

GREETINGS

Welcome to the Volume II, Issue 1 of our quarterly newsletter. I hope this issue finds you healthy and well, free of the season's usual ailments.

We're excited to begin 2007, with plans to bring more value to our customers. The first step is collecting your valuable feedback through an incentive survey program. We ask that you provide your honest opinions on the services provided by Runkel so that we may better serve you, and continue in providing the utmost in customer service and thorough title advice.

We're also growing. As you'll read later on, we're pleased to announce the acquisition of Lake Country Title Services. This Eagle River-based title company services Vilas County of Wisconsin and Gogebic County of Michigan. We're pleased to welcome the highly qualified team to our Runkel family of companies.

I also want to draw your attention to our first seminar of 2007. Scheduled on February 22, the topic will focus on policy changes effective this year. We look forward to seeing you there.

Lastly, we welcome your feedback for future newsletter topics. Please contact me at any time at marv@runkel.com with your ideas.

Happy reading,

Marv Pilgrim
President,
Runkel Abstract & Title



RUNKEL ACQUIRES LAKE COUNTRY TITLE SERVICES, INC.

Runkel Abstract & Title Company (Runkel) recently acquired Lake Country Title Services, Inc., headquartered in Eagle River, Wis. through a mutually beneficial transaction.

Servicing Vilas and Iron counties in Wisconsin and Gogebic in Michigan, Lake Country has been a part of the Eagle River community for five years. The staff, consisting of one attorney, three full-time and two part-time employees, has accepted the offer to remain after the purchase.

"By Runkel acquiring Lake Country, we now have the staff to efficiently service all of Northern Wisconsin and parts of the UP. As part of the Runkel family of companies, we can share resources between locations while maintaining that local connection that we realize is so important," states Atty. Kristin Hess, former owner of Lake Country Title Services.

The partnership has numerous positive benefits for the local community, most importantly being the increased flexibility in handling a greater volume of title work. Total, Runkel has a staff of nearly 50 title experts at their six locations throughout North Central Wisconsin.



SAVE THE DATE: FEB. 22ND ALTA 2006 POLICY CHANGES SEMINAR

Our February 22nd Seminar Focuses on ALTA 2006 Title Policy Changes. Runkel is pleased to announce their first seminar of 2007, titled ALTA 2006 Title Policy Changes presented by Lisa Peterson, underwriting counsel for Chicago Title Insurance Company. Focusing precisely on the coverage of the new policy, the seminar will be one two-hour session.

Lisa A. Petersen is an underwriting counsel for Chicago Title Insurance and Security Union Title Insurance Companies. Petersen's responsibilities include statewide underwriting for both companies. Ms. Petersen is a member of the State Bar of Wisconsin and the Milwaukee Bar Association. She is also a member of the Wisconsin Land Title Association where she is Chair of the Education Committee and a member of the Board of Directors. Ms. Petersen is the Immediate Past President of the Wisconsin Land Title Association. She received her BA from the University of Wisconsin-Madison and her JD from Northern Illinois University and is a frequent lecturer on title issues across the state.



ALTA's 2006 OWNER'S AND LOAN POLICY CHANGES

On October 17, 2006 the American Land and Title Association adopted new policy covers for both the Owner's and Loan policies. Updated forms have been filed with the Office of the Commissioner on Insurance in Wisconsin and are effective immediately.

The six general principles of the policy change include:

- New and revised terms and conditions
- More clearly identify traditionally covered risks
- Elimination of exceptions, or limitations, from the "Exclusions from Coverage" section of the policy
- Automatic provision of certain standard coverages
- Specific accommodations to mortgages in electronic form
- Provision of expanded coverages



YOUR OPINION IS IMPORTANT TO US

Beginning in December 2006, Runkel issued its first informal, voluntary survey designed to evaluate the effectiveness of its services provided to customers ... with a catch. Every participant is entered into a drawing to win a seasonally appropriate prize. Surveys are prominently placed in each of the closing rooms and are typically issued by the closing agent at a pause in the closing.

"We feel internally that we provide a high-level service to our clients, but how can we really know unless they share with us their thoughts? We're encouraged by the initial response and hope it continues throughout the year," states Rebecca Pilgrim, manager at Runkel.

The survey consists of a series of eight questions, six of which are rated on the scale of: Highly Disagree; Disagree; Agree; and, Highly Agree. The remaining two questions simply request the purpose of the visit and the source of the referral (completed by checking a box).



TITLE TERROR

A national service company hired Runkel for a witness closing at the end of September. The property in question had been a foreclosure and the seller happened to be a federal land reserve. Because of Runkel's close proximity to the buyer's lender, Runkel, with the bank's approval, suggested that Runkel would record the deed and mortgage directly and return copies with the closing package.

The national company refused, insisting the original documents be returned per their standard procedure with the closing package. The company was operating in the best interests of their client, the seller, and was not concerned with the lender's responsibility.

After three months, the closing documents still hadn't been recorded with the Register of Deeds.

Due to recent rulings by bankruptcy courts, if a mortgage is not recorded in a timely manner (within 30 days); the lien on the real estate may be in jeopardy. Bankruptcy Courts have recently voided untimely mortgages.



According to the "American Bankruptcy Institute" the total number of U.S. bankruptcies filed during the first three quarters of 2006 (Jan. 1 – Sept. 30) was just under one-half million at 443,750.

DEPARTMENT HIGHLIGHT: SEARCHERS/EXAMINERS

The Searcher/Examiner department is a strongly knit team of individuals focused on teamwork. Committed to timely project completion, each member of the team agrees this department is unmatched by any of Runkel's competitors.

In the course of a search on a parcel of real estate, Runkel personnel search and examine records in the office of the Register of Deeds, the office of the Clerk of Courts, the Treasurer's office and the Probate office to determine which recorded or filed documents apply to the specific parcel of real estate for the product they are working on. The completed search reveals a list of documents that may apply to the real estate. The searcher then examines the chain of title and determines which documents are necessary for the final product.

The span of years a search covers differs depending on prior searches available. However, the process is consistent for all of the products Runkel offers: title insurance, abstracts, information reports, and highway letters. The products differ in their coverage of liability and the format in which information is documented.

An abbreviation of the search and exam processes follows:

SEARCH

- Search the real estate tract in the Runkel Title Plant for mortgages, easements, restrictions, liens on the real estate, conveyances, certified survey maps, any prior work our Company has done on the particular parcel
- Search the general tract in the Runkel Title Plant for judgments, liens, divorces
- Search the Marathon County tax records for tax information and assessments
- Search online in CCAP for judgments, liens, divorces
- Visit the Clerk of Courts office for details on specific information revealed in CCAP or the general Runkel tract
- Search the Wisconsin Child Support website for possible child support liens
- Search records in the office of the Register of Deeds via the County website – generally as a duplicate check of our own Title Plant records, but also to use a more recent search date as the Court House is a day or two more current than our Title Plant
- Visit the Probate office for details on specific files are revealed in CCAP or the general Runkel tract
- Search the online Department of Financial Institutions website for information on businesses in title to real estate

EXAMINE

- Follow the chain of title on the parcel
- Investigate any gaps in the chain of title
- Verify that legal description is accurate and "closes"
- Verify title as vested
- Examine signatures of documents for complete notaries
- Investigate any "red flags" as to fraud, signatures, gaps in the chain of title, improperly or unauthorized individuals as signors
- Verify that satisfactions are complete
- Examine any plat maps or subdivision maps with regard to possible easements, encroachments, wetlands or other specific notes from the surveyor
- Record all information from the search and examination on search notes
- Detail for the processors all information necessary for the end product
- Copy all relevant documents for the product
- Post the product and file number in the Runkel Title Plant
- Submit the file to processing for the next step in the production process

JAMIE ESKER



Jamie's worked within the title industry for 14 years, 11 of which have been with Runkel. Prior to joining the team, Jamie worked for a realtor while completing her course for real estate licensing at NTC. Jamie searches and examines the public records for/and produces title commitments and letter reports. "Each of our searchers face difficult research projects that are very

time consuming and present challenging deadlines. Our search team consists of professionals that pay attention to detail and are very dedicated and successful in consistently delivering an accurate title product that customers can rely on in a timely fashion; it is satisfying to be a part of such a team."

LYNNE HEINDL



A member of the Runkel team for 21 years, Lynne previously worked at the Register of Deeds Office for a total of 11 years. As a title examiner, Lynne typically searches Abstracts and performs full 60-year searches. "It's the attention to detail and the commitment to accuracy, quality and professionalism that set Runkel apart from everyone else," states Lynne, "it's personally

satisfying to work in an environment that promotes teamwork."



CONNIE STUPLICH

A part of the title industry and Runkel team for nearly nine years, Connie works on the order entry side of the business in addition to searching Letter Reports. Prior to joining Runkel, Connie gained valuable knowledge of property legal descriptions by working at a law firm for nearly seven years. In Connie's words, the entire department is committed to teamwork. "We place the customer first, and if someone here falls behind there's always another associate there, ready to help them out."



BEA KLEINSCHMIDT

A ten-year veteran of Runkel, with a total of 22 years experience in the title industry, Bea previously worked in customer service in the commercial loan department at a local bank. That experience served her well, and continues her commitment to superior customer service. "Runkel offers its customers a team with extensive experience in the title industry. A great sense of accomplishment is felt when the customer sends an e-mail appreciating all the hard work completed. As a team, we strive to meet customer and industry demands." Bea searches and examines the public records in selective counties to produce a title insurance commitment.



ROXANNE OWENS

For nearly five years, Roxanne has worked with Runkel as a searcher/examiner for title insurance commitments. With nearly ten years in the title industry, Roxanne previously worked in the mortgage lending department of a local bank, both processing and closing loans. "I believe the depth and extent of the services Runkel offers makes working with Runkel a positive and convenient option for customers."



TITLE INSURANCE INDUSTRY WEATHERS INDUSTRY MISNOMERS

According to a 2005 member survey by the American Land Title Association (ALTA), title problems were found in 36 percent of all residential real estate transactions (new and resale homes, and refinances), up from 25 percent in 2000. The "Abstracter and Title Agent Operations Survey" tracks changes in the title industry, including the number of orders received and percentage of title issues discovered and repaired prior to closing or escrow.

Marv Pilgrim, President of Runkel Abstract & Title, agrees with the national organization's findings, "In looking through our records, we've found the same

ratio to be true. To date, these numbers are the greatest justification for title insurance we've seen yet. Title insurance acts as a guarantee of property ownership subject to recorded exceptions."

Forbes recently published a scathing feature titled, "Inside America's Richest Insurance Racket" aiming to discredit the industry altogether. A full-text of the Forbes article, along with ALTA's rebuttal and Runkel's opinion can be found on the Runkel website at www.runkel.com.



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OFF-SITE CLOSINGS AVAILABLE

In an effort to better accommodate their client's needs, Runkel wishes to remind everyone that closings through Runkel can be completed off-site, at a mutually agreed upon place. The closing agents can meet buyers and sellers at selected sites such as the realtor's or lender's office.

