



First American
Title Insurance Company

Contact:

David Schulz
Corporate Communications
The First American Corporation
(714) 800-3298
dschulz@firstam.com

NEWS FOR
IMMEDIATE
RELEASE

**FIRST AMERICAN STUDY REVEALS ONE IN THREE MARITIME VESSEL
TRANSACTIONS IS SUBJECT TO TITLE RISK**

*—Title Issues in Boat Ownership Records Present Heightened Risks for Lenders and Buyers
of Pre-owned Recreational and Commercial Vessels—*

NEW ORLEANS, Nov. 27, 2006 – A recent study conducted by **First American Transportation Title Insurance Company**, a subsidiary of First American Title Insurance Company, finds that more than 35 percent of recorded maritime vessel ownership records contain potential title issues. The October study evaluated more than 100 randomly selected commercial and recreational vessels listed on the U.S. Coast Guard’s National Vessel Documentation Center (NVDC) registry.

Vessel abstracts of title, issued by the NVDC, are commonly relied upon in pre-owned vessel transactions to provide an outline history of a vessel’s title ownership from the time it’s built, or first placed under U.S. documentation. The abstracts contain various title events, including transfers, some claims-of-lien notices and mortgages. They also include several indicators of title risk, such as periods where the vessel is out of registry and unsatisfied claims.

First American found more than 27 percent of the vessels examined were deleted from NVDC documentation, or had been in state or foreign registries at one time. During these periods of non-NVDC documentation, important title events, such as vessel sales, liens or mortgages were not recorded in the Coast Guard’s ownership records.

In addition, the study found that nearly 8 percent of vessels examined had liens filed that were unsatisfied. “Where there’s smoke, there’s often fire,” said Victor I. Kooock, general counsel for First American Transportation Title Insurance Company. “We’ve been writing vessel title insurance policies for more than five years, and we’ve found that vessels with unsatisfied liens often have hidden liens that are not recorded; thus, these liens are not listed in the NVDC abstract of title.”

– more –

First American Study Reveals Title Risk for Maritime Vessels...

Page 2-2-2

“Maritime law does not require maritime liens to be filed with NVDC,” said Paul B. Erickson of the law firm Alley, Maass, Rogers and Lindsay. “That means a vessel buyer might not be aware of a valid and enforceable lien on the vessel until after purchasing it. The new owner is then faced with paying out-of-pocket expenses for issues incurred prior to their ownership or, in certain cases, losing the vessel.”

While current regulations and registry loop-holes present some potential risks to the consumer, the most frequent problems found in the survey related to delayed filings of documents. More than 88 percent of vessel ownership records studied contained one or more documents that were filed with the NVDC at least 30 days after the date of execution. More than 80 percent of vessels had delayed filings for important documents, namely bills of sale or preferred mortgages.

“This is a very serious potential problem for vessel purchasers and lenders involved in these transactions,” said John N. Casbon, president and chief executive officer of First American Transportation Title Insurance Company. “When buyers review vessel ownership records prior to purchase, these delayed filings mean they may not be aware of crucial documents relating to vessel ownership and the seller’s ability to transfer the title. First American’s vessel title insurance policies provide vessel buyers and lenders with protection against hidden liens for necessities and other title problems, including fraud, forgery and stolen vessels.”

First American Transportation Title Insurance Company, a subsidiary of First American Title Insurance Company, is the industry’s leading provider of title insurance for the aviation and maritime industries. Headquartered in New Orleans, the company has provided aircraft title insurance to owners and lenders for more than 30 years. In addition to providing the *EAGLE* Protection policies for vessel owners and lenders, the company offers 1031 tax-deferred exchange services. First American Transportation Title Insurance Company can be found on the Internet at www.firstam.com/transportation.

First American Title Insurance Company, the largest subsidiary of The First American Corporation (NYSE: FAF), traces its history to 1889. One of the largest title insurers in the nation, the company offers title services through more than 1,800 offices and an extensive network of agents throughout the United States and abroad. The company has its headquarters in Santa Ana, Calif. Information about The First American Corporation’s subsidiaries and an archive of its press releases can be found on the Internet at www.firstam.com.