

Profile J. Allen Fine



STUDIOS

J. Allen Fine, chairman, CEO, Investors Title Co.

NOT QUITE ALL IN THE FAMILY

Founder's sons take major management roles as investors continue to be rewarded with solid stock

By Lee Weisbecker

CHAPEL HILL – In a town known for a copious supply of both readers and writers, it doesn't come as a shock that even leading business executives are actually scribes in disguise.

J. Allen Fine spends a portion of his free time writing a novel. It's a "Southern story," he says, smiling, as he sidesteps questions about characters and plot. He's already up to chapter 10.

But that's not Fine's only literary effort.

Over the years, he has been collecting facts and figures and writing annual summaries stored in notebooks on a shelf in his office. One day, the information will be used to craft a history of Investors Title Co., the title insurance company he started 33 years ago and, at age 71, still oversees as chairman and CEO.

It's a publicly traded firm that in 2004 earned its way onto

Fortune magazine's list of the nation's fastest-growing companies. It has a market cap of about \$110 million, and shares are trading these days in the \$42 range, close to the stock's 52-week high.

Fine's two sons are top executives at the company. James A. Fine Jr. is president, CFO and treasurer, while Morris Fine is executive vice president and secretary. They take care of watching over day-to-day business activities in 44 states and keeping tabs on a staff of 230.

For the past 16 years, the firm has operated out of a colonial-style, brick office building within a stone's throw of the intersection of Franklin and Columbia streets, the heart of Chapel Hill.

Fine says he doesn't exactly know when his company's history will be written and whether he or someone else will do it. But he thinks the story is a good one, merging the themes of financial success and family legacy.

Living it over the past three decades has even been better.

"It has been like a dream," he says.

STARTED WITH TEACHING

Raised in Denton, west of Asheboro, Fine enrolled in the University of North Carolina at Chapel Hill in 1958 and went on to earn a business degree in accounting. After working a few years in Charlotte, he returned to Chapel Hill in the mid-1960s for an MBA. This time around, after graduation, he remained in Chapel Hill to teach at the UNC business school.

It was during a 1971 hunting trip, so the story goes, that Fine and some friends got into a discussion about title insurance – specifically about why so few people in North Carolina bought a title policy when they purchased real estate.

Title insurance protects lenders, homeowners, building owners and investors against loss resulting from any defects in a property's title or claims against a property that were not uncovered during a title search.

Unlike other insurance, title coverage protects policyholders against past occurrences – not future ones.

The market in the state for title insurance in the early 1970s stood at a measly \$1.7 million, a number Fine believed represented an opportunity for the right person willing to take a risk.

Part of his role, he says he knew from the start, would be an educational one, convincing mortgage lenders, attorneys and buyers of the need for title insurance. Today, after decades of getting the message out, the policy market in North Carolina stands at about \$132 million.

"In North Carolina, title insurance is still not required under

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FINE: As the name implies, investors have been key to the company's success since the beginning

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law," stated an fall 2005 article about Fine and his company in *UNC Business*, the magazine of UNC's Kenan-Flagler Business School. "But thanks to Fine's marketing – based on logic, common sense and the security it provides – coverage has become standard practice."

From the start, Investors Title, as indicated by its name, has had investors. Fine personally conducted a pre-incorporation offering of the company's stock with individuals and raised the funds necessary to capitalize the company.

Today, the three Fines collectively own about 18 percent of the company, which is recognized as a feisty regional player.

Among analysts and investors, the firm has a reputation as being conservatively managed and, because of its strong North Carolina base, less volatile than some of its competitors in an up-and-down industry undergoing consolidation.

Investors is free of long-term debt and has an investment portfolio that grew by 12 percent over the past year and now totals more than \$99 million. "This family-run business," in the words of Davenport & Co. analyst David West, "has the potential to become a much larger player in the title industry over time." Neither West nor members of his family own stock in the company.

Asked about the future of the company, and whether a merger might figure into it, Fine smiles and deflects the question.

Questions about whether retirement will figure into his own personal agenda elicit the same response.

He can be found at his desk each morning about 8:30, and he puts in a full week. "Over the years, we've developed a lot of relationships," Fine says. "I spend a lot of my time now cultivating them."

James Jr., who goes by Jim, and Morris handle the crunch of daily paperwork and decision-making. Like their father, both went to UNC's business school. Both also began their professional careers outside of Investors Title but eventually joined the company.

Outside of work, the patriarch Fine is a founding member of the Chapel Hill Downtown Economic Development Corp.

and sits on the board of the North Carolina Museum of Art.

"Allen Fine is a quiet man, private and very smart," said Chapel Hill developer Roger Perry, who works with the downtown development group. "And he out-works everybody. That's how I think he built that successful company."

A widower, Fine is working with his sons to build a home on Bogue Sound near Morehead City, a project they hope to have completed within 10 months.

Fine says, in the back of his mind, he has always had the thought of writing a novel. It's only been in recent months that he's started to put words on paper.

The idea of the history of Investors Title came after a discussion he had with legendary trucking executive J. B. Hunt, who, Fine says, titled his memoirs, "Keep on Trucking."

He hasn't yet come up with a similarly snappy title. Even so, Fine believes the 700 pages he's put together over the years would do more than tell the history of one company. Intermingled would be the story of a community, Chapel Hill, and of the changing business climate in North Carolina.

"Writing allows me, in my mind, to sort things out," he explains.