



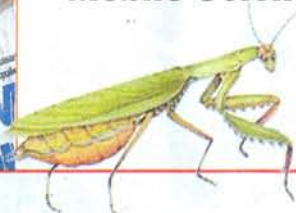
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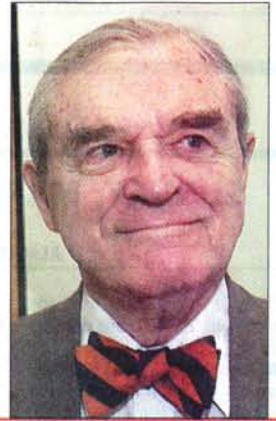
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The News-Gazette®

Our 152nd Year



www.news-gazette.com

Vol. 152, No. 236

SUNDAY, March 21, 2004

Champaign-Urbana, Illinois

\$1.50

BUSINESS

Sunday, March 21, 2004

The News-Gazette **C**

Making Champaign 'title town'

■ Once-tiny firm serves lawyers in 3 states now

By DON DODSON
News-Gazette Staff Writer

CHAMPAIGN — Forty years ago, Urbana attorney Stanley Balbach had an idea: Form an organization that would help lawyers handling real estate matters to provide title insurance for clients.

It wasn't a popular idea at the time. A few states, namely Florida and Connecticut, had such organizations. But there weren't any in Illinois.

Two major companies — Chicago Title and Lawyers Title Insurance of Richmond, Va. — supplied most of the title insurance in Illinois through agents and direct operations.

Balbach felt a lawyer-owned organization would help protect real estate law practices and, at the same time, safeguard the interests of clients.

Clients would get the benefit of independent legal advice while engaging in what, for many, would be the largest financial transaction of their lives.

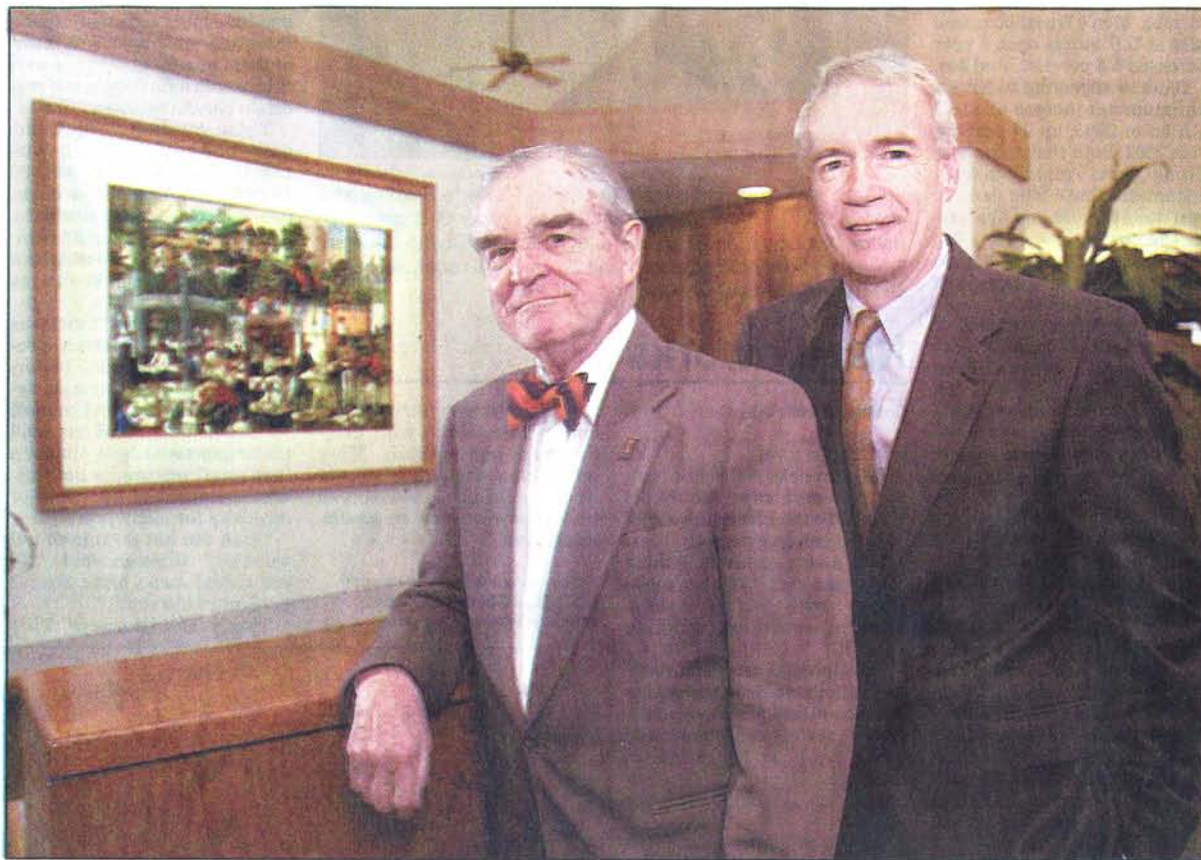
Balbach, who was active in the state and national bar associations, wanted the blessing of the Illinois State Bar Association before he started such an organization.

At first, the state bar association made it difficult, taking the position that such an organization would be an improper tool for lawyers to use.

But by 1964, the association had no problem with it, and Balbach set out to form what would become Attorneys' Title Guaranty Fund.

Today, the organization has more than 3,700 shareholder-members, issues more than \$20 million in title insurance a year and employs 251 people, primarily in the Chicago area and Champaign.

Unlike other kinds of insur-



Heather Colt/The News-Gazette

Urbana attorney Stan Balbach, left, founder of Attorneys' Title Guaranty Fund, and Jerry Gorman, senior vice president and counsel for downstate operations, shown in the lobby of the compa-

ny's Champaign office, have seen their lawyer-owned title insurance company grow to more than 3,700 shareholders and 251 employees since Balbach got it started in 1964.

ance, title insurance does not protect people against future events. Instead, it protects buyers against the possibility a mistake was made on a title report — for example, that a lien or second mortgage on the property was not disclosed.

To get Attorneys' Title up and running, Balbach had to reach out to county bar associations and encourage attorneys to become members. Recruiting members was vital so the fund could qualify to do business in six Illinois counties.

The organization's first executive vice president, John Metzger, shared a desk in Balbach's law office. It was a small-time enterprise at first, with members of the Balbach family stuffing envelopes and putting on stamps.

But in time, the organization grew. In 1975, Attorneys' Title Guaranty Fund opened an office in the Chicago area and experienced tremendous growth there in the 1980s.

Ward McDonald, a Champaign attorney who was execu-

tive vice president and later president of Attorneys' Title from 1970 to 1983, recalled the organization in its early days.

When he was hired in 1970, the company had gross revenues of \$86,000 and expenses of \$132,000. The company hired him for \$20,000 a year, but could afford to pay him only \$17,500 at first.

"There was no greater motivator," said McDonald, who hit the road to market the fund to lawyers throughout the state. "I was 28 at the time and didn't

have anything to lose."

When the Attorneys' Title board decided to expand their services into Cook County, McDonald walked the streets of the big city, thinking, "What am I doing here?"

"To take on Chicago Title in Chicago seemed insane, and it probably was," he said.

But Attorneys' Title grew quickly and ended up opening offices in many Chicago suburbs.

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Attorneys' Title Guaranty Fund

What is it? An attorney-owned organization that provides title insurance and other products and services to member lawyers in Illinois, Wisconsin and Indiana.

When was it founded? Forty years ago in Champaign. Urbana attorney Stanley B. Balbach laid much of the groundwork for it.

How many does it employ? 251 altogether. Seventy-eight work at the Champaign office, 2408 Windsor Place. Most of the others are in the greater Chicago area. Attorneys' Title has offices in Champaign, Chicago, Lombard, Mount Prospect, Flossmoor, Oak Lawn, North Riverside, Libertyville and Belleville and in Madison, Wis.

Who's in charge? Peter J. Birnbaum, based in Chicago, is president and chief executive officer. Jerry T. Gorman, in Champaign, is senior vice president and counsel for downstate operations.

What services does ATGF provide besides title insurance services? The company has several subsidiaries:

— Judicial Sales Corp., which conducts judicially approved real estate auctions.

— Capital Funding Corp., a mortgage origination subsidiary.

— Guaranty Trust Co., an independent trust company that provides services for estate planning lawyers.

— FSBO Wisconsin Homes, a real estate marketing and sales company serving Wisconsin attorneys and home sellers.

How much business does ATGF do? In 2003, the company produced more than \$28 million in revenue, most of that from title insurance business. It issued about 117,000 policies last year.

Title insurance

Continued from C-1

The local office, which moved to its own space on West Green Street in Urbana in the mid-1960s, moved to 2408 Windsor Place — just southwest of Neil Street and Windsor Road — in 1974.

The office eventually expanded into adjacent space there and now employs 78, many of them providing lawyers with title search information and real estate closing services.

Today, Attorneys' Title Guaranty Fund has members in Wisconsin and Indiana as well as Illinois, and it furnishes members with educational seminars, publications and a health plan. It also provides members with a software program known as ATG REsource.

When Attorneys' Title was founded, title insurance providers were required to be for-profit. But Jerry Gorman, senior vice president and counsel for downstate operations, said the organization was almost a "pro bono" venture for Balbach, who remained on the board of directors for many years.

"Stan did not do this to get wealthy," Gorman said. "No individual owns more than 2 percent of the stock."

This year, Attorneys' Title

Guaranty Fund will celebrate its 40th year with a Tailgate Weekend in Champaign that coincides with the Oct. 16 Illinois-Michigan football game.

Street banners will be hung near the organization's Chicago offices, and a bust of Balbach is to be unveiled at the Champaign office sometime this year.

Also during Tailgate Weekend, there will be a reunion of law clerks who worked at Attorneys' Title at one time. Among those who once clerked for the organization are Gov. Rod Blagojevich and Peter Birnbaum, the organization's president and chief executive officer.

In recent years, the company has testified against proposed changes to the federal Real Estate Settlement Procedures Act, which the company says could favor large mortgage lenders at the expense of real estate buyers, sellers and lawyers.

But for now, Attorneys' Title is prospering.

"2003 is the best year we've ever had," Gorman said. "It's certainly the highest (premium) volume we've had yet."

You can reach Don Dodson at (217) 351-5227 or via e-mail at dodson@news-gazette.com.