

# The ATG Story: Serving Lawyers and Their Clients Yesterday, Today, and Tomorrow

Advocacy with an Impact



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*President and CEO*  
*Attorneys' Title*  
*Guaranty Fund, Inc.*

## ATG Members and Other Practicing Lawyers,

**When I was asked to write an article about the current state of the role of real estate lawyers and the landscape of the title industry, I found myself reflecting not only on the current landscape but also on more existential issues. Since 1981 (having become president in 1991), it has been my pleasure to serve you. With the passage of time, I have come to increasingly appreciate this journey we have taken together. I hope you will find this article to be worthy of deeper thought and discussion.**

**I think it is essential to ask and answer the five questions that follow. They run to the heart of why ATG is distinguished as a company that serves lawyers and their clients while our competitors are mercenary at best, Trojan Horses at worst, who view lawyers providing title services as necessary (and expensive) in the near term but expendable over time.**

**Make no mistake: But for ATG, lawyers would be out of the real estate practice. This distinction is at the heart of the journey we have taken together.**

## What is Our Purpose?

At our core, ATG is a lawyer service company: Our mission is to be the premier lawyer service organization for the benefit of the profession and the public. But more broadly what drives us as employees, customers, and owners, in our values, in our impact, and in our legacy?

### Our Values, Impact, and Legacy

- » Advocating for the long-term interests of practicing lawyers and their clients.
- » Protecting the long-term interests of our shareholders.
- » Providing impeccable service to our member-agent attorneys, other lawyers, realtors, and lenders.
- » Protecting consumers by being good corporate citizens.
- » Supporting our employees by providing a workplace where everyone is treated with dignity and respect.

## Who Are We?

### We Are the ATG Family of Companies

The ATG Family of Companies generates on average about \$90,000,000 per year. Of that, \$50,000,000 are fees earned by and paid to our member-agent attorneys each year. Over our history, we have issued more than 3.5 million policies, and ATG agents have earned more than **one billion dollars** in fees from providing title services as an adjunct to their law practices. Thousands of lawyers rely on ATG to support their careers and their livelihood.

We are keenly focused on building opportunities for our next generation of leaders. Many in current leadership positions came from the ranks of ATG. We have a diverse and talented young group of employees who have opportunities to grow within the organization.

The ATG Family of Companies employs roughly 220 people, 20% of whom have been with us 20 years or more.



ATG LEGAL  
EDUCATION



ATG TRUST  
COMPANY



ATG  
LEGALSERVE



THE  
JUDICIAL  
SALES CORPORATION

NLT Title

## What is Our History?



**Stanley B. Balbach**  
ATG Founder

### 1960s - 1970s: Early History

Attorneys' Title Guaranty Fund, Inc. was founded in Champaign, Illinois, on August 6, 1964. We opened an office in Chicago in the late 1970s.

ATG's business model – allowing lawyers to provide title services as an adjunct to their law practices – was unique in Illinois when we entered the scene.

Before the advent of title insurance, lawyers provided

opinions of title as a part of their representation of a seller. In the post World War II era, "commercial" title companies started forming in major cities and in the Western states. Almost immediately many of these companies attempted to push lawyers out of real estate transactions. These title companies argued that title insurance afforded greater protection for the consumer and covered risks that were more expansive than those covered by a lawyer's opinion on title. Soon, lawyers were virtually eliminated from representing consumers in real estate transactions in the western states. The title companies started moving east.

*The Fund Concept* was the philosophical base upon which our founder, Stanley Balbach, formed a title insurance underwriter owned by member attorneys who would provide title services in competition with these commercial title companies (a *guaranty fund* or *The Fund*, as we called it back then). The lawyer preparing the policy would charge for his time and pay a risk premium into *The Fund* to set up a reserve for future claims. The total charges would be the same or less than commercial title insurance.

A home purchase is the largest financial transaction of a consumer's life. Consumers need legal representation in that transaction. *The Fund* gives consumers the best of both worlds: legal representation and insurance protection.

### 1980s: Our Success Precipitates Strong Reaction

We enjoyed explosive growth throughout the 1980s. Some commercial title companies battled The Fund Concept from the outset. In 1981 an article from *The Title News* (a publication of ALTA, the American Land Title Association) was particularly telling. In that article, Thomas Jackson, General Counsel of ALTA wrote, "Like a chronic infection, the bar fund movement has resisted all our efforts to eradicate it and, if left to fester, could ultimately contaminate the entire commercial title insurance market."

We confronted many challenges from competitors seeking to drive us out of the market. These included a price war launched by industry giant, Chicago Title, who dropped prices by 40% overnight in an attempt to drive our lawyer members out of business. We were also forced to defend several lawsuits and legislative battles wherein our competitors attempted to remove lawyers from the title services business by judicial or legislative fiat. We won all those battles.

### 1990s: Imitation...the Most Sincere Form of Flattery

By the mid 1990s virtually all other title companies began competing with us to provide title services through lawyer agents. At the same time, we opened more Illinois offices and expanded into Wisconsin.

**Bridge-Building.** Despite many bruising battles, we made peace with ALTA and with most of the big commercial companies. Many lawyers on the ATG staff have held leadership positions in ALTA. We have also had three ATG attorneys serve as presidents of the Illinois Land Title Association (ILTA) and many others serve on ILTA committees. Our Wisconsin legal staff have done the same as leaders in the Wisconsin Land Title Association.

**Diversification.** Beginning in the early 1990s we began diversifying both our product mix and geographical footprint. Today, ATG Legal Education, ATG Trust, ATG LegalServe, The Judicial Sales Corporation, and NLT Title provide services to thousands of lawyers across all areas of practice.

## ATG: Past, Present, and Future

### 1960s - 1970s Early History

- » Founded in Champaign, Illinois, on August 6, 1964, by Stanley B. Balbach.
- » A bold new concept: legal representation, insurance protection.
- » First Chicago office opens in late 1970s.

### 1980s ATG Success Precipitates Backlash

- » Explosive growth and success for our business model.
- » Pushback from competitors trying to drive ATG out of the market.
- » ATG continues to advocate for the role of attorneys, winning many battles.

## Where Are We Today?

### Race to the Bottom

In today's market, we have seen market conduct deteriorate in many respects. We have been vocal in our concerns to the regulators and the real estate bar. We believe we are witnessing a "race to the bottom" in terms of market conduct. We have opined that many of these problems find root in the hallways of some underwriters and regional agents who seek to garner market share no matter the legal or reputational risk nor cost to the consumer. We have also cautioned that the legal profession needs to be wary of these practices, offering our belief that lawyers will be the fall guys for this conduct.

No doubt the market needs an awakening by the title industry as well as the legal profession. In the absence of self-correcting behavior, the market needs some form of rational intervention by the regulators. But to lay blame on the hard-working and well-intentioned legal profession is not the cure. Lawyers are an easy scapegoat. I urge you to get active in supporting our legislative, regulatory, and other advocacy efforts to protect the public and the profession. Your law practice and your clients' peace of mind are both at risk.



ATG has 20/20 vision for employees: More than 20% have been with us 20+ years! We are building for the future and have created a culture that supports opportunities and personal growth. Shown above, our annual spring celebration honoring employees with 20+ years of service.

### What is Past is Prologue: A Look Back

Events in recent years mirrored the types of challenges we faced in our early history.

There were more regulatory efforts to change the landscape for Illinois title insurance providers in 2018 than any prior year. ATG is on the front lines of advocating for the real estate bar and the clients it serves.

Many of the recent legislative efforts have targeted practicing lawyers rather than address the core issues related to dysfunction in the Illinois title industry. These efforts included a bill, since defeated by ATG, that would have prohibited lawyers from providing title services when acting as a lawyer in the same real estate transaction. We are very pleased that by working with our regulators, the Illinois Land Title Association, and the state legislature, Senate Bill 1317 is now before the legislature. With some refinement, it will address many of the issues that have been plaguing the industry. Look for legislative alerts from ATG to learn how you can support these efforts.

Where Are We Going Tomorrow? 



ATTORNEYS' TITLE GUARANTY FUND, INC.

Offices throughout the Chicago area, Metro East and Champaign, Illinois, and Waukesha, Wisconsin.

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### 1990s Imitation Becomes Flattery

- » Other title companies begin providing title services based on the ATG model.
- » ATG forms alliances with former rivals, expands to Wisconsin.
- » Diversification expands our service offering.

### 2000s - Present Where Are We Now?

- » ATG continues to stand for ethical practices to halt the race to the bottom.
- » ATG agents defeat proposed DS-1 Disclosure and House Bill 5935.
- » ATG remains committed to protecting lawyers and consumers.

## Where Are We Going Tomorrow?

### What Drives Our Success Now and in the Future, How do We Embrace Challenges?

**Collaboration and Shared Vision.** The core strengths that served us yesterday also serve us today and will continue to serve us tomorrow:

- » Loyal and dedicated member agents.
- » Devoted board members who are 100% committed to our mission through strategic planning.
- » Knowledgeable, long-tenured, and energetic staff.
- » Profitable subsidiaries with strong leaders and diverse products.
- » Ability to react quickly.
- » Collective vision and spirit of camaraderie, working toward a common goal.
- » Shared desire to be a good corporate citizen.

**Current Challenges.** We also recognize and are realistic about the challenges before us:

- » Slowing housing market.
- » Competition.
- » Siloed legacy systems.
- » Succession planning.
- » Changing consumer expectations.
- » Increasing market share at all companies.

**Emerging Technologies.** ATG is committed to developing technologies that make your practice more competitive. Digital closings, remote online notarization, blockchain, and automated searches are all becoming familiar terms within the title business:

- » Mortgage companies, in cooperation with Fannie Mae, have made strides toward making eMortgage closings a standard.
- » Several states have passed statutes that allow for remote online notarizations; Illinois may do the same in the future.
- » Blockchain technology enables sharing of prior title insurance policies between title companies.
- » Automated search technologies allow users to conduct searches in minutes.

Each of these emerging technologies creates opportunities for title agents to work more efficiently. ATG will be there with custom technology and support to help you navigate.

The adage that *nothing is permanent but change* holds true today in our great industry. And whether it is fighting to ensure that change does not negatively impact the lawyer's role in real estate transactions or introducing new technologies to help lawyers compete in this changing market, you can be sure that ATG is there for you.

No matter what technology brings, we believe consumers will still desire a trusted advisor and will ensure that ATG lawyer agents have the tools to provide them.

### As an organization, the ATG Family of Companies has four main purposes:

**Purpose 1: Advocate.** We were, are, and will always be the leading advocate for practicing lawyers in the marketplace, media, courts, legislature, and with regulators.

**Purpose 2: Educate.** We will educate and provide leadership not just for our members, but for all practicing lawyers, consumers, the media, and other real estate professionals.

**Purpose 3: Support and Serve.** Our success is measured by how well we support our lawyers to help all of you serve your consumers clients. This includes our service to the community and our practice of being a good corporate citizen.

**Purpose 4: Build Future Leaders.** As we continue to develop and recruit talent at ATG, we will also mentor the next generation of lawyers.

## Conclusion

ATG has been an unqualified victory for the profession and the consuming public. Join with us as we embrace the future with an appreciation of our history and a vision for the great days ahead. I welcome your feedback and would love to hear from you. Feel free to contact me about any of these important topics.

**Peter J. Birnbaum**  
ATG President and CEO