



EDMUND G. BROWN, *Governor*

March 1964

MILTON G. GORDON, *Commissioner*

Price Kiting and Related Misrepresentations Cause for Disciplinary and Criminal Action

Misrepresentations to lending institutions for the purpose of inducing them to make higher than normal loans on real property have led to the revocation and suspension of licenses of real estate brokers and salesmen. The practice of using inflated appraisals, fictitious sales prices and double escrows as devices to obtain above-market loans has also resulted in criminal action against licensees and others collaterally involved.

These practices are not necessarily new but reports of their widespread incidence has brought expressions of concern from both business and government in California and throughout the nation. It should be clearly understood that falsification in financial matters is punishable under state and federal codes. In California, any person making, profiting by, or reaffirming falsifications regarding financial conditions is liable to a fine of not more than \$500 or to imprisonment of not more than six months, or both. The U.S. Code provides that, "Anyone who knowingly makes any false statement or report, or willfully overvalues any land, property, or security, for the purpose of influencing in any way the action of . . . a federal savings and loan association, upon any application, advance, discount, . . . shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

Many attribute the increase in price falsification and related misrepresentation to the current economic climate in which mortgage funds are in large supply, with loans competing for borrowers, rather than the more common situation when borrowers compete for loans. Supporting this view, Robert C. Weaver, HHFA Administrator, in a recent address before the National Association of Homebuilders in Chicago, spoke critically of "excesses in market decisions and financing"; of "lax credit practices that have contributed to foreclosures"; of "excessively liberal appraisals on first mortgages"; and of "increased availability of second mortgages."

Richard W. Baker, vice president in charge of real estate and mortgage loans for the New York Life Insurance Company, expresses a similar concern. The *January Appraiser* quotes him as saying, "Very serious is the trend in the mortgage industry toward liberal appraisals and under-

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ROELLE REAPPOINTED

The *Bulletin* is pleased to announce Governor Edmund G. Brown's reappointment of Roger J. Roelle of West Covina to a second successive term as a member of the State Real Estate Commission.

The Governor's announcement referred to "the paramount importance of real estate matters in the life of the State" which makes membership in "the Real Estate Commission a position of high trust." "Roger Roelle," he said, "has discharged that trust with honor."

Roelle, a broker since 1950, is owner-operator of a Covina-located firm which specializes in major real estate investments throughout Southern California.



REAL ESTATE COMMISSION IN SESSION

Standing: (l. to r.) John H. Tolan, Jr., Berkeley; David Miller, Riverside. Seated: (l. to r.) Leonard Seeley, Hayward; John E. Hempel, Chief Assistant Commissioner (non-member); Milton G. Gordon, Real Estate Commissioner and Commission Chairman; Joseph H. Carter, Eureka; Ralph H. Miller, Upland. Roger J. Roelle, West Covina, was not present for the photo.

REAL ESTATE BULLETIN

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DIVISION OF REAL ESTATE

STATE OF CALIFORNIA
EDMUND G. BROWN, Governor

MILTON G. GORDON
Real Estate Commissioner

JOHN E. HEMPEL
Chief Assistant Commissioner

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Disciplinary Action—November-December, 1963

NOTE: A list of actions is not published in this *Bulletin* until the 30-day 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 November-December, 1963

Name	Address	Effective date	Violation
Grodin, Richard Lionel.....	2150 Franklin St., Ste. 543, Oak- land	11/ 5/63	Sec. 10177 (b) and (f)
(Granted right to restricted license on terms and conditions)			
Hemenway, Ira Deforest.....	1669 Fruitvale Ave., Oakland.....	11/ 5/63	Sec. 10177 (b) and (f)
Real Estate Salesman (Granted right to restricted license on terms and conditions)			
Prostack, Richard Charles.....	836 W. Mirada Rd., San Bernar- dino	11/ 5/63	Sec. 10177 (b) and (f)
Jones, John Paul.....	1150 S. Beverly Dr., Ste. 10, Los Angeles	11/ 7/63	Sec. 10177 (a), (b) and (f)
Real Estate Salesman			
Sanchez, Julian R.....	3366 22d St., San Francisco.....	11/ 8/63	Secs. 10156.7; 10177 (d), (f) and (k)
Restricted Real Estate Salesman			
Brown, Vivien.....	455 E. St. John St., San Jose.....	11/18/63	Sec. 10177 (b)
Real Estate Broker			
Anspach, Edward Warren.....	1021 N. Mariposa Ave., Los Angeles	11/19/63	Sec. 10177 (b) and (f)
Real Estate Broker President, Beneficial Mortgage Company			
Collins, Joseph Harper.....	1150 18th St., Santa Monica.....	11/19/63	Secs. 10176 (a), (c), (i); 10176.1; 10177 (d), (f), (j); Secs. 2830, 2832 and 2849.2 of R.E. Comm. Reg.
Real Estate Broker President, Joseph H. Collins Realty Co.			
Montand, Armand.....	4802 Templeton St., Los Angeles..	11/19/63	Sec. 10177 (b) and (f)
Real Estate Salesman (Granted right to restricted license)			
Eslinger, Robert Alton.....	Ste. 208, Mitau Bldg., 8th and J Sts., Sacramento	11/25/63	Secs. 10176 (a), (b), (g); 10177 (f) and (j)
dba Capital Investors Manage- ment Co. Real Estate Broker			
Western Ranch Brokers, Inc.....	Ste. 210, Mitau Bldg., 8th and J Sts., Sacramento	11/25/63	Secs. 10176 (a), (b), (g); 10177 (f) and (j)
Real Estate Broker, President			
Wolf, Edward Joseph.....	Ste. 210, Mitau Bldg., 8th and J Sts., Sacramento	11/25/63	Secs. 10176 (a), (b), (g); 10177 (f) and (j)
Real Estate Salesman			
Canon Mortgage Co., Inc.....	Ste. 200, 9399 Wilshire Blvd., Beverly Hills	11/26/63	Sec. 10177 (a) and (f)
Real Estate Corporation			
Approved Properties, Inc.....	14445 Victory Blvd., Van Nuys....	12/ 3/63	Secs. 10145; 10176 (a), (i); 10177 (d), (f), (j); 10237.3 and 10238.3
dba Victory Mortgage Co. Real Estate Corporation			
Saxby, Robert Kerr.....	14445 Victory Blvd., Van Nuys....	12/ 3/63	Secs. 10145; 10176 (a), (i); 10177 (d), (f), (g), (h), (j); 10237.3 and 10238.3
President, Approved Properties, Inc. dba Victory Mortgage Co.			
Saxby, Robert Kerr.....	17310 Oxnard Blvd., N. Hollywood	12/ 3/63	Secs. 10145; 10176 (a), (i); 10177 (d), (f), (g), (h), (j); 10237.3 and 10238.3
Real Estate Broker (Granted right to renewal real estate sales- man license on conditions)			
Stone, Samuel Maxwell.....	13260 Moorpark, Sherman Oaks....	12/ 3/63	Secs. 10145; 10176 (a), (i); 10177 (d), (f), (j); 10237.3 and 10238.3
Real Estate Salesman			
Holmes, Ross Bartscht.....	88 Bayo Vista Ave., Oakland.....	12/10/63	Sec. 10177 (b) and (f)
Real Estate Salesman (Granted right to restricted license on terms and conditions)			
Morris, Harry Walter.....	111 Oceano Dr., Apt. C, Santa Bar- bara	12/11/63	Sec. 10177 (b) and (f)
Real Estate Salesman			
Azevedo, Robert Leroy.....	1944 Janet Ave., San Jose.....	12/23/63	Sec. 10177 (b) and (f)
Real Estate Salesman			
Greenfield, Glenn Vernon.....	2608 S. Chester Ave., Bakersfield..	12/23/63	Sec. 10177 (b) and (f)
Real Estate Salesman			
Lane, Harold Jay.....	437 Rainbow Blvd., Big Bear City	12/24/63	Sec. 10177 (b) and (f)
Real Estate Salesman			
Minash, Leonard.....	2071 Mountain View Ave., Anaheim	12/24/63	Sec. 10177 (b) and (f)
Real Estate Salesman			
Quillen, Oliver Harold.....	3240 "Que" St., N. Highlands.....	12/24/63	Secs. 10160; 10162; 10164; 10177 (b) and (f)
Real Estate Broker			
Wolf, Frederick William.....	606 Eddy St., San Francisco.....	12/24/63	Secs. 10177 (b) and 10302 (b)
dba Wolf Realty Co. Real Estate Broker Business Opportunity Broker (Granted right to restricted licenses on terms and conditions)			

This Problem Continues

More than 700 cities now have urban renewal projects under way but urban sprawl continues its unsightly and uneconomic spread. There remains much need for creative thought and vigorous action by government, industry, and an informed public in this vital area of our economy if the healthy word "urban" is not to become the sickly adjective "slurban." And real estate professionals should lead the search for solutions.

Licenses Suspended During November-December, 1963

Name	Address	Effective date and term	Violation
Cottle, Eugene Edward.....	2993 Marysville Blvd., Sacramento	11/ 5/63 60 days	Secs. 10177 (d), (f); 11012; 11013.2 (a); 11020 and Sec. 2811 of R. E. Comm. Reg.
Dutra, Manuel Jess.....	2993 Marysville Blvd., Sacramento	11/ 5/63 45 days	Secs. 10177 (d), (f); 11012; 11013.2 (a); 11020 and Sec. 2811 of R. E. Comm. Reg.
Ragins, Louis Harry.....	11646 Chenault St., Los Angeles....	11/ 6/63 180 days	Secs. 10176 (d), (i); 10176.1; 10177 (d), (f), (j) and Sec. 2843 of R. E. Comm. Reg.
(Last 90 days stayed on conditions; stay to become permanent at end of 180 days if conditions are met.)			
Tushner, Irving S.....	2641 W. Olympic Blvd., Los An- daba Union Mortgage Co. geles	11/ 6/63 180 days	Secs. 10176 (d), (i); 10176.1; 10177 (d), (f), (j) and Sec. 2843 of R. E. Comm. Reg.
(Last 90 days stayed on conditions; stay to become permanent at end of 180 days if conditions are met.)			
Beauchamp, Gladys Dorothy.....	322 N. Santa Cruz Ave., Los Gatos.	12/11/63 10 days	Secs. 10177 (d), (f); 10302 (c) and Sec. 2903 of R. E. Comm. Reg.
Real Estate Salesman Business Opportunity Salesman			

Price Kiting

(Continued from page 645, col. 1)

writing . . . The extremes to which this has been carried in some areas may result in a black eye for the entire industry."

These and many others who speak in like vein are concerned primarily with the financial conditions created as they affect lenders, appraisers and the investing public. The Real Estate Commissioner, on the other hand, must first consider the part played by licensees who seek to profit in their capacities as agents by deception and misrepresentation. Licenses have been suspended, others have been revoked and investigations are in progress.

Illustrations of Violations

The falsified loan application gimmick is illustrated by a series of actions taken against Southern California brokerage firms which resulted in license revocations. The agents involved would sell a property at an agreed price with a sales agreement providing for maximum financing, the seller taking a second trust deed for the difference. An escrow would then be opened with instructions setting forth these terms, following which a loan application, representing the selling price as being considerably in excess of the actual figure, would be submitted to a lending institution as the basis for obtaining a higher loan than the actual price would have justified.

In another accusation which resulted in revocation of several licenses, the brokers misrepresented the selling price of various properties, not only to obtain larger first loans but also for the purpose of creating second trust deeds to be sold at discount.

Among disciplinary actions in Northern California involving this type of license law violations are several suspensions for misrepresenting the proposed purchase price and amount of cash down payment in loan applications. Several licenses have been revoked when down payments were misrepresented and "dummy" buyers were used in escrow proceedings. One broker was not content with falsifying the price of a property—he also falsified the buyer's net worth, in-

Gordon Receives Agency Appointment

On January 2, Governor Edmund G. Brown appointed Commissioner Milton G. Gordon to the post of Administrator of the Business and Commerce Agency. As administrator, a nonstatutory position, Gordon is a member of the Governor's cabinet and heads an agency comprised of 14 departments, divisions and commissions, including the Departments of Professional and Vocational Standards, Insurance, Banking, and Alcoholic Beverage Control; and the Divisions of Real Estate, Corporations, and Savings and Loan. He succeeds Preston Silbaugh, who resigned to take over the California-Chile program of technical assistance. This added administrative responsibility does not affect Mr. Gordon's present position as Real Estate Commissioner.

In announcing the appointment, the Governor released a commendatory letter to Commissioner Gordon in which he said in part:

"After careful consideration, I have decided to assign this important post to you. It will require of you efforts in addition to the splendid work you are doing as Real Estate Commissioner. Knowing that you believe in the agency concept of state adminis-

come, amount of life insurance carried and even his age.

Statewide, misrepresentation for the purpose of inducing loans on what normally would be considered insufficient security has led to the suspension and revocation of licenses of real estate brokers and salesmen and to civil and criminal proceedings against them and others involved.

As mentioned earlier, there are some in government and in business who feel these practices are quite prevalent and present a more serious problem than yet appears on the surface.

Misrepresentations and price ballooning for loan purposes are variations on the "ten percenter" practices of a few years ago. The Real Estate Commissioner has instructed his regulatory staff to investigate thoroughly and prosecute vigorously complaints and cases involving price kiting and double escrows.



MILTON G. GORDON

tration as deeply as I do, I am confident you will be willing to invest that effort in better and more efficient government.

"I give you the responsibility of this post knowing that it is an important one and knowing, too, that you are fully equipped to make a great success of it."

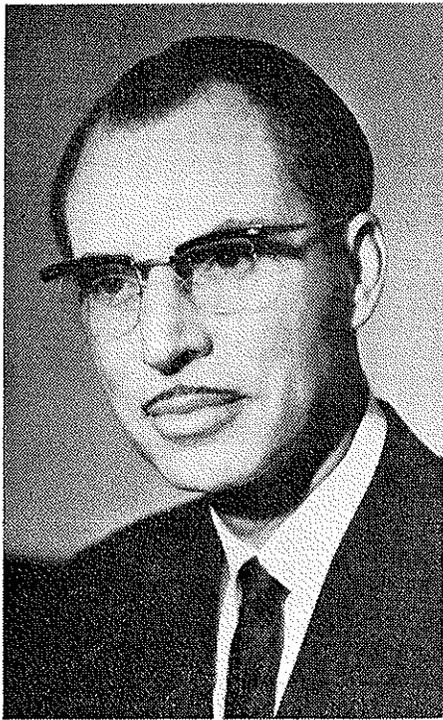
Brochure Gets to Brazil

A copy of the Division brochure, *Investigate Before You Invest*, prepared by Education and Publications personnel prompted these interesting remarks from a broker in Brazil whose letter accompanied a packet of revealing subdivision display advertisements from his country's newspapers.

"So many lots," he wrote in his somewhat labored English, "apartments, shares of new social clubs are being sold: 'buy today because tomorrow it will cost the double.' Your pamphlet, therefore, is advise 100% to be imported into Brazil. Everybody should read those recommendations."

Approximately 150,000 of these brochures have been distributed, and a limited supply is still available on request.

Art Leitch of San Diego Named CREA President



ART S. LEITCH, President, CREA

Art S. Leitch of San Diego was installed as the 57th president of the California Real Estate Association in his home city on January 11, 1964, succeeding L. H. "Spike" Wilson, the association's head in 1963.

Mr. Leitch has headed his own real estate brokerage firm in San Diego since 1945, is an active member of the San Diego, La Mesa, and El Cajon real estate boards, and yet has found time to contribute much to state and national activities of organized real estate as well as to various areas of public service.

His major professional interest has been in the field of real estate education; he served as chairman of the CREA Education Committee in 1961 and 1962, as a member of the National Association of Real Estate Boards Education Committee from 1960 through 1963, as a CREA Ex-

LICENSING ACTIVITY

In 1963 transfers, branch-office changes and license changes exceeded by 400 units a month like activity in 1962. The monthly average of original licenses issued tops 1962 by 500 units.

ecutive Committee member and ex officio participant in deliberations of that organization's insurance and education committees during 1963. He is a member of President Kerr's University of California Real Estate Advisory Committee, and for two years he has been a member of the Commissioner's Real Estate Education and Research Advisory Committee.

Other industry activities include: president of the San Diego Realty Board, director of CREA for 11 years, leading to his election as honorary director for life, regional CREA vice president, NAREB director and working participant with other committees, panels and conferences.

A partial list of civic, fraternal and business activities should indicate his deep community concerns: member, San Diego Charter Review Committee; member, San Diego County Supervisory Redistricting Committee; past director, San Diego Chamber of Commerce; member, Mayor's Citizen's Advisory Committee for General Planning for San Diego; member, State Interim Committee on Parks and Beaches; past president, North Park Lions Club; past deputy district governor, Lions International.

EDUCATION-RESEARCH PROGRAM

University of California — State Colleges — Junior Colleges

Junior College Workshops in Real Estate Education

Division of Real Estate personnel participated in the planning and presentation of a teacher's workshop on "Real Estate Practice," under the direction of University of California Extension Division, on the successive weekends of December 6-7 and 13-14, at the San Fernando Realty Board Conference Room. Thirty-eight instructors, mostly part-time junior college and U.C. Extension real estate teachers, attended.

Any teachers or prospective teachers of real estate courses in public institutions of higher learning who might be interested in instructors workshops which may be conducted in the future are invited to correspond

WHAT MAKES AN OFFICE?

Section 10162 of the Real Estate Law says, "Every licensed real estate broker shall have and maintain a definite place of business in the State of California which shall serve as his office for the transaction of business," and this is precisely what the law means. **It does not mean an answering service or the telephone number of a friend.** It means a specific location, the address of which shall appear on his license, where that license is displayed, and where the broker's personal consultations with clients are held, and from which all of the rights and privileges granted by his license are exercised or directed.

Whenever, for any reason, this place of business is changed, he must submit a written request to the commissioner, together with the required \$4 fee for a new license to do business at the new location. This new license runs for the unexpired term of the one previously in effect.

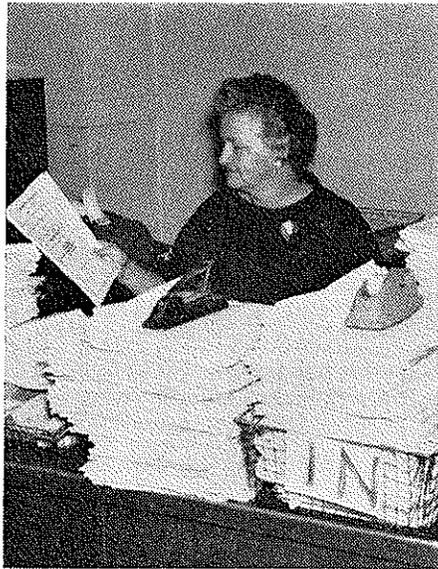
Investigating deputies are now instructed to exercise special attention toward elimination of violations of the law which requires a broker to maintain a definite place of business.

with the Education and Publications Section, Division of Real Estate, 1015 L Street, Sacramento.

FOR YOUR DEFINITION FILE

"Title insurance is an agreement, as set forth in the policy, by which the insurer, for a consideration, agrees to protect you as an owner, or other person having an insurable interest in a particular piece of land, against loss if the extent of title or ownership as defined in the policy is not as represented at the date of the policy."

—Thanks to Oroville Title Company Newsletter



Senior clerk Catherine Ross peers over a barricade of incoming examination answer booklets. Between the overloaded "in" basket and the missing "out" basket lie an endless number of processing man-hours.

Verification of Experience Claims Made by Broker License Applicants

A more searching look is being taken at some of the claims of qualifications made by candidates for real estate broker license. Most applicants for license base their claims of qualification on two years' full-time experience in the capacity of real estate salesmen.

In making such a claim the applicant must present verification in the form of a certified statement by his employing broker or brokers that he was working full time as a salesman or such proportion of full time as would eventually add up to the equivalent of 24 months.

The verification form provides for an account of the salesman's activity i.e., number of listings and sales amount of earnings, etc. In some cases these are negligible, yet the salesman is supposed to have been working full time.

When these seeming contradictions appear the certifying brokers are being asked to explain them in some detail, usually to a deputy in one of the offices of the Division of Real Estate.

Why Put Yourself Out of Business?

Each month some erstwhile holders of original salesman licenses find themselves without a license because they procrastinated in applying for examination for renewal license. The responsibility for filing on time rests exclusively with the applicant! Please refer to Section 10153.7 relating to original and renewal salesman licensure.

It is strongly suggested that application for renewal salesman license examination be made at least 90 days prior to expiration of the second, successive original license. To delay longer than that is to risk, not only the possibility of being temporarily out of business, but the chance of forfeiting one's right to a reexamination in the event of a failing grade, and the resulting certainty of having to wait a full 12 months before another application for license may be filed.

Of the 184 applicants for renewal salesman license, for instance, who filed and were scheduled for examination during December 1963, 43 who were slow in applying may well have forfeited any right to a reexamination should they have failed their first test. Every licensee gets his notice of pending expiration at least 90 days before it occurs. Act on it. It's your license and your business. Keep it. No one can or will do it for you!

Oral Examinations Cut

The oral examination program of the Division of Real Estate has been sharply curtailed. No supplementary oral sessions are now offered in connection with any original examination, whether for salesman or broker in any license category.

The only oral supplementary tests currently administered are those for renewal salesman license examinees whose grade on the written reexamination falls within the 65-percent to 69.9-percent range.

Renewal Salesman Applicants Filing Too Soon for Processing

Many eager salesmen—and a good salesman is usually eager—are submitting applications for their renewal salesman license examination before their second successive original license has been issued. The law does not permit this. It does allow filing for renewal examination at any time subsequent to the issuance of the second successive original license.

To assure ample processing time, however, and to protect reexamination rights, a salesman should file for renewal license examination approximately four months but never, under any circumstances, less than 90 days before the expiration date of his second original license.

IS YOUR NOTARY SEAL LEGAL

So many licensees are also notaries that we carry this notice:

Senate Bill No. 252, Chapter 447, Stats. 1963, provides that a notary's name must appear on his seal in addition to the required State Seal, the county of his principal place of business and the words "notary public."



Florence Fang (l) and Margaret Andrews (r) battle valiantly to stem a mounting flood of license applications.

Licensing Procedure Briefed for Potential Applicants

If all of the improper steps taken by applicants for salesman or broker license were avoided, all concerned would be saved a lot of time, frustrations, energy and dollars.

One way to cut mistakes is to try to make license candidates aware of precisely what to do as well as when and how to do it. As one aid to the attainment of this objective, the Division of Real Estate publishes and distributes free a 21-page leaflet entitled "Instructions to Applicants and License Information," which presents in simple terms the ABC's of licensing and examination procedure upon which the following outline is based.

A. Obtain from any office of the Division of Real Estate an application for the specific license prepared for. Be sure to specify whether you want a salesman or broker application and whether it is for real estate, business opportunity or mineral, oil and gas license.

B. Be sure to fill the form in with complete answers in each space as indicated. Read it carefully before writing.

C. Be sure that you know the legal requirements for the license sought and that you meet these requirements.

A candidate for a real estate broker license, for instance, must be able to offer proof of:

1. Two years' full-time experience (24 months at a minimum of 40 hours per week) as a licensed real estate salesman within the five years immediately preceding the date of his application. In addition, he must have achieved renewal salesman license status; or

2. Meeting one of the following qualification alternatives:

a. General real estate experience equivalent to two years' full-time activity as a licensed salesman.

b. Graduation from a four-year university or college course which included specialization in real estate subjects.

3. Each applicant unable to show successful completion of a three-unit course in Legal Aspects of Real Estate

at an accredited institution of higher learning will be required to pass a separate and distinct 1½-hour examination in that subject. A further special examination in Real Estate Practice is required of the candidate who has not completed a three-unit course in that subject.

D. The examination fee (\$25 for broker; \$10 for salesman) required by law must accompany the application and any supplementary claim or petition. This fee is not refundable.

E. Completed application forms—and be sure they are complete—together with the required fee, may be submitted to any office of the division in person or by mail; if by mail, time will be saved by sending directly to the Sacramento main office, 1015 L Street, Sacramento 95814.

F. It is necessary to pass a written examination. You will be notified when and where to appear for examination if your application (and experience claim, in case of broker applicant) is complete and acceptable.

G. Upon passing the examination an application for license will be sent, which you must complete and return, together with the appropriate license fee, before your license will be issued.

H. Duplicate sets of fingerprints are required of all applicants. However, if you have filed prints with the division during the immediately preceding five-year period in connection with an application *and a license was issued*, then you need not file prints again. Inasmuch as checking of fingerprints by the State Bureau of Criminal Identification and the FBI is time consuming; and, since no license may be issued until this process is completed, it is important that prints be submitted with application. They will be taken when the application is delivered in person to any office of the division. Prints may, of course, be submitted later but that will result in a delay in the issuance of license!

I. Brokers will receive their licenses by mail. Salesmen's licenses are mailed to the main office of the employing broker.

Credit Toward Examination

Any person who completed a university extension two-unit course in legal aspects of real estate or real estate practice subsequent to January 1, 1960, may gain an additional unit of credit by enrolling in Course 481.3B (legal aspects) and/or Course 481.2B (practice), and thus qualify for exemption from either or both the 1½-hour examination in these subjects now required for original real estate broker license.

These special one-unit courses will be offered at Los Angeles (Hill Street Building), U.C.L.A., Buena Park, Torrance, Riverside, San Fernando Valley and Rosemead. Brochures are being mailed to previous enrollees. For further information call MA division 3-6123, Ext. 17, or write University Extension, 813 South Hill Street, Los Angeles, California 90014.

CONDOMINIUM COMPLEXITY

Because of its applicability to condominium operations in California, the following paragraph from an article by Benjamin T. Shuman, Chief Counsel of the Florida Real Estate Commission, which appeared in the *Florida Realtor News*, is reprinted here:

"The real estate profession will benefit from this legislation. However, the profession must recognize that the establishment of condominiums, incidents of ownership therein, and the sale or exchange of title therein, involves principles of real estate law which are highly technical and which may not generally be recognized or understood except by the most astute."

J. Don't call the Division of Real Estate about examination results. Notices are mailed promptly upon completion of the grading process.

Exam Applicants Flunk Test of Dependability

A broker or salesman who fails to keep his appointments soon finds himself without clients or customers. This is a statement which few experienced real estate practitioners will dispute and yet the division's examination program is being plagued with the growing demands on time caused by applicants who are scheduled for examination and either fail to appear or make last-minute requests to be rescheduled.

In the Los Angeles office, for instance, some 553 such telephone requests were received during December; and the following record of "no shows" at the San Francisco office during the same month further highlights this condition: original salesman license examinations—406 scheduled, 98 failed to appear; original broker license examinations—161 scheduled; 79 not present; renewal salesman license examinations—69 scheduled, 20 "no shows." Thus out of 636 scheduled candidates, over 30 percent were absent. In addition, 125 persons had their examination dates reset after the processing had been completed.

A uniform statewide system of recording all failures to appear and requests for rescheduling of tests has been projected in order that the problem may be analyzed for possible remedial or preventive action. Undependability cannot continue to be encouraged!

A \$4 Fee For License Change

A volume of unnecessary and costly correspondence is being caused by holders of inactive licenses who send in their applications for a change of address without the legally required \$4 fee.

Remember, whether your license is active or inactive, a change in address for the license requires not only a written request for the change but also a \$4 fee for processing.

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In addition, a stock remains of the widely commended brochure on subdivision investment—"Investigate Before You Invest."—Free.

SUBDIVISION FILINGS SHOW ADDED ACTIVITY

Increased subdivision activity marked the first six months of the current fiscal year when a total of 1,442 filings and notices of intention were received. This outstrips the same period of 1962-63 by 117 filings.

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AGREEMENTS PERTAINING TO LONG TERM LEASES SHOULD BE IN WRITING

Undoubtedly, all licensees are familiar with the fact that an agreement authorizing the broker to find a purchaser of real estate must be subscribed to in writing in order to maintain a claim for commission. The Legislature has now broadened this provision to apply to situations where *the broker is engaged to lease real estate for a longer period than one year, or to find a lessee or lessor for a longer term than one year.* Prior to this change, leases were not specifically mentioned in paragraph 5 of the Statute of Frauds and it had been fairly well established that an agreement to procure a lessee or find a property for lease did not have to be in writing to collect a commission upon performance, regardless of the length of the lease.

Under the law as changed, a broker who is commissioned to seek a lessee (or lessor) of property for a term longer than one year cannot rely upon an oral agreement to collect his commission. Should he be successful in signing up a lessee or lessor, his contract with his principal must be in writing in order to sustain a commission claim should there be a dispute.

It is interesting to note that an oral agreement to procure an option from the owner of land does not come within the statute. An option merely gives the optionee the right of election to purchase; it invests no interest in property.

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To facilitate processing; to save man-hours and money, make payments of whatever kind to the Division of Real Estate by check or money order for the exact amount. Don't send cash or stamps!

Private Exam Schools Will Need Department of Education Approval

On July 1, Section 29007.5 of the Education Code becomes effective, prohibiting the offering of any course of education or training leading to an educational, professional or vocational objective to or for adults without having received approval from the Superintendent of Public Instruction. The Bureau of Readjustment Education of the Department of Education, which will administer the statute, advises that most, if not all, private schools offering to prepare candidates for real estate license examination will be affected.

Legislation, effective September 20, 1963, prohibits certain statements, representations and advertisements by persons owning or representing a private school offering training to adults. For further detailed information get in touch with the Bureau of Readjustment Education, Department of Education, 721 Capitol Mall, Sacramento. If in the southern area, communicate with the bureau at 217 West First Street, Room 804, Los Angeles.