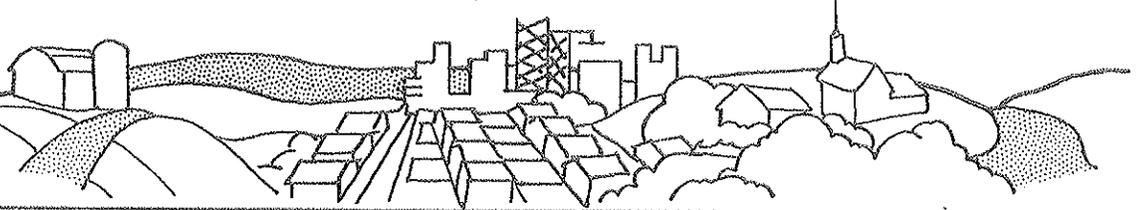


REAL ESTATE BULLETIN

Official Publication of the California Department of Real Estate



EDMUND G. BROWN JR., Governor

Spring 1982

E. LEE BRAZIL, Commissioner

WHEN EAST MET WEST . . .

Prepared by Toshio Murata
Dean of the Yokohama College of Commerce

Editor's note: Mr. Toshio Murata recently visited DRE as coordinator of a Japanese real estate tour group sponsored by Jutaku-Shimpo-Sha, Inc. He is professor of Economics and Dean of Yokohama College of Commerce. Concurrently he serves as advisor to the President of Jutaku-Shimpo-Sha, Inc., Tokyo. At DRE's request, Mr. Murata kindly furnished some of their perceptions of the differences between Japanese and American real estate practices.

When we first organized a real estate study tour to the United States fifteen years ago, we unanimously remarked that there were too many differences between American and Japanese real estate practices to learn anything from the former. However, visiting the States in August of 1981, we found that the gap had been greatly reduced.

In Japan we now also have prefabricated housing, two-by-four construction, condos, garden apartments, exclusive agency listings, and even real estate franchising. Most of Japanese wood-frame houses are built with Canadian and American cedar. Nevertheless, there still exists salient differences.

First of all, we were greatly impressed with the fact that the Department of Real Estate is financed principally by real estate license fees, not by taxes, and that the Commissioner is often appointed from among real estate professionals. This certainly seems to be an ideal example of self-government toward which the members of the Free World should strive.

As for commissions, Japanese real estate brokers can earn about 3% commission from both seller and buyer in a single transaction. The total approximates 6% which is very close to what seems to be the average American negotiated commission rate. It is interesting that a free market tends to form a more or less uniform rate of commission in spite of different business customs.

In Japan, there are no salesperson licenses, only broker licenses. The broker examination is held but once a year. About 15-20% of applicants usually pass the test and 20,000 new brokers are licensed every year.

Unlike your salespeople, Japanese counterparts are paid by a combination of

(Continued on page 8)

"FORECLOSURE CONSULTANTS"

prepared by
Robin T. Wilson, Attorney-in-Charge
Headquarters Office

DRE continues to receive inquiries concerning the Mortgage Foreclosure Consultants Law (Civil Code Sections 2945 through 2945.8). Most are from licensees desiring to know to what extent their mortgage loan activities are subject to the provisions of law regulating foreclosure consultants.

If the real estate licensee in dealing with the owner of residential property in foreclosure performs the customary activities of a mortgage loan broker in the usual and ordinary manner, the licensee is probably exempt from the definition of a foreclosure consultant. To be entitled to the exemption a licensee must be attempting to arrange the sale of the residence or a loan secured by a lien on the residence in foreclosure regardless of any other services he or she has offered to perform on behalf of the owner.

Section 2945.1(a) defines a foreclosure consultant as any person who solicits, offers or represents that he will perform services for compensation for the record owner of residential real property which will accomplish one of the following: (1) stop or postpone the foreclosure sale (2) obtain any forbearance from a beneficiary (3) assist the owner to exercise a right of reinstatement (4) obtain an extension of the period for reinstatement of an obligation (5) obtain the waiver of an acceleration clause in a promissory note (6) assist the owner to obtain a loan or advance of funds.

The enumerated services run the gamut from debt, budget or financial counseling to any advice to an owner of a residence in foreclosure which relates to curing the default, reinstating the obligation, satisfying the obligation or postponing or voiding a trustee's sale under a power of sale.

Under Section 2945.1(b)(3), a real estate licensee who does one or more of the acts listed above for the owner of residential real property in foreclosure will still be exempt from the definition of "foreclosure consultant" if the licensee satisfies each of the following conditions:

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ALTERNATIVE FINANCING OR SHAKY LOAN?

Increasingly during the last two years laypersons have been hearing such terms as graduated payment mortgage, renegotiable rate mortgage, variable rate mortgage, and especially all-inclusive—or wraparound—mortgage.

Although the names of the "new era" breed of financing instruments are now more widely used than previously, borrowers and private lenders still do not generally understand the possible short-term and long-term effects of these instruments.

Real estate licensees negotiating any transaction which includes their use should explain to the involved parties both the probable benefits and the burdens which may arise from the use of a particular "creative financing" scheme in a given transaction and also explain other possible financing methods. Full disclosure of available options should be given so the parties may make informed decisions as to the extent to which they wish to bear or avoid the risks and benefits of the available financing. The needs, desires and interests of the transaction parties should be held firmly in mind by the negotiating licensee so that harmful surprises do not await the uninformed after the closing.

For example, if the seller tells his agent that he is selling *only* because he needs to receive a source of income from an all-inclusive deed of trust to be executed in his favor by a buyer, the real estate professional should never hesitate to openly discuss with the seller the importance of finding a buyer with good likelihood of maintaining the necessary stream of payments to provide the needed income, and to suggest a careful inquiry into the buyer's motives for purchasing—e.g., homeownership or "in-and-out" investment. The agent should warn the seller that if the buyer defaults, the seller will have to continue to make payments on the underlying note and trust deed for an indefinite time into the

(Continued on page 4)

**URGENT—YOUR OPINION
IS REQUESTED. SEE PAGE 8**
Continuing Education Survey.

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STATE OF CALIFORNIA
EDMUND G. BROWN JR., Governor

E. LEE BRAZIL
Real Estate Commissioner

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The Real Estate Bulletin (USPS 456600) is a quarterly published by the State of California, Department of Real Estate, as an educational service to all real estate licensees in the state under the provisions of Section 10083 of the California Business and Professions Code.

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Disciplinary Action—September–November 1981

REB—Real estate broker
RREB—Restricted real estate broker
RES—Real estate salesperson
RRES—Restricted real estate salesperson
REO—Real estate officer
REC—Real estate corporation

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 on the disciplinary action stayed, until the stay is dissolved. Names of persons to whom licenses are denied upon application are not published.
* Not previously published

FOR YOUR INFORMATION

The following are brief summaries of the numerical code sections listed after each licensee's name. The full context of the various sections is found in the Business and Professions Code and the Regulations of the Real Estate Commissioner, both of which are printed in the Real Estate Law book available for purchase from the Department of Real Estate at \$5.00 plus tax. Code sections summarized will vary from issue to issue as they will correspond with the particular disciplinary listings.

Business and Professions Code

490 relationship of conviction to licensed activity
495 public reprimand
10085 failure to submit to Commissioner prior to use advance fee agreements or advertising
10103 continuing jurisdiction over lapsed, suspended, or surrendered license
10130 performing acts for which a license is required without the appropriate license
10145 trust fund handling
10146 failure to handle advance fees as trust funds or to furnish verified accounting to principal
10148 retention and availability of real estate broker records
10176(a) making any substantial misrepresentation
10176(b) making false promise
10176(d) failure to disclose dual agency
10176(e) commingling trust funds

10176(g) secreta profit or undisclosed compensation
10176(i) fraud or dishonest dealing in licensed capacity
10177(a) procuring a real estate license by misrepresentation or material false statement
10177(b) conviction of crime
10177(d) conduct that would have warranted denial of a license
10177(e) negligence or incompetence as licensee
10177(h) failure to supervise salesperson
10177(j) fraud or dishonest dealing in licensed capacity
10177(k) violation of restricted license condition
10177.5 civil fraud judgment based on licensed acts
10234 failure of broker to record trust deed in loan transaction or to cause recorded assignment of trust deed in sale of note secured by trust deed

Regulations

2727 failure of salesperson acting as a principal to make written disclosure to supervising broker of the sale or purchase of real property, business opportunity or mobilehome within the specified time limit
2785(a)(9) unauthorized use of fictitious business name
2830 false representation as to deposit of receipt
2831 failure to maintain trust fund account
2831.1 inadequate trust fund records
2832 inadequate trust fund records
2832.1 improper handling of earnest money deposit
2834 trust fund accountability
2834 trust account withdrawals by unauthorized person
2910 crime, or act done in perpetration of a crime, substantially related to qualifications, functions or duties of the real estate profession
2970 misleading advance fee advertising material
2972 advance fee accountings

LICENSES REVOKED

Name	Address	Effective Date	Violation Business and Professions Code/Commissioner's Regulations
*Ochoa, Vincent Enriquez (RES)	865 Metro Dr., Monterey Park	8/25/81	490, 10177(b)
*Lina, M. Nilo (RES)	132 East 218th Place, Carson	8/25/81	490, 10177(b)
*Cervantes, Raymond (RES)	2412 S. Garfield Ave., Monterey Park	8/25/81	490, 10177(b)
*Sedadi, Sepideh (RES)	3409 Deluna Dr., Rancho Palos Verdes	8/25/81	490, 10177(b)
*Lamney, John William (RES)	4348 W. Pacific Coast Hwy., Torrance	8/25/81	490, 10177(b)
*Caroselli, Donald William (RES)	2211 E. James, West Covina	8/27/81	490, 10177(b)
*Iwans, Scott R. (RES)	10853 Bluffside Dr., Studio City	8/27/81	490, 10177(b)
Tomblin, Larry, Richard (RRES)	817 E. Mooney Dr., Monterey Park	9/1/81	490, 10177(b)(k)
Rice, Shirley Jean (RES)	16739 Ponderosa Ln., Klamath Falls, OR	9/1/81	490, 10177(b)
Ratliff, Kay Vernell (RES)	5205 Carrington St., Sacramento	9/1/81	490, 10177(b)
Sampson, Willie Ray (RES)	660 East 55th, Los Angeles	9/1/81	490, 10177(b)
Maloy, Kenneth David (RES)	11932 Elkwood St., North Hollywood	9/1/81	10145, 10176(f), 10177(d)
Falcochis, Anna Maria (RES)	3452 Merrimac Dr., San Jose	9/1/81	490, 10177(b)(f)
Rousselle, Wayne Maurice (REB)(REO)	341 W. Felicita Ave., Escondido	9/1/81	10177(g)
Off—All Pro Realty, Inc.			
Off—Positivity, Inc.			
Sarallane, Ron Vincent (REB)(REO)	6678 Ryeoast St., Riverside	9/1/81	10177(g)
Off—Eagle Associates			
Afshar, John A. (RES)	359 El Camino Real, South San Francisco	9/14/81	10145, 10176(a)(e)(f), 10177(d)(f)(g)
Bordado, Zenaida Dugyon (RES)	6073 Mission St., Daly City	9/14/81	490, 10177(b)(f)
Linschmeyer, George Aloysius (RES)	P.O. Box 21343, Concord	9/14/81	490, 10177(b)
Curtis, Constance H. (RES)	123 Sequoia Dr., Vacaville	9/16/81	490, 10177(b)
Smith, JoAnn Lee (REB)	3002 Grand Ave., Grover City	9/16/81	490, 10177(b)
Lasher, Linda Sherry (RES)	440 Ridgeview Dr., Pleasant Hill	9/16/81	490, 10177(b)
McGuire, Lynnwood (RES)	8180 Scottsdale Dr., Sacramento	9/17/81	10145, 10176(a)(f), 10177(d)(j)
Noble, Bonnie Bea (RES)	8240 West 1st St., Chico	9/21/81	490, 10177(b)
Herger, Lewis Arthur (RES)	12146 4th St., Yuba	9/29/81	2832, 10145, 10176(c)(b), 10177.5, 10177(d)(j)
Investors Loan Services, Inc. (REC)	15300 Ventura Blvd., Ste. 412, Sherman Oaks	10/6/81	2832.1, 10145, 10176(c)(g), 10177(d)
Investors Home Loans, Inc. (REC)	15300 Ventura Blvd., Ste. 412, Sherman Oaks	10/6/81	2832.1, 10145, 10176(c)(g), 10177(d)
LeVitt, Raymond Verner (RES)	P.O. Box 39, Big Pine	10/7/81	490, 2910, 10177(b)
Pierce, David Allen (RES)	350 N. Civic, #402, Walnut Creek	10/8/81	490, 10177(b)
Kyle, Ron James (RES)	9947 Lincoln Village Dr., Sacramento	10/8/81	490, 10177(b)
Gunn, Joyce Ann (RES)	P.O. Box 123, Burson	10/8/81	490, 10177(b)
Berry, Randall Jay (RES)	2701 Van Ness St., Apt. 302, San Francisco	10/19/81	490, 10177(a)(b)
Langyel, Irene Veronica (RES)	4061 S. Birch St., Englewood, Co.	10/19/81	10176(a)(j), 10177(f)(g)(h)
Atlas Mortgage Loan Company (REC)	9837 Folsom Blvd., Sacramento	10/20/81	10176(a)(j), 10177(j)
Property Management Growth, Inc. (REC)	9837 Folsom Blvd., Ste. D, Sacramento	10/20/81	10176(a)(j), 10177(j)
Richards, Barry Ray (RES)	3670 Chelsea Rd., Shingle Springs	10/20/81	10176(a)(j), 10177(j)
Cashweeler, Glen Leslie (REB)(REO)	530 Hercut, Rm. 201, Sacramento	10/20/81	10176(a)(j), 10177(j)
Pritchard, Robert Allen (RES)	2508A Plummer Ct., Ceres	10/26/81	490, 10177(b)
Ehman, Arthur (REB)	228 E. Lodi Ave., Lodi	10/26/81	490, 10177(b)
Hunley, Joe Michael (RES)	446 Sycamore Rd., Pleasanton	10/28/81	490, 10177(b)
Mearthe, Chad Lance (RES)	1300 Creekside Dr., #113, Walnut Creek	10/28/81	490, 10177(b)
Khamis, Constantine Hanna (RES)	974 Blossom Hill Rd., San Jose	10/28/81	490, 10177(b)
Beattie, John Jay (RES)	537 Orizaba Ave., San Francisco	10/28/81	490, 10177(b)
Brink, Richard Lee (RES)	824 Waller St., San Francisco	10/28/81	490, 10177(b)
Boyd, Roxie Ann (RES)	983 Brusco Way, South San Francisco	10/29/81	490, 10177(b)
King, Clyde Richard (RES)	4849 Pleasant Hill Rd. East, Martinez	11/2/81	490, 10177(b)
McGee, Linda Sue (RES)	P.O. Box 155, Duncan Mills	11/3/81	490, 10177(b)(f)
Fowler, William Alton (REB)(REO)	3931 MacArthur Blvd., #101, Newport Beach	11/3/81	10176(d)(k)
Off—The Professionals			
The Professionals (REC)	3931 MacArthur Blvd., #101, Newport Beach	11/3/81	10176(d)(k)
Off—Fowler, William Alton			
Eraikat, Zuhair Saleem (RES)	201 S. Mayfair, Daly City	11/4/81	490, 10177(b)
Rome, Thom Gray (RES)	150 Seminary Dr., Mill Valley	11/5/81	10130, 10146, 10177(d)
Western Lenders Secondary Corp. (REC)	150 Seminary Dr., Mill Valley	11/5/81	10130, 10146, 10177(d)

LICENSES REVOKED

Name	Address	Effective Date	Violation Business and Professions Code/Commissioner's Regulations
Lalauve, Pierre Anille (RES)	154 Stirling Dr., Vacaville	11/9/81	2727, 10177(d)(g)
Tremayne, Donald Ray (RES)	5160 Kurn Way, Foothill Farms	11/9/81	490, 10177(b)(f)
Lipnack, Richard Mark (RES)	245 Lincoln St., Healdsburg	11/9/81	10177(f)(g)
Crees, Randall Edwin (RES)	1910 Olympic Blvd., Ste. 333, Walnut Creek	11/10/81	2785(a)(9), 2832, 10145, 10176(a), 10177(d)(g)
Sargent, Richard Wade (RES)	788 Bain Pl., Redwood City	11/16/81	490, 10177(b)
Al-Zoubi, Khaled Miaz (RES)	2450 Cabernet St., Napa	11/17/81	490, 10177(b)
Elemy, Thomas (RES)	14021 Marqueta Way, #C210, Marina Del Rey	11/18/81	490, 10177(b)
Postiglione, Daniel William (RES)	3245 W. Paul, Fresno	11/19/81	490, 10177(b)
LeBlanc, Donald John (REB)	330 Primrose Rd., Ste. 212, Burlingame	11/19/81	490, 10177(b)
Rehm, Michael Allen (RES)	8654 Rumson Dr., Santee	11/24/81	490, 10177(b)
Pruett, Jerry Albert (RES)	12604 Parish Rd., San Diego	11/24/81	490, 10177(b)
Weiley, Michael John (RES)	765 S. Nardo, #1-21, Solana Beach	11/24/81	490, 10177(b)
Castelli, Richard Louis (RES)	5943 Caminito Chiapas, San Diego	11/24/81	490, 10177(f)
Mourison, Patricia L. (RES)	1030 Rolling Hills Dr., Corona	11/24/81	490, 10177(a)(b)
Wielebski, Lee A. (RES)	7246 Carpa Ct., Carlsbad	11/24/81	490, 10177(b)
Stevens, Kevin Lee (RES)	747 Avocado Ave., #28, El Cajon	11/24/81	490, 10177(b)
Tschiltach, Godfrey Joseph (RES)	1011 S. Johnson, El Cajon	11/24/81	490, 10177(b)
Brisbin, Kenneth James (REB) (REO) Off—Kenneth J. Brisbin & Co., Inc.	110 Juanita Ct., Vallejo	11/27/81	10103, 10176(a)(g), 10177(f)(g)
Kenneth J. Brisbin & Co., Inc. (REC) Off—Brisbin, Kenneth James	909 Tuolumne St., Vallejo	11/27/81	10103, 10176(a)(g), 10177(f)(g)

*Notes from
Licensing*

Prepared by
Lawrence J. Cannon
Real Estate Manager I

The use of fictitious business names is a common practice in the real estate business. Many individual brokers and licensed corporations currently have one or more fictitious business names registered with DRE.

A fictitious business name may be added to a license by furnishing DRE with two items—either a Broker Change Application (RE Form 204), in the case of an individual broker, or a Corporation Change Application (RE Form 204A), in the case of a corporation, plus a certified copy of the fictitious business name statement (FBNS) filed with the County Clerk's Office in the county where the principal office of the broker is located.

Although the procedure for requesting a fictitious business name be added to a license is relatively uncomplicated, it can sometimes become hindered by one of three problems.

A frequent difficulty occurs when a FBNS designates an improper registrant. If the fictitious business name is to be added to an individual broker license, the FBNS must list the individual broker as the registrant. If a fictitious business name is to be added to a corporation license, the FBNS must list the corporation as registrant. A corporation officer must sign the FBNS on behalf of the corporation.

A second problem involves the attempted use of a salesperson's name by an employing broker as part of a fictitious business name. The name of a salesperson who is employed by a broker may not be used as part of a fictitious business name unless the name of the broker is also contained in the fictitious business name. Unless this condition is met, this type of request cannot be processed.

A third problem area concerns the legibility of the FBNS document. Since 1979, the masterfile of each license has been part of a permanent microfilm record storage system. A FBNS must be kept as part of a licensee's masterfile record and therefore must be legible enough to be filmed. If a faint or light carbon copy of a FBNS is submitted, it will be returned to the licensee with a request for a more legible copy.

The legibility requirement is not limited to requests for fictitious business names. Difficulties often occur when a licensee submits a licensing application which is a photocopy of the actual application form. These forms are not always suitable for filming and the licensee must be contacted by DRE to submit an original copy of the form. We encourage all licensees to submit only original applications and forms which may be obtained from any of our District Offices or through the Licensing Section in Sacramento.

Licensees can prevent the above problems, which often create processing delays, inconvenience and frustration, by exercising foresight and care.

DRE

LICENSES REVOKED WITH A RIGHT TO A RESTRICTED LICENSE

Name	Address	Effective Date	Violation Business and Professions Code/Commissioner's Regulations
*Kotenko, Steve David (RES) (Right to RRES license on terms and conditions)	6235 Eisenhower Ct., Chino	8/11/81	490, 10177(b)
Voght, Kenneth Herbert (RES) (Right to RRES license after 180 days on terms and conditions)	7102 Katella Ave., Stanton	9/1/81	10177(f)(g)
Cobb, Georgia LaForce (REB) (Right to RREB license on terms and conditions)	4801 East 14th St., Oakland	9/3/81	2831.1, 10145, 10177(e)(h)
LaForce, Richard Lee (RES) (Right to RRES license on terms and conditions)	4801 East 14th St., Oakland	9/3/81	10145, 10176(c), 10177(d)
Perry, Lusty E. (REB) (REO) Off—Union Equities, Inc. Off—Agri General Resources, Inc. Off—San Joaquin Development Co., Inc. (Right to RREB license on terms and conditions)	1100 W. Shaw Ave., #144, Fresno	9/8/81	490, 10177(b)
Howard, Suzanne (RES) (Right to RRES license on terms and conditions)	P.O. Box 327, Verena Court, Auburn	9/14/81	10176(a)
Patch, Wallace Trone (REB) (Right to RREB license on terms and conditions)	12585 Highway 9, Boulder Creek	9/14/81	490, 10177(b)(k)
Murphy, Fredric Dean (RES) (Right to RRES license on terms and conditions)	3089 Ralahi Way, Hayward	9/15/81	10176(g)
Hamilton, Joseph Clarence (RES) (Right to RRES license on terms and conditions)	271 E. Riemstra St., Chula Vista	9/15/81	10145, 10176(a), 10177(d)
Larson, Laura Mae (RES) (Right to RRES license on terms and conditions)	7801 Mission Center Ct., Ste. 209, San Diego	9/15/81	10177(g)
Moore, Carl Lee (REB) (REO) Off—Apartment Investment Realty, Inc. (Right to RREB license after 30 days on terms and conditions)	7801 Mission Center Ct., Ste. 209, San Diego	9/15/81	10176(a)
Herschman, Marie Swiatoslava (RES) (Right to RRES license on terms and conditions)	4415 Hill St., San Diego	9/16/81	490, 10177(b)
Sirey, J. ebie Joseph (RES) (Right to RRES license on terms and conditions)	2726 N. Main St., Ste. B, Walnut Creek	9/16/81	10176(a), 10177(f)
Sims, Emelita Sevilla (RES) (Right to RRES license on terms and conditions)	1715 Minn Dr., Vallejo	9/23/81	490, 10177(b)
Viera, Julie Lynn (RES) (Right to RRES license on terms and conditions)	P.O. Box 23105, Pleasant Hill	9/23/81	490, 10177(b)
Chak, Rudolph J. (RES) (Right to RRES license on terms and conditions)	4335 Samoset Ave., San Diego	9/29/81	490, 10177(b)
Land, Noemi Duran (RES) (Right to RRES license after 30 days on terms and conditions)	2184 Glencove, Erwin Lake	10/1/81	10176(a)(i)
Callahan, Harry Jack (REB) (Right to RREB license on terms and conditions)	650 S. Rancho Santa Fe Rd., #108, San Marcos	10/6/81	10177(d)
Alonzo, Armando Moses Jr. (RES) (Right to RRES license on terms and conditions)	7115 Sylvan, Stockton	10/14/81	490, 10177(b)
Rigney, Daniel David (REB) (Right to RREB license on terms and conditions)	1735 Pacific Ave., San Francisco	10/19/81	2830, 2832, 10145, 10176(a)(g), 10177(d)(g)(h)
Baroniam, Harry (RES) (Right to RRES license on terms and conditions)	P.O. Box 1371, Burlingame	10/26/81	490, 10177(b)
Simmons, James Alan (RES) (Right to RRES license on terms and conditions)	1300 Ethan Way, Sacramento	10/26/81	490, 10177(b)
Lopez, Miguel Najera (RES) (Right to RRES license on terms and conditions)	7 Suzanne St., Bakersfield	10/29/81	490, 10177(b)
Sultun, Morton (REB) (Right to RREB license on terms and conditions)	7232 Sepulveda Blvd., Van Nuys	11/5/81	10148, 10176(a)(h), 10177(d)
Kays, Shirley Ann (RES) (Right to RRES license on terms and conditions)	P.O. Box K, Cool	11/16/81	490, 10177(b)
Maudlin, Carla Renee (REB) (Right to RES license after 30 days on terms and conditions)	8760 Warner Ave., Ste. 9, Fountain Valley	11/17/81	10176(a)(i), 10177(d), 10234

LICENSES SUSPENDED

Name	Address	Effective Date	Violation Business and Professions Code/Commissioner's Regulations
*Harris, Ida Louise (REB)	46-172 Verba Santa Dr., Palm Desert	4/15/81 (45 days)	10177(g)
*Maher, Baby Charlotte (REB)	1512 Los Angeles Ave., Simi Valley	8/25/81 (10 days)	2832, 10145, 10177(g)

LICENSES SUSPENDED WITH STAYS

Name	Address	Effective Date	Violation Business and Professions Code/Commissioner's Regulations
*Collins, John Stuart (REB) (REO) (Entire Suspension Stayed Unconditionally)	11750 Sorrento Valley Rd., #259, San Diego	8/4/81 (30 days)	2731, 2834, 10177(d)(g)
Mays, Sheldon Charles (REB) Dba—Sheldon C. Mays Realty Co. (All but 10 days stayed for 5 years on terms and conditions)	3996 Hepburn Ave., Los Angeles	9/1/81 (180 days)	2970, 2972, 10085, 10146, 10177(d)

(Continued on page 7)

Effective Interest Rates on Homes Purchased¹

	Los Angeles		San Francisco	
	Existing	New	Existing	New
1977				
Jan.	9.24	9.21	9.21	9.18
Feb.	9.11	9.07	9.15	9.03
Mar.	9.05	9.03	9.05	8.99
Apr.	9.04	9.00	9.02	8.96
May	9.07	9.10	9.07	9.09
June	9.28	9.35	9.21	9.33
July	9.48	9.49	9.36	9.33
Aug.	9.50	9.48	9.44	9.39
Sept.	9.46	9.35	9.45	9.32
Oct.	9.36	9.32	9.44	9.28
Nov.	9.27	9.30	9.29	9.26
Dec.	9.34	9.41	9.35	9.30
1978				
Jan.	9.46	9.45	9.42	9.35
Feb.	9.48	9.54	9.54	9.43
Mar.	9.61	9.61	9.56	9.45
Apr.	9.74	9.78	9.72	9.69
May	9.88	9.74	9.94	9.75
June	10.00	9.85	9.99	9.61
July	10.12	9.96	10.08	10.00
Aug.	10.18	10.11	10.12	10.07
Sept.	10.13	10.07	10.35	10.09
Oct.	10.06	10.30	9.99	9.96
Nov.	10.19	10.09	10.11	10.04
Dec.	10.34	10.43	10.26	10.31
1979				
Jan.	10.59	10.28	10.68	10.36
Feb.	10.80	10.57	11.03	10.65
Mar.	10.88	10.50	10.83	10.63
Apr.	10.73	10.64	10.66	10.63
May	10.95	10.75	10.88	10.74
June	11.18	10.96	11.14	10.94
July	11.56	11.44	11.48	11.21
Aug.	11.46	11.05	11.52	11.30
Sept.	11.75	11.09	11.46	11.43
Oct.	11.77	11.37	11.82	11.51
Nov.	12.31	11.97	12.21	11.63
Dec.	12.98	12.27	12.91	11.73
1980				
Jan.#	13.10		12.64	
Feb.	12.83		12.86	
Mar.	13.14		13.02	
Apr.	13.80		13.58	
May	14.55		13.39	
June	13.07		12.58	
July	12.56		12.82	
Aug.	12.39		12.37	
Sept.	12.61		12.62	
Oct.	13.32		13.30	
Nov.	13.60		13.77	
Dec.	14.02		13.89	
1981				
Jan.	14.35		14.59	
Feb.	14.08		14.12	
Mar.	14.45		14.05	
Apr.	14.71		14.91	
May	14.80		15.02	
June	15.13		15.06	
July	14.92 ^p		15.34 ^p	

¹ Conventional first mortgages

Since January 1980, the data has been based on all loans closed

^p Preliminary data

Source: Federal Home Loan Bank

(Reprinted from California Real Estate Indicators, a quarterly publication of the Housing, Real Estate and Urban Land Studies Program, Graduate School of Management, UCLA.)

FINANCING (Continued from page 1)

future to protect seller's interest.

The broker should also carefully explain the seller's obligations to the buyer and warn the buyer that if the seller fails to make scheduled payments on the underlying loan, the holder of the underlying note could foreclose. The licensee should suggest to buyer ways the buyer can help to assure he will learn of any default by seller, e.g., buyer could record a request for notice of default. Also a system of payment by buyer to an independent third party collection agency could be established to help assure the buyer that the underlying loan payments are made in a timely manner, or some other system could be worked out.

Currently high inflation and high interest rates are facts of life that add considerably to the uncertainty that affordable credit will be available for home purchases. Few homebuyers are able to get an acceptable long-term, fixed-rate first mortgage loan. Therefore, secondary financing at whatever interest rate is obtainable seems to be deemed highly advantageous by many. However, lenders and borrowers have differing needs. Real estate practitioners should not recommend a financing plan to transaction parties until these needs, interests, financial condition and capabilities are understood. Each alternative financing plan probably has some aspects to be carefully questioned by the parties affected in light of their own circumstances. The licensee should carefully point out to the parties any pitfalls of each type of plan and its potential harm. If there is doubt whether a particular agreement would properly protect the transaction parties' interests, the parties should each be urged to consult with an attorney or other specialist of their own choosing before proceeding with the arrangement.

Ultimately, of course, sellers and buyers, borrowers and private lenders will decide for themselves the transaction terms they perceive to be best for them. However, they usually base their conclusions on the counseling given by the real estate professional. To avoid offering them incorrect or harmful advice, licensees should make every effort to become aware of the abuses seen in many of today's real estate transactions. Balloon payment loans, "cash-to-buyer" loans, loans with unusual features, and loans with unusual risks need to be carefully explained to the persons whose interests are affected thereby.

For example, the recommendation by a real estate broker to a buyer to use a graduated-payment mortgage when the buyer has no expectations of a rising income, could result in problems "down the road" for the buyer, including loss of the property. (GPM monthly payments start out at a low level and gradually increase until they rise above the level at which a fixed-rate conventional mortgage would have been written.) This loan plan involves negative loan amortization in the early years and the early sale of the home

License Qualification

Sometimes the department receives telephone inquiries from persons who would like to become a real estate licensee but are unsure if they qualify for a license because of a past criminal conviction.

DRE advises such individuals that the facts of their particular situation will determine eligibility.

The application for licensure requires the applicant to answer YES or NO to the question of whether or not he or she has been convicted of any law violation other than a non-moving traffic violation. The application explains that the term "convicted" includes a plea of guilty or nolo contendere, or bail forfeiture, and warns that even if the verdict or plea was later set aside and all charges dismissed or expunged, or if applicant was actually pardoned, all convictions must be disclosed in the application. Even a conviction while a minor must be disclosed unless the record of conviction was sealed under provisions of the Welfare and Institutions or Penal Codes.

After filing the application, the applicant will be requested to go to a local DRE office for an interview concerning the facts in the case. The department investigates the facts and statements made by the applicant at the interview. If DRE then decides not to grant the license, the applicant is so notified and advised of the right to a formal hearing.

At the hearing the applicant may appear with or without an attorney. The proceeding is conducted essentially according to the rules of evidence in civil cases, with an Administrative Law Judge (ALJ) presiding. The ALJ makes a proposed decision based upon his findings and submits it to the Commissioner. The Commissioner then makes the final decision. If the Commissioner's decision is adverse, the applicant may still appeal to the courts.

Applicants with a criminal conviction in their background, even though dismissed by court order (Penal Code Section 1203.4), must by law disclose the conviction in response to a question in any application for licensing by a state or local agency. Failure to disclose the conviction is grounds for denial of the application for licensure. **DRE**

(FINANCING)

could require the buyer to repay the lender more than the amount of the original loan.

In questionable real estate transactions with questionable broker advice, it is almost inevitable the agent will be confronted by troubled transaction parties contending the broker failed to properly negotiate and explain the deal. Licensees cannot disassociate themselves from their roles in real estate transactions.

What does a real estate commission pay for? Service—competent, fair, faithful and informed—whether an "oldtime" conventional mortgage or a "new era" alternative mortgage plan is involved. **DRE**

(Continued next column)

REAL ESTATE LICENSES ISSUED
AS OF JANUARY 4, 1982

County	Broker/ Officer	Sales- Persons
Alameda	3,952	9,607
Alpine	3	6
Amador	137	306
Butte	672	1,421
Calaveras	142	332
Colusa	25	42
Contra Costa	3,397	7,316
Del Norte	53	83
El Dorado	799	1,790
Fresno	1,790	4,328
Glenn	40	118
Humboldt	293	681
Imperial	128	294
Inyo	61	134
Kern	924	2,600
Kings	97	324
Lake	266	571
Lassen	70	193
Los Angeles	31,511	76,682
Madera	202	572
Marin	1,714	3,329
Mariposa	58	122
Mendocino	282	632
Merced	237	673
Modoc	21	36
Mono	81	273
Monterey	1,082	2,272
Napa	383	748
Nevada	514	1,026
Orange	13,477	32,790
Placer	942	2,242
Plumas	89	174
Riverside	3,522	8,017
Sacramento	3,769	8,764
San Benito	48	125
San Bernardino	3,315	8,906
San Diego	12,829	25,197
San Francisco	3,926	6,100
San Joaquin	845	2,084
San Luis Obispo	977	2,100
San Mateo	3,139	6,791
Santa Barbara	1,582	3,705
Santa Clara	6,764	14,580
Santa Cruz	1,026	2,294
Shasta	555	1,271
Sierra	12	16
Siskiyou	163	393
Solano	615	1,795
Sonoma	1,557	3,456
Stanislaus	823	1,932
Sutter	210	442
Tehama	142	262
Trinity	49	97
Tulare	634	1,419
Tuolumne	222	478
Ventura	2,439	6,695
Yolo	322	725
Yuba	121	234
TOTAL	113,048	259,595

THIS COURT
SAID . . .



A real estate broker who was not a listing agent for real property and who did not owe a fiduciary duty to the seller was recently held liable to the seller (Seller) for negligent handling of the negotiations between the Seller and a prospective buyer (Buyer). A Superior Court found the broker liable and a Court of Appeal affirmed the judgment based upon evidence that the broker's mishandling of the negotiations caused the Buyer to file a *lis pendens* against the property that effectively precluded the Seller from consummating a sale to another party. The case is *Earp v. Nobmann* 122 CA (3rd) 270. The pertinent facts of the case are as follows:

Broker knew that Seller, a corporation, was interested in selling a ranch. At Buyer's request, the broker prepared and presented Buyer's offer to purchase the ranch, which included as part of the consideration Buyer's assignment of three unsecured promissory notes to Seller. When Seller's president asked Broker if he was "getting . . . into trouble" with the unsecured notes, Broker advised him that unsecured notes were better than secured notes. On being so assured, Seller counteroffered. Seller's president signed the counteroffer on the express oral condition that Seller's controller give his approval to the counteroffer.

Broker presented the Seller's written counteroffer to Buyer and Buyer "accepted" the counteroffer by initialing the terms inserted by the Seller's president. Broker informed Buyer that Seller had until 10 A.M. on the following day to withdraw the counteroffer.

After reviewing the Buyer's offer, Seller's controller counseled against going ahead with the transaction. Seller's president then called Broker and instructed him to "hold up on the deal, not to do anything with it and not to put it in escrow." Notwithstanding these instructions, Broker opened escrow the following day.

On learning of this, Seller wrote to broker and confirmed withdrawal of his counteroffer. A few days later attorneys for Seller advised Broker by letter that Seller was not bound by the purported agreement and suggested terms under which the sale could be consummated. Broker then advised Buyer of the gist of the attorneys' letter, but discounted it as "typical lawyer talk." Broker told Buyer that he had the green light to proceed with the transaction and that he was going to sue for his commission if the sale was not consummated. At the same time Broker wrote to Seller's attorneys and stated that an agreement had been reached between Seller and Buyer.

Seller waited seven days for a response from Buyer or Broker to the terms of the transaction proposed in its attorneys' letter. Receiving no response within that time, Seller

accepted an all-cash offer for the property from X. On learning of this prospective sale, Buyer sued Seller for specific performance and filed a notice of *lis pendens* against the property. This effectively precluded Seller from obtaining title insurance and a loan to finance the purchase of the ranch by X.

Seller sued Broker for negligent interference with the economic advantage that Seller expected to obtain from the sale to X. Broker cross-complained against Seller for his commission.

In upholding the judgment for Seller against Broker, the Appellate Court observed that it might have been possible to find that Broker was the agent of either or both Buyer and Seller in the transaction. The court, however, found it unnecessary to make that determination because in its opinion Broker's liability arose out of a breach of duty of care that he owed to Seller. It held that the Broker may owe a duty of care to the parties to a sales transaction absent any fiduciary relationship depending on the extent to which the following criteria are present:

- (1) The intended effect of the transaction upon the plaintiff;
- (2) The foreseeability of harm to the plaintiff;
- (3) Certainty of the injury suffered by plaintiff;
- (4) The connection between the conduct of the broker and the injury sustained;
- (5) The moral blame attached to defendant's conduct; and
- (6) The policy of preventing future harm.

The court found that all of the criteria were present to some degree in the transaction. It held that the moral blame attached to Broker's conduct was "particularly acute." In commenting upon that finding, the court noted that Broker was "the one person who might have been able to resolve the dispute between Harbor (Seller) and Earp (Buyer), yet in utter disregard of their interests he chose the course which would result in personal profit." In answer to Broker's argument that he was not a lawyer and not an agent owing a fiduciary duty to Seller, the court pointed out that Seller relied upon Broker in the negotiations and that "under such circumstances (Broker) should have exercised at least reasonable caution in his dealings with Harbor."

The message for real estate licensees that comes through loud and clear in this opinion is more ethical than legal. It seems to be an extension of the doctrine previously enunciated in 1973 in *Realty Projects, Inc. v. Smith* 32 CA 3rd 264 that persons dealing with a broker or salesperson who is carrying on activities for which a real estate license is required have a right to expect and demand fair and honest dealing by the licensee even if the licensee does not occupy a fiduciary relationship. The licensee is obligated to act in a certain manner simply because he or she is a licensee. While the omissions of the broker in these circumstances were not characterized as fraudulent or dishonest, the court obviously concluded that the broker had acted in

(Continued on page 6)

Continuing Education Ethics Notice

Licensees wishing to attend continuing education offerings which meet the new Section 10171.1 requirement of the Business and Professions Code (three-hour offering in Ethics, Professional Conduct and Legal Aspects of real estate) are encouraged to first check with the sponsor of the offering being advertised to make certain it actually meets the new ethics requirement. As of the writing of this article, only seven such offerings have been approved by the Department as meeting the requirements of Section 10171.1.

Several offerings having "ethics" in the title were approved prior to the passage of Section 10171.1. These offerings are under titles which may lead you to believe they would meet the new requirement. However, they do not. This Notice is meant to urge you to be certain the offering does in fact fulfill the Ethics requirement if that is the reason you wish to attend.

FORECLOSURE (Continued from page 1)

1. Is engaged in acts requiring a real estate license.
2. Is entitled to compensation for acts performed in connection with the sale of a residence in foreclosure or with arranging a loan secured by a lien on the residence in foreclosure.
3. Does not claim, charge or receive any compensation until all acts have been performed or cannot be performed because of the failure of the owner to comply with the terms of a listing or loan agreement.
4. Does not acquire any interest in the residence in foreclosure directly from the owner-principal other than as a trustee or beneficiary under a deed of trust given to secure payment of the licensee's compensation or repayment of a loan by the licensee.

Section 2945.1(b)(3) also exempts a real estate broker who makes a "direct loan" to the record owner of residential real property in foreclosure. "Direct loan" is defined to mean a "loan of a real estate broker's own funds secured by a deed of trust on the residence in foreclosure, which loan and deed of trust the broker in good faith attempts to assign to a lender, for an amount at least sufficient to secure all of the defaults on obligations which are then subject to a recorded notice of default. . . ."

There are additional conditions that must be satisfied for a direct loan to qualify for the exemption. If a foreclosure sale is conducted with respect to the deed of trust securing the "direct loan," the person conducting the sale must have no interest in the residence in foreclosure or in the outcome of the sale and must not be owned, controlled or managed by the lending broker. Moreover the lending broker may not acquire any interest in the residence in foreclosure directly from the owner except an interest as a beneficiary under the deed of trust. Finally, the loan must not be made for the purpose or effect of

avoiding or evading the intent of the Mortgage Foreclosure Consultants Law. A mortgage loan broker who makes an interim loan and who forecloses before being able to assign the loan to an independent lender should take care to select an independent person to conduct the foreclosure sale.

If a real estate licensee becomes a foreclosure consultant because he has failed to satisfy all of the conditions for exemption, there are prescribed things which the licensee must do and also prohibitions on the types of activities in which the licensee can engage. Among other things, any agreement to perform foreclosure consultant services must be in writing and must contain specified provisions. These include a statement that the contract may be canceled within three days and a notice stating in substance that (1) the foreclosure consultant cannot be paid for the services until they are completed and (2) the consultant cannot ask the owner of the residence in foreclosure to sign or have him or her sign any lien, deed of trust or deed. A written notice of cancellation must also be attached to the contract. Finally, the prohibited practices include the claiming of a fee which exceeds 10 percent of any loan made by the foreclosure consultant to the owner and the acquisition of any interest in the residence by the foreclosure consultant. See Section 2945.4 of the Civil Code for a complete list of prohibited practices.

To summarize, a real estate licensee is entitled to an exemption from the requirements of law applicable to a foreclosure consultant if the licensee meets the conditions prescribed above while attempting to assist an owner of residential real property either to sell the property or to arrange a loan secured by a deed of trust on the property. A real estate broker who makes a direct loan to the owner of a residence in foreclosure will also be entitled to the exemption if he meets the conditions enumerated above for a "direct loan" transaction. **DRE**

SMALL CLAIMS COURTS

As of January 1, 1982, small claims courts have jurisdiction in actions in which claims do not exceed \$1500—up from a \$750 limit in 1981.

Some other changes in the law now provide that:

- (1) each small claims court division with 4 or more judicial officers shall conduct at least 1 night session or Saturday session per month, as specified, in addition to the present requirement that sessions be scheduled at any time on any day (including Saturdays but excluding holidays).
- (2) at no additional charge, counties are to make available to small claims court litigants and potential litigants individual assistance; these public entities and their employees, however, are to be exempt from liability because of advice provided, and the service, while operating in conjunction with the courts, shall be independent of the control of

the courts.

(3) courts may use law clerks to aid in legal research, as specified, and

(4) claimants unable to pay the filing and/or service fees may ask that such fees be waived. (Filing fee is \$6.00; \$12.00 per claim for persons filing more than 12 claims annually.)

THIS COURT (Continued from page 5)

reckless disregard of the interests of the parties in the transaction.

The acts and omissions of the broker in this case bring to mind subdivision (c) (1) of the Code of Ethics and Professional Conduct (Section 2785 of the Regulations of the Real Estate Commissioner) which encourages real estate brokers and salespersons to measure success by the "quality and benefits rendered to the buyers and sellers in real estate transactions rather than by the amount of compensation realized by a broker or salesperson." **DRE**

UNDERCOVER STRUCTURAL PEST CONTROL BOARD ENFORCEMENT PROGRAM

According to an article in the September 1981 *Structural Pest Control Board News*, the Board's undercover inspection and enforcement program has led to the filing of accusations against 21 pest control operators statewide since the Board began the program over a year ago. Four license revocations and three suspensions were imposed by the board in the first year.

Under this program, the Board's experts inspect selected houses to determine their structural condition. Following this inspection, the owners of the houses ask for a structural pest inspection from various Board licensees. The reports of the operators following their inspections are then immediately reviewed by the Board's investigators to determine the accuracy and completeness of the reports. The program is designed to uncover courses of fraudulent conduct by operators rather than to detect isolated incidents of poor inspections.

This enforcement program was initiated by the Board in response to a large volume of complaints from consumers, realtors, legislators, and pest control operators themselves that the industry does not maintain high inspection standards.

According to the article, "The program complements the Board's mediation program by providing tough enforcement of the inspection standards of the Structural Pest Control Act. While the objective of the consumer services representative program is mediation of complaints and a satisfactory resolution of the dispute, the active enforcement program is designed to assure that licensees meet and maintain the standards prescribed in the Act. The program is designed to provide an incentive for the industry to meet these standards to ensure that homes are properly and competently inspected by licensees.

"The program should therefore be seen as an audit or quality control evaluation of licensees' work. Any large company that is producing a service or a product has a quality control program to ensure that the product or service meets the standards of the company. The Structural Pest Control Board is not significantly different from any other large organization offering a product or service. It tries to assure the public that the service offered by the licensees meets the standards of the Board. A passive Board reaction only to complaints will not ensure that standards of the Act are being met by licensees."

It is the Board's position that greater quality control over its licensees will eventually assure that licensees are consistently meeting the Structural Pest Control Act standards. The Board expects to audit the work of approximately 60 more structural pest control operators during the next 12 months. **DRE**

CLARIFICATION

The Winter 1981 *Bulletin* in the Legislative Summary on page 8 under "Landlord and Tenant—Rental Deposits" failed to state that the amendment to Civil Code Section 1950.7 affected non-residential property only. Rental deposits with respect to residential property are governed by Civil Code Section 1950.5 which remains unchanged. The portion of each law section dealing with the repayment period by landlord to tenant is set out below:

1950.5—Residential Property

(e) The landlord may claim of the security only such amounts as are reasonably necessary to remedy tenant defaults in the payment of rent, to repair damages to the premises caused by the tenant, exclusive of ordinary wear and tear, or to clean such premises, if necessary, upon termination of the tenancy. No later than two weeks after the tenant has vacated the premises, the landlord shall furnish the tenant with an itemized written statement of the basis for, and the amount of, any security received and the disposition of such security and shall return any remaining portion of such security to the tenant.

1950.7—Non-Residential Property

(c) The landlord may claim of the payment or deposit only those amounts as are reasonably necessary to remedy tenant defaults in the payment of rent, to repair damages to the premises caused by the tenant, or to clean the premises upon termination of the tenancy, if the payment or deposit is made for any or all of those specific purposes. Where the claim of the landlord upon the payment or deposit is only for defaults in the payment of rent, then any remaining portion of the payment or deposit shall be returned to the tenant no later than two weeks after the date the landlord receives possession of the premises. Where the claim of the landlord upon the payment or deposit includes amounts reasonably necessary to repair damages to the premises caused by the tenant or to clean the premises, then any remaining portion of the payment or deposit shall be returned to the tenant at a time as may be mutually agreed upon by landlord and tenant, but in no event later than 30 days from the date the landlord receives possession of the premises.

CONSUMER GIVE-AWAY PAMPHLET AVAILABLE

The Boys Town Center of Nebraska as a public service has made available for distribution by interested brokers an attractive yellow and blue foldover pamphlet, 6" x 9", entitled *Moving with Kids*. It contains relocation hints for parents of school-age children.

This pamphlet in bulk in reasonable quantities is available free to real estate firms by writing directly to:

Moving with Kids
Division of Communications
and Public Service
The Boys Town Center
Boys Town, Nebraska 68010.

45

Allegos From

Continuing Education

Hours

prepared by

Tom Mabry, Real Estate Specialist

DRE is receiving many inquiries regarding the new requirement for completion of a three-hour continuing education offering on "Ethics, professional conduct and legal aspects of real estate." A sample of questions being asked and the Department's answers follow:

Q. I understand there is a new continuing education requirement of a course on ethics. What is it?

A. Recently passed legislation enacts Section 10171.1 of the Business and Professions Code. This new law reads as follows:

On and after January 1, 1983, no real estate license shall be renewed unless the commissioner finds that the applicant for license has, during each four-year period preceding the renewal application, completed as part of the 45-clock hours of attendance provided for in Section 10170.4, a three-hour course in ethics, professional conduct and legal aspects of real estate. Any such course shall include, but need not be limited to, relevant legislation, regulations, articles, reports, studies, court decisions, treatises, and information of current interest. This section shall be operative until January 1, 1985, and on such date is repealed.

Q. My license is due for renewal on January 1, 1983 (or later) and I have already earned 45 hours of continuing education credit. Does this new law requiring a three-hour course in ethics, professional conduct and legal aspects of real estate mean I have to earn the additional three hours over and above the 45 hours I have already earned?

A. Yes, the new law does not provide any exceptions to this new requirement.

Q. My real estate license shows an expiration date of December 31, 1982. Does this mean I do not have to take the three-hour course in ethics, professional conduct and legal aspects of real estate?

A. No. The *effective renewal date* of a license expiring on December 31, 1982 would be no earlier than the following day, January 1, 1983; thus, you would be required to show evidence of completing the required course prior to renewal of your license.

Q. Will the particular offerings, approved as meeting this new ethics course requirement, be included on the "List of Approved Continuing Education Offerings" which is available from the Department?

A. Yes. Information regarding such offerings will be included on the last few pages of the Approved Offering List.

DRE

LICENSES SUSPENDED WITH STAYS

Name	Address	Effective Date	Violation Business and Professions Code/Commissioner's Regulations
Lindgren and Associates, Inc. (REC) Off—Lindgren, Vivian Maxine (Stayed for 2 years on terms and conditions)	429 W. Manchester Blvd., Inglewood	9/8/81 (30 days)	2832.1, 2834, 10145, 10177(g)
Lindgren, Vivian Maxine (REO) Off—Lindgren and Associates, Inc. (Stayed for 2 years on terms and conditions)	429 W. Manchester Blvd., Inglewood	9/8/81 (30 days)	2832.1, 2834, 10145, 10177(g)
Hackworth, Herbert Thomas Jr. (REB) (Stayed for 60 days on terms and conditions)	P.O. Box 97, Pine Grove	9/14/81 (60 days)	10177(g)
Salts, Jack Lee (REO) Off—Paramount Enterprises, Inc. Off—Jack Salts, Inc. (All but 15 days stayed for 2 years on terms and conditions)	733 3rd Ave., Chula Vista	9/15/81 (30 days)	10145, 10176(a), 10177(d)
Dinkel, Myung E. (RES) (Stayed for 2 years on terms and conditions)	18727 Godinho Ave., Cerritos	9/22/81 (90 days)	2832, 10145, 10177(d)(g)
Hodges, Darlene Ann (RES) (All but 15 days stayed for 2 years on terms and conditions)	8621 Juniper Ave., Ste. 109, Fontana	9/22/81 (30 days)	10177(g)
DaCosta, Carolyn Modeste (REB) (Stayed for 2 years on terms and conditions)	584 33rd St., Manhattan Beach	10/6/81 (30 days)	10177(g)
Brauning, Leon Ruben (REB) (Stayed for 2 years on terms and conditions)	1371 Mam St., Saint Helena	10/6/81 (30 days)	2727, 10177(d)
Stone, Rita (REB) (Stayed for 1 year on condition)	1750 17th Ave., San Francisco	10/23/81 (30 days)	2831, 2832, 10145, 10177(d)
Minard, Curtis William (REB) (Stayed for 1 year on terms and conditions)	1500 River Park Dr., Ste. 100, Sacramento	11/12/81 (30 days)	10177(g)
Crisalli, Albert Salvatore (REB) (REO) Off—Vesper Investment Properties, Inc. (All but 15 days stayed for 2 years on terms and conditions)	17106 Devonshire St., Northridge	11/17/81 (30 days)	2830, 2832, 10145, 10177(d)

PUBLIC REPROVALS

Name	Address	Effective date	Violation Business and Professions Code/Commissioner's Regulations
*Collins Development Company (REC) Off—Collins, Barry Anthony	11750 Sorrento Valley Rd., Ste. 209, San Diego	8/4/81	495

INDEFINITE SUSPENSIONS UNDER RECOVERY FUND PROVISIONS

Name	Address	Date
Trimble, Earvin Herman (REB)	1819 North E St., San Bernardino	9/24/81
Kitz, Raymond John (REB)	3075 N. Bay Front, Balboa Island	10/8/81
Trimble, Earvin Herman (REB)	1819 North E St., San Bernardino	10/21/81

WHEN EAST (Continued from page 1)

fixed salaries and commissions from sales. In slack business years—like now—Japanese brokers envy your straight commission sales system very much. Our tour group noticed a great number of ladies working as sales associates in the States. We have quite a few female brokers, but most of them inherited their business from their fathers or husbands. Most women employees in real estate firms are engaged in clerical jobs. While some have a broker's license, their clients in many cases seem to place little confidence in them. There is a long way to go yet before female salespersons come of age in Japan. Probably switching from salary to straight commission will help promote it.

Another great difference is the percentage of land cost in property value. In Japan, most cities and towns have been developed along railroads. Houses are accessible within ten minutes' walk from a station of public transportation. In urban areas, specialty stores, department stores, restaurants, bars, theaters, museums, schools and colleges are concentrated. Therefore, the Japanese can enjoy various amenities of life with less time and cost. This naturally helps push land cost up. Due to mountainous geography, usable land is so scarce that it becomes all the more expensive. Therefore, land cost in Japan represents about 60% of property value. A typical buyer of an 1,800 square foot residential lot will have to pay 30 million yen (about \$141,000) and 20 million yen (about \$94,000) for a 1,200 square foot house. The total of 50 million yen (approximately \$235,000) is already beyond the reach of average wage earners. Your share of land cost

KEEP INFORMED

Numerous statutes and reported court cases affect the real estate business. Many laws overlap and interrelate.

Today, a real estate licensee must be sufficiently aware of the laws, rules and regulations affecting his profession to perform routine work correctly and also to

in property value may soon rise to our level. It seems to us that condominiums are the only solution to the problem.

You live in "gold-fish bowl" types of houses with large picture windows and no fences, while Japanese tend to install fences around the lot in order to keep privacy in a densely populated area. When we look at a typical American home, we find that the outside appearance is rather modest, but once we are inside, we are surprised at the luxury, beauty and harmony of interior decorations. We guess this may be due to your security problem, or you may be fearful of stimulating envy of your neighbors. The Japanese, on the other hand, tend to pay a special attention to the outer appearance of a house. When it comes to interior decoration, we cannot beat you. Americans playing with miniature houses in childhood may account for your good sense of color coordinates.

We do not have title search companies, because all public records of titles are kept in order by lot numbers, instead of owner's names. Near the recording offices, there usually stand judicial scrivener offices. A broker (or brokers), a seller and a buyer meet in a scrivener's office. The scrivener will check with the public records to ascertain that the seller has a marketable title. If the ownership is all right, then he completes the legal transaction formality in the recording office and the sales price is paid from the buyer to the seller. Thus, judicial scriveners do a kind of service rendered by your escrow officers.

There are such differences between East and West, but through international exchange of ideas and experiences, we can help improve the real estate profession in such a way that discrepancies will be minimized for mutual benefits. **DRE**

identify more complex legal issues which should be referred to a lawyer for advice.

Currency of knowledge must be attained by any professional person needing a firm grasp on changing legal requirements and technical skills. Licensees who lack currency of knowledge and competent skills will be weeded out by the changing demands of the marketplace and court systems.

CONTINUING EDUCATION SURVEY

The requirement that real estate licensees must attend 45 hours of Continuing Education offerings for license renewal will expire January 1, 1985, unless the Legislature votes to extend the program. The Department of Real Estate's evaluation of the program will be very influential in assisting the Legislature to arrive at its decision.

As part of this evaluation effort, I am asking licensees to give us their opinions of Continuing Education. Your signature is not required. Please complete the survey below and mail it within 10 days of your receipt of this *Bulletin* to:

Department of Real Estate
1719 24th Street
Post Office Box 160009
Sacramento, California 95816
ATTENTION: Continuing Education
Program Evaluation.

Thank you for your cooperation.

E. LEE BRAZIL
Real Estate Commissioner

Check the appropriate box or boxes for each statement.

1. I am a Broker Salesperson Other.
2. The Continuing Education requirements should be:
 completely abolished;
 retained;
 modified.
3. I think the best way to increase real estate licensee professionalism is to:
 have Continuing Education requirements;
 have more rigorous Original Licensing Requirements;
 leave this matter up to each individual licensee, not the government.

Comments:

Official Publication

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