

December 30, 1987

Mr. Larry McCrary
Manager of Sales
Hawthorne Aero Sales
P O Box 10005
Charleston, SC 29411

Dear Mr. McCrary:

Your letter of December 8, 1987, delivered to this office on December 22, asks for our assistance in "clearing the title" on this aircraft because of certain unrecorded items that appear in title searches. You expressed particular concern about a lease that by its own terms was terminated 2 years ago, and was not recorded for ownership irregularities, and an attempted lien from Texas that was returned as unrecordable. You state that these items should not show up, and the fact that they do has a chilling effect on prospective buyers.

While we agree that evidence of unrecorded interests may have a chilling effect on buyers and, perhaps, their financiers, we cannot agree that we ought to "purge the record" to keep them from showing up. As we discussed, it is the business of the title search companies to find clouds, not to ignore them, but the real crux of the problem is to give the "warm and cozy" feeling to buyers that all is well. My advice to you was that the purported liens, since they were not recorded, and in these cases were not recordable, should not be given major significance. It is not enough to sweep them under the rug; they must still be dealt with, by a legal determination that they do not impact merchantable or peaceful enjoyment, or competent legal advice, just as an attorney's opinion does in a real estate transaction, or by supplying the necessary releases or disclaimers suggested by the title service.

Our historical experience in proposing to the title services that unrecorded documents not be reported has resulted in thunderstorms of protest; everyone wants to know all the facts, not just obliterate them. Accordingly, the aircraft records must continue to show submitted documents, whether valid or not.

Sincerely,

Joseph R. Standell
Aeronautical Center Counsel

By:

R. Bruce Carter
Attorney Adviser

Original Signed By
R. BRUCE CARTER