



Advance Fee Operators Fight Regulation

The Real Estate Commissioner of this State, the real estate industry in California and throughout the United States, license law administrators in other states, federal agencies, better business bureaus, and chambers of commerce nationally have been plagued by complaints from thousands of citizens who have paid millions of dollars to unlicensed individuals and concerns who have collected advance fees based upon promises to sell real property or businesses through special advertising media with little or no tangible results.

Laws were enacted in California in 1955 (Sections 10026, 10252.5, 10253.5, and 10305, B. & P. Code), as well as in other states, attempting to encompass these operators within the definition of business opportunity brokers and salesmen and specifically defining advance fee dealing.

Regulation Fought by Operators

The constitutionality of these laws is being questioned in the courts, and in California the Real Estate Commissioner and the Attorney General have

been enjoined by certain of these firms from proceeding against them for operating without a license until the matter has been finally adjudicated.

In the interim, however, the Real Estate Commissioner has issued his Order for Investigation of certain firms in order to determine their actual operational methods.

In some instances criminal action has been taken by complainants through local district attorneys (Section 10260, B. & P. Code).

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Study by Legislators

To plug loopholes and make it more effective, amendments to existing California law were prepared by the Attorney General and submitted to the Legislature at its 1957 Session. These amendments and other related matters have now been submitted to an Assembly interim committee for study, and the first public hearing has been set for January 27-28, 1958.

The Federal Trade Commission has complained against a number of the concerns doing "advance fee" business and a hearing involving one of them is being held in Los Angeles on January 29, 1958.

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COMMISSIONER REPORTS ON EDUCATION AND RESEARCH FUND



F. W. GRIESINGER
Real Estate Commissioner

Greetings and all best wishes for 1958. During the year, I propose to report to you directly from time to time on those matters concerning you and the Division of Real Estate in which you as a group have evidenced the greatest interest.

In recent visits to real estate organizations and individual licensees throughout the State, I was constantly queried about the current status and progress of the real estate education and research program which is financed by 25 percent of all license fees set aside in a special fund. Be-

cause of this interest and because the law places certain responsibilities upon the Real Estate Commissioner in the disposition of these moneys, it seems appropriate that my first report to you should be on this subject.

I propose to keep you fully informed of the progress of the program and of any matters which will in any way affect the disbursement of moneys from the fund.

Fund Climbs to \$753,109.89

There was \$753,109.89 in the Real Estate Education and Research Fund as of January 1, 1958.

This fund was created by Section 10450.6 of the Business and Professions Code enacted in 1956, which reads as follows:

"One-fourth of the amount of any license fee collected by the commissioner under this part shall be paid into the Treasury of the State to the credit of the Real Estate Education and Research Fund, which fund is hereby created."

Studies are now going on which will result in recommendations to the State Legislature in its 1958 Session for specific appropriations from this fund pursuant to Section 10451.5 of the Business and Professions Code which reads:

"10451.5. All money paid into the State Treasury and credited to the Real Estate Education and Research Fund is available for appropriation by the Legislature to be used by the com-

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F. W. GRIESINGER
Real Estate Commissioner

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DISCIPLINARY ACTION—OCTOBER, 1957, AND NOVEMBER, 1957

NOTE: Any person whose license has been suspended or revoked, or whose license application has been denied, has the right to seek a court review. This must usually be done within 30 days after the effective date of the commissioner's decision.

Therefore a list of actions is not published in this *Bulletin* until the period allowed for court appeal has expired; or, if an appeal is taken, until a final determination of the court action. Names of persons to whom licenses are denied upon application are not published.

LICENSES REVOKED DURING OCTOBER, 1957, AND NOVEMBER, 1957

Name	Address	Effective date and term	Violation
Wilson, Lee Robert Real Estate Broker	1285 S. La Brea, Los Angeles	7/21/57	Sec. 10177 (b)
Phelps, Fred Moreland dba Land Specialist Company Real Estate Broker	114½ W. Fourth St., Santa Ana	10/ 1/57	Secs. 10141, 10176 (a), (b), (d), (g), (i); 10177 (f) & (g)
Woodland, Frank Lavell dba Santa Ana Mortgage Com- pany Real Estate Broker Business Opportunity Broker	Rm. 205, 206 W. Fourth St., Santa Ana	10/ 8/57	Secs. 10176 (i); 10177 (d), (f) & 10302 (c)
Pastor, Harry Helmuth Real Estate Broker	6535 Front St., Forestville	10/11/57	Secs. 10176 (a), (b), (c), (i) & 10177 (f)
Jones, Warren David Real Estate Broker	1435 Kincaid Ave., Redlands	10/11/57	Secs. 10177 (b) & (f)
Johns, Wilhelm Harry Restricted Real Estate Broker	345 Franklin St., San Francisco	10/15/57	Secs. 10176 (a), (b) (g), (i) & 10177 (f)
Schwartz, Joseph Joe Real Estate Broker Business Opportunity Broker	3655 Wilshire Blvd., Los Angeles	10/18/57 (Granted right to restricted licenses on terms)	Secs. 10177 (b), (f); 10302 (b) & (c)
Gold Theodore Real Estate Broker Business Opportunity Broker	11344 Camarillo St., North Hollywood	10/18/57 (Granted right to restricted licenses on terms)	Secs. 10177 (b), (f); 10302 (b) & (c)
Selmi, Bruce Pfuhl Real Estate Salesman	39 Wellington Ave., Daly City	10/18/57	Sec. 10177 (b) & (f)
Baum, Walter Herman dba Walt Baum Associates Real Estate Broker	1711 E. 14th St., San Leandro	10/22/57	Secs. 10176 (c), (i); 10177 (d), (f) & Secs. 2831 of R. E. Comm. Rules and Regulations
Lavin, Edward Patrick Real Estate Salesman	1893 Contra Costa Hwy., Con- cord	11/ 8/57	Sec. 10177 (b) & (f)
Molloy, Leslie Alden Real Estate Broker Business Opportunity Broker	2775 Park Ave., Santa Clara	11/11/57 (Granted right to restricted licenses on terms)	Secs. 10177 (b), (f); 10302 (b) & (c)
Barker, Cleon Mulford Real Estate Salesman	Kramer Junction, Boron	11/13/57	Secs. 10176 (a), (i) & 10177 (f)
Williams, John Richard Real Estate Broker Business Opportunity Broker	253 S. La Brea Ave., Inglewood	11/16/57	Secs. 10176 (c), (i); 10177 (b), (d), (f); 10302 (b), (d), (e) & 11020
Dow, Wallace Allen Real Estate Salesman	641 Yale Ave., Fresno	11/18/57	Sec. 10177.6

LICENSES SUSPENDED DURING OCTOBER, 1957, AND SEPTEMBER, 1957

Name	Address	Effective date and term	Violation
Weed, Richard Lyman Real Estate Salesman	8025 Tampa, Reseda	10/17/57 30 days	Secs. 10176 (a), (i) & 10177 (f)
Bauer, Maxwell Edward Real Estate Broker	8808 MacArthur Blvd., Oakland	10/30/57 15 days	Sec. 10177 (f)
Kreger, Mary Davis Real Estate Salesman	1005 Wilshire Blvd., Santa Monica	11/ 1/57 60 days	Secs. 10176 (a), (g), (i) & 10177 (f)
Harris, Lelio Josef Real Estate Broker	2719 Santa Monica Blvd., Santa Monica	11/ 1/57 60 days	Secs. 10176 (a), (d), (g), (i) & 10177 (f)
Preston, Dolores Ann Real Estate Salesman	15550 Hesperian Blvd., San Lorenzo	11/18/57 30 days	Secs. 10176 (a), (i) & 10177 (f)

without making a reasonable check of reputation and background. Because of these abuses, the commissioner has directed a closer check of applicants' character and knowledge.

Steps taken are: (1) Limited license examinations will no longer be given on extremely short notice unless there is a special need and demonstrated urgency; (2) fingerprints of an applicant will be cleared prior to the issuance of the license unless there is

unusual delay in receiving clearance from the Bureau of Criminal Identification; (3) the limited real estate salesman examination has been strengthened.

INACTIVE LICENSEES

Inactive licensees must pay full renewal fee when due; \$50 for brokers and \$30 for salesmen.

Brakes Put on Issuance of Limited Salesman Licenses

The rather widespread and perhaps indiscriminate use of limited real estate salesman licenses has been pointed up by the experience of recent months when the number of such licenses outstanding rose to double the normal average. These licenses run for 120 days and are issued after the applicant has passed an elementary examination.

Cause for Concern

Certain experiences with applicants and applications made it obvious that some employing brokers were soliciting persons temporarily into the real estate business as limited salesmen

WHEN DOES YOUR LICENSE EXPIRE?

Because it has been customary to renew licenses just prior to July 1st each year, you may overlook the renewal of your current license under the new licensing system. It will be recalled that all licenses renewed last July expire on different dates determined by the alphabetical position of the first letter of the licensee's last name. The expiration date is found on the face of the license itself, and should be noted to avoid payment of penalty fees.

Each licensee having the right to renewal normally receives a notice about one month prior to the expiration date of his license. The notice is produced automatically by the newly installed punched card machines in Sacramento and is sent to the licensee at the latest address reflected in the division's records.

But notices can go astray. As a precaution against the several things which might go wrong (and occasionally do), each licensee would be well advised to set up his own reminder system for a double check against allowing his license to lapse.

Important Reminder

If you do not receive a renewal form at least two weeks before your license expires, get in touch with the division's nearest office or send a letter requesting renewal and enclosing the proper fee to the Sacramento office, 1015 L Street. Broker renewal fees are \$50 and salesman renewal fees are \$30 for four-year licenses.

Commissioner Cannot Protect A Fictitious Business Name

An informal Attorney General's opinion received September 27, 1957, held, in effect, that the Real Estate Commissioner cannot withhold issuance of a license under a requested fictitious business name just because that particular name is already being used by another licensee in the State. This applies providing the second applicant has complied with the provisions of the Civil Code by registering the fictitious name in county records and also filing a certified copy of both the entry of the county clerk and the affidavit of publication with the Real Estate Commissioner as stipulated in the license law (Secs. 10159.5 and 10282.5).

Anyone complying with these requirements may be issued a license bearing the fictitious name of his choice, according to the Attorney General, and the question of similarity with another fictitious name already in use is not an issue that need concern the Real Estate Commissioner. The commissioner, by invoking the statutes banning misleading and false

advertisements, will be able to curb any abuses in the use of fictitious names.

It is important for anyone presently doing business as a broker under a fictitious name to determine if his right to use that name is protected as fully as possible. The statutory regulations concerning the registration and use of fictitious business names are found in Sections 2466 to 2472, Civil Code.

Commissioner's Policy

It will now be the commissioner's policy to inform the applicant for a fictitious name that the name is already in use if that is the case. **However, if the applicant still wants that fictitious name and otherwise complies with the Civil Code and files a certified copy of both the entry of the county clerk and the affidavit of publication with the commissioner, the license will be issued as requested.**

The Attorney General points out that appropriate legal action by the parties involved can prevent illegal use of fictitious names. If a broker should adopt a fictitious business name which is already in use by another licensee, he may find himself enjoined to re-

Report of Commissioner

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missioner in carrying out the provisions of this part and Chapter 1 of Part 2 in the advancement of education and research in real estate at the University of California, state colleges and junior colleges."

In an attempt to provide helpful advice to the Legislature with regard to appropriation of moneys from this fund, a Special Committee on Real Estate Education and Research was created in October, 1956, by Robert G. Sproul, President of the University of California, and Roy E. Simpson, Superintendent of Public Instruction, at the request of Senator Arthur H. Breed, Jr., who authored the bill setting up the fund. The University of California had three representatives appointed to this committee as did the combined state colleges and the combined junior colleges. The president and the state secretary of the California Real Estate Association and the Assistant Real Estate Commissioner were also appointed as committeemen.

On December 6-7, 1957, this special committee held its seventh and last meeting before making its report and at that session made certain recommendations to President Sproul and Superintendent Simpson for transmission to the Liaison Committee of the Regents of the University of California and the State Board of Education.

At this time certain of the recommendations of the special committee have been brought to my attention. I will make a detailed study of the full report and all of the recommendations of this committee when they are made available in printed form and released early in February.



Commissioner

strain his use of that name; and, in some cases, the courts have apparently allowed damages, as well as injunctive relief. **For a brief article on the possible civil liability in such circumstances, consult the March, 1957, Real Estate Bulletin, page 291.**

Presenting Donald McClure, Assistant Commissioner

With a record behind him of colorful and exciting achievement such as few men experience in a lifetime, Donald McClure is now Assistant Real Estate Commissioner. Joining the Division of Real Estate in 1953, his abilities won quick recognition by the commissioner and, after service as hearing deputy, he became division executive officer and, in 1955, was appointed Assistant Real Estate Commissioner.

Mr. McClure, a native Californian, attended the University of California, being admitted to practice law in 1914. He began his legal career in Oakland. For six years he served as chief trial deputy for Alameda County and for three years was deputy district attorney for Los Angeles County. A member of the State Bar of California, McClure is also a member of the American Bar Association, the International Bar Association, and the American Society of International Law.

The Attorney Goes to War

Mr. McClure was content to follow the usual pursuits of an attorney only between wars. His military career began in World War I when he served with the 18th Infantry Regiment, First Division, in France and with the Army of Occupation in Germany. Anticipating entry of the United States into World War II, he joined the Army Air Force before Pearl Harbor, seeing service in China, Burma, India, Africa, and other spots on the far-flung war map.

After World War II, he was assigned as trial counsel for the war crimes trials in Germany and also served on the board of review to which came the Buchenwald Concentration Camp and the Malmedy Massacre cases among others. Before an American military tribunal, he successfully defended Otto Skorzeny and eight other German officers who were charged with violation of the laws of war (taking a battalion of Germans dressed in American uniforms into the Battle of the Bulge).

For three years McClure served as President of the Foreign Claims Commission in Europe for the U. S. Air Force—title, Chief of Claims. He organized the Office of the Staff Judge Advocate of the U. S. Air Force with seven subordinate offices located throughout Great Britain, and served



DONALD MCCLURE
Assistant Real Estate Commissioner

as legal adviser for the U. S. Air Force in Great Britain from 1948 to 1952. During this time, he compiled a reference work detailing the laws of the NATO countries as they might apply to jurisdiction over American personnel.

During meetings of various committees on international law held in Geneva, Switzerland, in 1951, he served as observer for the U. S. Air Force. In addition, he acted as liaison for the U. S. Air Force with the State Department in London during the drafting of the Status of Forces Agreement.

His combat infantry decorations in World War I include the Silver Star and Purple Heart. For his services in World War II, he received the Legion of Merit and Commendation Ribbon. In June, 1952, McClure retired as Colonel, U. S. Air Force.

The Assistant Commissioner's Job

As Assistant Real Estate Commissioner, Don McClure is the chief administrative officer of the Division of Real Estate and under the commissioner is responsible for overall co-or-

NEW LOCATION FOR DIVISION'S SACRAMENTO OFFICE

The licensing and examination headquarters of the Division of Real Estate has been moved to a new location at 1015 L Street in Sacramento.

The Sacramento district office is also at the same address, handling questions, complaints and subdivision filings originating in Northcentral California and east to the Nevada line.

dination of the activities of the division and for maintaining liaison with other state agencies in matters relating to finance, law, personnel, legislation, etc.

Among his many special assignments, he is a member of the Special Advisory Committee to the Liaison Committee of the Regents of the University of California and the State Board of Education, which is now conducting a study of real estate education and research needs in California.

At the present time, McClure is Vice President of the National Association of License Law Officials, representing the Western Conference of States and the Territories of Alaska and Hawaii. He is also Chairman of the NALLO Advance Fee Committee and a member of its committees on legislation, budget, finance and dues assessments.

Editor's Note: Commissioner Griesinger has approved a series of articles in the *Bulletin*, each to consist of an outline of the duties of one of his chief executive officers and a brief biographical sketch. Chief Deputy Gaylord K. Nye, in charge of enforcement in Northern California, was the subject of the first article in the series which appeared in the September *Bulletin*. In following issues other top men in the organization will be presented to readers.

Spring 1958 Program

Presented by University Extension for Continuing Real Estate Education

Individual brokers and salesmen seeking to increase their knowledge of the real estate business and participate in raising its standards can profit by the spring 1958 Certificate Program of the University Extension, University of California.

The statewide program, which has now scheduled classes for the spring of 1958 term, is presented by the university through the co-operation of the State Division of Real Estate and the California Real Estate Association.

An opportunity to keep abreast of economic trends and legislation affecting real estate transactions is offered in addition to courses in basic and advanced real estate. Courses are open to individual enrollment apart from the Certificate Program.

All classes will meet 7 to 9.30 p.m. and a nominal enrollment charge is made for each course. Additional information regarding the Certificate Program in Real Estate can be obtained by writing to the University Extension at 813 South Hill Street, Los Angeles 14, California, or 2288 Fulton Street, Berkeley 4, California. Following is the spring schedule, giving place, starting date and course titles.

NORTHERN AREA

Berkeley Campus:

Trends and Factors Influencing Real Estate 886AB—Tues., Feb. 18; 12 meetings; 342 Dwinelle Hall.

Real Estate Practice 804AB—Thurs., Feb. 13; 12 meetings; 82 Dwinelle Hall.

Principles of Real Estate Appraisal 860ABC—Mon., Feb. 17; 18 meetings; 109 Dwinelle Hall.

Commercial and Investment Properties 880AB—Wed., Feb. 19; 12 meetings; 15 Dwinelle Hall.

Burlingame: Burlingame High School, Room 16

Trends and Factors Influencing Real Estate 886AB—Wed., Feb. 26; 12 meetings.

Real Estate Finance 806ABC—Mon., Feb. 3; 18 meetings.

Fresno: Fresno Realty Board Auditorium
Real Estate Practice 804AB—Tues., Feb. 11; 12 meetings.

Advanced Real Estate Appraisal 887ABC—Wed., Feb. 12; 18 meetings.

Hayward: 21144 East 14th Street, Conference Room

Trends and Factors Influencing Real Estate 886AB—Tues., Feb. 4; 12 meetings.

Principles of Real Estate Appraisal 860ABC—Wed., Feb. 5; 18 meetings.

Los Altos: Los Altos High School, Room 65
Trends and Factors Influencing Real Estate 886AB—Wed., Mar. 5; 12 meetings.

Merced: Merced Union High School, Room 8

Principles of Real Estate Appraisal 860ABC—Mon., Feb. 3; 18 meetings.

Modesto: Modesto Junior College, North Hall, Room 25

Real Estate Practice 804AB—Mon., Feb. 17; 12 meetings.

Essentials of Residential Design and Structure 857AB—Wed., Feb. 26; 12 meetings.

Napa: Napa Junior College, Room 31

Legal Aspects of Real Estate 824AB—Thurs., Feb. 6; 12 meetings.

Oakland: 1730 Franklin Street

Legal Aspects of Real Estate 824AB—Tues., Feb. 25; 12 meetings; Room 206.
Real Estate Finance 806ABC—Mon., Feb. 17; 18 meetings; Room 103.

Advanced Real Estate Appraisal 887ABC—Wed., Feb. 26; 18 meetings; Room 201.

Property Management 842AB—Wed., Feb. 19; 12 meetings; Room 204.

Essentials of Residential Design and Structure 857AB—Mon., Feb. 10; 12 meetings; Room 104.

Real Estate Exchanges and Taxation 822AB—Thurs., Feb. 27; 12 meetings; Room 102.

Palo Alto: Wilbur Junior High, Room 19A
Real Estate Finance 806ABC—Tues., Feb. 4; 18 meetings.

Essentials of Residential Design and Structure 857AB—Mon., Feb. 24; 12 meetings.

Redwood City: Sequoia Union High School

Legal Aspects of Real Estate 824AB—Wed., Feb. 19; 12 meetings; Room 141.

Estimating for Residential Construction 815AB—Tues., Feb. 18; 15 meetings; Room 000.

Richmond: Ells High School, Room 310

Legal Aspects of Real Estate 824AB—Wed., Feb. 19; 12 meetings.

Sacramento: 1020 N Street, Room 102

Real Estate Practice 804AB—Tues., Feb. 18; 12 meetings.

Essentials of Residential Design and Structure 857AB—Wed., Feb. 19; 12 meetings.

San Francisco: 55 Laguna

Trends and Factors Influencing Real Estate 886AB—Thurs., Feb. 6; 12 meetings.

Real Estate Practice 804AB—Wed., Feb. 5; 12 meetings.

Legal Aspects of Real Estate 824AB—Mon., Feb. 3; 12 meetings.

Real Estate Finance 806ABC—Mon., Feb. 3; 18 meetings.

Principles of Real Estate Appraisal 860ABC—Tues., Feb. 4; 18 meetings.

Advanced Real Estate Appraisal 887ABC—Mon., Feb. 3; 18 meetings.

Property Management 842AB—Thurs., Feb. 6; 12 meetings.

Essentials of Residential Design and Structure 857AB—Wed., Feb. 5; 12 meetings.

Brokerage Administration and Procedures 885AB—Tues., Feb. 4; 12 meetings.

City and Regional Planning X 153CD—Wed., Feb. 5; 15 meetings.

San Jose: Abraham Lincoln Senior High School

Trends and Factors Influencing Real Estate 886AB—Thurs., Feb. 6; 12 meetings.

Commercial and Investment Properties 880AB—Thurs., Feb. 20; 12 meetings.

San Rafael: San Rafael High School, Room 65

Real Estate Practice 804AB—Wed., Feb. 5; 12 meetings.

Santa Cruz: Santa Cruz High School, Science Building, Room 1

Trends and Factors Influencing Real Estate 886AB—Thurs., Feb. 27; 12 meetings.

Stockton: Stockton College, Library, Room 210

Real Estate Finance 806ABC—Mon., Feb. 10; 18 meetings.

Vallejo: Vallejo Senior High School, Room 41

Principles of Real Estate Appraisal 860ABC—Tues., Feb. 4; 18 meetings.

Visalia: Mt. Whitney High School, Room 000

Essentials of Residential Design and Structure 857AB—Thurs., Feb. 13; 12 meetings.

Walnut Creek: Las Lomas High School, Room 301

Trends and Factors Influencing Real Estate 886AB—Tues., Feb. 11; 12 meetings.

SOUTHERN AREA

Los Angeles: Hillstreet Building

Elements of Real Estate and Urban Land Economics XL 180—Thurs., Feb. 13; 18 meetings.

Real Estate Practice X 482AB—Wed., Feb. 12; 12 meetings.

Legal Aspects of Real Estate X 483AB—Tues., Feb. 11; 12 meetings.

Real Estate Finance X 484ABC—Mon., Feb. 10; 18 meetings.

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Commissioner's Forum

Questions intended for answer in the Commissioner's Forum are often unsigned, apparently with the thought that a signed question dealing with a violation of the law may subject the licensee to investigation or discredit his record in some way. This, of course, is not true; but, in any event, unsigned questions will be answered in the Forum if the subject appears to be of general interest.

Q. Does an ordinary checking account used only for funds from customers meet the requirements for a trust account?

A. Pursuant to Section 2830 of the Commissioner's Regulations, a trust fund account set up in a bank must designate the real estate broker as trustee and that account must provide for withdrawal of the trust funds without previous notice. This, of

course, would not be true in the case of an ordinary checking account which normally is subject to possible attachments and other legal actions which might prevent withdrawal of the trust funds.

Q. Can a specific balance of personal funds be kept in the trust account to keep checking charges down?

A. There apparently is no objection to making an initial deposit of personal funds in a trust account in order to keep checking charges down. However, deposits and withdrawals of personal funds in a trust account would probably nullify the safeguards attaching to a trust account and it would, in essence, become an ordinary checking account which would be subject to possible attachment.

Q. If a trust account contains only the funds of clients, how soon may the broker's accrued earnings be transferred to his personal account?

A. Normally, trust funds should be disbursed at the close of a transaction according to the directions of the

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Real Estate Classes

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Valuation of Real Property XL 181—Tues., Feb. 11; 18 meetings.
 Advanced Real Estate Appraisal X 490ABC—Wed., Feb. 12; 18 meetings.
 Property Management X 491AB—Tues., Feb. 11; 12 meetings.
 Essentials of Residential Design and Structure X 493AB—Mon., Feb. 10; 12 meetings.
 Real Estate Exchanges and Taxation X 494AB—Wed., Feb. 12; 12 meetings.
Westwood: U. C. L. A.
 Elements of Real Estate and Urban Land Economics XL 180—Tues., Feb. 11; 18 meetings; Room 97 B. A. E.
 Real Estate Practice X 482AB—Thurs., Feb. 13; 12 meetings; Room 154 B. A. E.
 Legal Aspects of Real Estate X 483AB—Mon., Feb. 10; 12 meetings; Room 170 B. A. E.
 Real Estate Finance X 484ABC—Wed., Feb. 12; 18 meetings; Room 162 B. A. E.
 Valuation of Real Property XL 181—Tues., Feb. 11; 18 meetings; Room 178 B. A. E.
 Advanced Real Estate Appraisal X 490ABC—Tues., Feb. 11; 18 meetings; Room 162 B. A. E.
 Property Management X 491AB—Tues., Feb. 11; 12 meetings; Room 146 B. A. E.
 Commercial and Investment Properties X 492AB—Mon., Feb. 24; 12 meetings; Room 2250, Chemistry Building.
 Essentials of Residential Design and Structure X 493AB—Wed., Feb. 12; 12 meetings; Room 167 B. A. E.
 Real Estate Exchanges and Taxation X 494AB—Wed., Feb. 12; 12 meetings; Room 178 B. A. E.
Antelope Valley Area: Antelope Valley Junior College, 44900 North Division Street, Lancaster

Valuation of Real Property XL 181—Mon., Feb. 10; 18 meetings.
Bakersfield: Bakersfield High School, 1200 F Street
 Real Estate Exchanges and Taxation X 494AB—Tues., Feb. 11; 12 meetings.
Downey: Downey South Junior High School, 12500 South Birchdale Street
 Legal Aspects of Real Estate X 483AB—Mon., Feb. 10; 12 meetings.
Garden Grove: Garden Grove Union High School, 11271 Stanford Street
 Valuation of Real Property XL 181—Tues., Feb. 11; 18 meetings; Room 73
Pomona: Mt. San Antonio College, 1100 San Jose Hills Road
 Valuation of Real Property XL 181—Tues., Feb. 11; 18 meetings; Room 20, Bldg. 12.
Riverside: University of California
 Real Estate Practice X 482AB—Wed., Feb. 12; 12 meetings; Room 1147, Social Sciences and Humanities Bldg.
 Real Estate Finance X 484AB—Tues., Feb. 11; 12 meetings; Room 1147, Social Sciences and Humanities Bldg.
 Advanced Real Estate Appraisal X 490ABC—Mon., Feb. 10; 18 meetings; Room 1147, Social Sciences and Humanities Bldg.
 Essentials of Residential Design and Structure X 493AB—Thurs., Feb. 13; 12 meetings; Room 1147, Social Sciences and Humanities Bldg.
San Diego: Roosevelt Junior High School, 3366 Park Boulevard
 Valuation of Real Property XL 181—Mon., Feb. 10; 18 meetings; Room 200.
 Valuation of Real Property XL 181—Tues., Feb. 11; 18 meetings; Room 200.
 Real Estate Practice X 482AB—Thurs., Feb. 13; 12 meetings; Room 213.
 Legal Aspects of Real Estate X 483AB—Tues., Feb. 11; 12 meetings; Bungalow 19.

Real Estate Finance X 484ABC—Thurs., Feb. 13; 18 meetings; Room 200.
 Advanced Real Estate Appraisal X 490ABC—Thurs., Feb. 13; 18 meetings; Bungalow 19.
 Real Estate Exchanges and Taxation X 494AB—Wed., Feb. 12; 12 meetings; Bungalow 18.
San Fernando Valley Area: Madison Junior High School, 13030 Hart Street, North Hollywood
 Advanced Real Estate Appraisal X 490ABC—Mon., Feb. 10; 18 meetings.
Santa Ana: Santa Ana College, 1530 West 17th Street
 Real Estate Finance X 484ABC—Thurs., Feb. 13; 18 meetings; Room B-19.
 Commercial and Investment Properties X 492AB—Mon., Feb. 10; 12 meetings.
Santa Barbara: Real Estate Board Building, 1415 Chapala Street
 Legal Aspects of Real Estate X 483AB—Wed., Feb. 12; 12 meetings.
South Bay Area: Redondo Union High School, Diamond and Pacific Coast Highway, Redondo Beach
 Real Estate Practice X 482AB—Tues., Feb. 11; 12 meetings; Room 311.
 Property Management X 491AB—Thurs., Feb. 13; 12 meetings; Room 311.
Southwest Los Angeles: Southwest Realty Board, 4907 South Vermont Avenue, Los Angeles
 Real Estate Finance X 484AB—Thurs., Feb. 13; 12 meetings.
Temple City:
 Real Estate Practice X 482AB—Wed., Feb. 12; 12 meetings; Room 32.
 Real Estate Exchanges and Taxation X 494AB—Tues., Feb. 11; 12 meetings; Room 32.
 Legal Aspects of Real Estate X 483AB—Mon., Feb. 10; 12 meetings; Room 32.

Advance Fee Operators

(Cont. from Page 329, Col. 3)

A further complication in suppressing this type of operation is the fact that the complainant who feels he has paid well for a service he fails to get is not entirely blameless. In a great many instances the complainant claims he *thought* he was dealing with a licensed firm or individual. To *think* he is dealing with a licensee is not enough. The license law makes it a misdemeanor for any person to pay a compensation to an unlicensed person for performing any act for which a license is required.

The commissioner proposes to keep licensees advised concerning developments in this field which might influence amendments or additions to existing legislation relating to "advance fee" operations.

Commissioner's Forum

(Cont. from Page 334, Col. 3)

principals involved. The important thing to remember is that trust funds should not be withdrawn from a trust account without proper authorization.

Q. Can a trust account used for insurance business also be used for real estate funds?

A. Insurance Code Section 1730.5-(d) requires separate insurance trust accounts and real estate funds would not be proper deposits in those accounts.

Q. I am buying a home through a broker. Can he split his commission with me if he is willing, since I am a licensed broker in California but not active?

A. As we understand the reader's question, he is a licensed broker, but is no longer active in the business and has inactivated his broker license. In this event, he need not maintain a place of business or the sign required of active brokers; however, the holder of an inactive broker's license cannot transact real estate business or receive a commission for an act that requires a license.

If the reader means that he holds an active broker's license and is complying with the place of business and sign requirements but is not conduct-

REGULATIONS ADOPTED

Rules Cover Handling of Instruments, Escrows

The commissioner has adopted official regulations which prohibit a licensee from filling in blank spaces in contracts after the contract is signed and from making alterations in contracts unless proper conditions are observed, and requiring licensees to furnish true copies of properly altered instruments to all parties concerned.

These regulations merely spell out what are usually regarded as simple, straightforward business practices. But some licensees have been neglecting observance of these commonplace rules of good business; therefore, it has been found necessary to adopt regulations making nonobservance grounds for disciplinary action.

Another regulation prohibits certain acts by a real estate broker when he is handling an escrow and designates certain procedures he must follow. A broker may handle an escrow while performing acts in the course of, or incidental to, the real estate business without being licensed as an escrow agent. However, audits of brokers' accounts have made it increasingly evident that some safeguards be provided, and representative brokers have indicated they would welcome definite procedures for the handling of escrows.

The new regulations applying to the handling of escrows by brokers who are not licensed escrow agents are similar to rules of the Corporation Commissioner applying to duly licensed escrow agents.

The full text of the new regulations which became effective January 10, 1958, appears below.

2900. BLANK SPACES NOT TO BE FILLED IN AFTER SIGNATURE OBTAINED. No licensee shall solicit, accept or execute any contract, writing or other document relating to a real estate transaction or escrow in connection therewith, which shall contain any blank to be filled in after signing or initialing such contract, writing or other document.

2901. CONDITIONS FOR ADDITIONS, DELETIONS OR ALTERATIONS. No licensee shall make or permit any other person

to make any addition to, deletion from or alteration of, any contract, writing, or other document, unless such addition, deletion, or alteration is signed or initialed by all persons who have signed or initialed such contract, writing, or other document, prior to such addition, deletion, or alteration.

2902. TRUE COPIES OF ALL INSTRUMENTS. A true copy of the original or corrected contract, writing, or other document referred to in the previous Sections 2900 and 2901 shall be given to the person signing or altering any such contract, writing, or other document at the time of signing or initialing such original or correction.

2950. WHEN BROKER HANDLES ESCROW. The following acts in the handling of an escrow by a real estate broker exempted from the provisions of the Escrow Law (by Section 17006(d) of the Financial Code) are prohibited and may be considered grounds for disciplinary action:

(a) Soliciting or accepting an escrow instruction (or amended or supplemental escrow instruction) containing any blank to be filled in after signing or initialing of such escrow instruction (or amended or supplemental escrow instruction).

(b) Permitting any person to make any addition to, deletion from, or alteration of an escrow instruction (or amended or supplemental escrow instruction) received by such licensee, unless such addition, deletion or alteration is signed or initialed by all persons who had signed or initialed such escrow instruction (or amended or supplemental escrow instruction) prior to such addition, deletion or alteration.

(c) Failing to deliver at the time of execution of any escrow instruction or amended or supplemental escrow instruction a copy thereof to all persons executing the same.

(d) Failing to maintain books, records and accounts in accordance with accepted principles of accounting and good business practice.

(e) Failing to maintain the office, place of books, records, accounts, safes, files and papers relating to such escrows freely accessible and available for audit, inspection and examination by the commissioner.

(f) Failing to deposit all money received as an escrow agent and as part of an escrow transaction in a bank, trust account, or escrow account on or before the close of the next full working day after receipt thereof.

(g) Withdrawing or paying out any money deposited in such trustee account or escrow account without the written instruction of the party or parties paying the money into escrow.

(h) Failing to advise all parties in writing if he has knowledge that any licensee acting as such in the transaction has any interest as a stockholder, officer, partner or owner of the agency holding the escrow.

ing a full-time real estate business, we see no reason why he could not receive a commission if the selling broker agrees to the arrangement.

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ANNUAL SUBJECT INDEX

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