead of “at the January Meeting”

Constitution: Article 5 Item 2

The officers of this association shall consist of:
President
Executive Vice President
Recording and Corresponding Secretary
Financial Secretary
Treasurer
County Vice Presidents numbering not less than 10
6 Trustees

Combine financial secretary and treasurer into a new designation of TREASURER

Constitution: Article 5 Item 4

All officers of this Association shall be elected at the June meeting in each year...

Get rid of the word “ALL” at the beginning of the section

Constitution: Article 5 Item 5

All officers of this association, except the 6 trustees, **must be active, independent title abstracters and** shall be elected and hold office for one year and/or until their successors are elected and qualify.

Constitution: Article 5 Item 8

All officers of this association shall be properly installed in their respective offices at each June Meeting

Get rid of the word “ALL”

Constitution: Article 6 Item 1

The following shall be the standing committees of this Association:

Executive
Membership
Judiciary
Ethics and Grievance
Bulletin Publishing
Legislative
Finance

The president shall be authorized to form any committees as needed, including but not limited to...- see list on bylaws

Constitution: Article 7- new #2

Proposals for amendments and changes to the by-laws and constitution shall be considered given a first reading if publication on the TAANJ website is done at least one month prior to the meeting in which the proposals shall be voted on. All members in good standing must be given notice via any means listed above of the posting.

Constitution: Article 7 Item 2

If the above is passed, then the present Article 7#2 shall be moved to Article 7#3

BY LAWS

By-Laws: Article 3- Treasurer 1

He shall be bonded in accordance with the bonding requirements of the Financial Secretary

Void this

By-Laws: Article 3- Financial Secretary

Void #1-4, 9, 10
Transfer #5 to #1
Transfer #6 to #2
Transfer #7 to #3
Transfer #8 to #4

BY-Laws: Article 4- Bulletin Publishing

Add #7 The bulletin will be published on the TAANJ web site at least one month prior to the next general membership meeting. This web based publication shall also be emailed to everyone who has made their email available. If members do not have access to, or have not provided the Association with the correct information, a hard copy will be provided. Email and electronic distribution shall be equivalent to physical mailings for all purposes.

.By-Laws: Article 5 Item 6

Retired members of this Association, being an active member for 10 years next preceding their original application and approval for membership and has retired from the land title business, shall pay a maintenance fee of \$5.00

Void this

Association Elections

Executive Vice President, Erin Mahony, is currently taking nominations for all officers, both Executive Board and County Vice Presidents as well as two Trustees. Fax your nominations to Erin at 973-984-3888. Please remember that candidates must be active members with dues paid to date. Any new members who have either just been voted in or will be voted in prior to the presentation of nominations as New Business are eligible to be nominated.

I would like to encourage all members to be active and seek nomination. If you are currently an officer and have not been to a meeting lately, now is the time to come out and be both seen and heard. With the industry in flux the Association needs its officers to be more than just names on a list. The changes in our industry both recent and future will mean a major change in the way we as abstracters do business and get business. Our reactions to these changes will spell either prosperity or disaster. Playing the ostrich at this crucial period in TAANJ's evolution would be shameful.

Officers of the Title Abstracters' Association of New Jersey

Executive Officers

Office	Officer	Phone	Fax
President	Greg Savad	732-545-4457	732-545-4718
Executive Vice President	Erin Mahony	973-760-6272	973-984-3888
Secretary	Helen Olsen	732-577-0459	732-577-1063
Treasurer & Financial Sec'y	Ronald J. Axelrod	973-538-4606	973-267-4606

Trustees

Trustee	Serves Until	Trustee	Serves Until
Barnett N. Carney	2008	John Mangan	2009
Ronald J. Axelrod	2008	Arthur Metzler	2007
John Gallagher	2009	James Kehoe	2007

The Code of Ethics of the Title Abstracters' Association of New Jersey

This code binds all our members to a course of conduct beneficial to our clients:

Always governed by the laws, customs and conditions of the respective county in which we conduct our business; and with the realization that so much is dependent upon complete and accurate reports of title, members shall issue abstracts of title only after a complete and thorough examination of available records.

In order to serve the owners of interest in real estate, members shall endeavor to facilitate title transactions by the elimination of delays and unnecessary information; members shall make their services always available to their clients upon reasonable demand.

Each member shall strive for a reputation of honesty and integrity, upon which all clients and persons in interest can be dependent with complete trust.

In order to promote the public interest and the continuing integrity and stability of the Land Title Profession, members shall never engage in any unfair or deceptive act or practice. Moreover, each member shall, (1) strive towards the education of the nonprofessional as it relates to the Land Title Profession, (2) Endeavor to promote a better relationship with the legal profession, and (3) work with all interested parties towards our common goals.

Each member shall actively seek and support Legislation which is in the public interest so as to unburden real estate from unnecessary restrictions and restraints.

Any claim of an alleged violation of the principles set forth in this Code of Ethics shall be submitted to the Ethics and Grievances Committee of the Title Abstracters' Association of New Jersey.