



U. S. Senate Committee Concludes Hearings on Advance Fee Operators

The U. S. Senate Permanent Committee on Investigations has concluded its hearings on the "advance fee racket"—the practice of selling special advertising services represented as sure-fire means of disposing of real property and small businesses. The committee looked into the most recent phase of advance fee dealings in which the operators contact owners of small businesses, promising assistance in obtaining loans secured by the businesses.

(Cont. on page 397, col. 2)

Legislature Considers New Real Estate Bills

Subdivision Control Law Amendments Approved by the Legislature and the Governor

On May 6, 1959, Governor Brown approved two amendments to the Business and Professions Code relating to subdivision controls. Now the law will specify that a copy of the Real Estate Commissioner's Public Report on a new subdivision must be furnished to any prospective purchaser prior to the execution of a purchase contract. Also, to avoid confusion between the Subdivision Map Act and the subdivision sections of the code administered by the Real Estate Commissioner, an appropriate cross reference has been added to the Business and Professions Code.

A number of new bills pertaining to real estate licensing or practice have been introduced in the State Legislature since the March-April *Bulletin* report on legislation. As we go to press, these bills are at various stages in the legislative process.

Additional Bills

New bills introduced since the leg-

Late Report

The Legislature passed AB 278 and AB 1051. Both bills are pending Governor's approval and will be discussed more fully in the next issue.

islative report in the March-April issue of the *Bulletin* are:

A.B. 2583. Property Appraisers. (Coolidge)—Would create a State Board of Registration of Professional Appraisers; prescribes its organization, powers, and duties; and provides for the examination, certification and regulation of appraisers of property.

A.B. 2612. Discrimination by Licensees. (Burton)—Would require the suspension or revocation of any license issued by the State authorizing the conduct of any profession, vocation, or calling, upon a showing that the licensee has engaged in a persistent course of conduct of discrimination against any person requesting performance of services, based solely upon race, creed, color, or national origin.

A.B. 2799. Real Estate and Business Opportunity Publishers. (Johnson)—Would establish a new regulatory program to cover all persons and

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New Real Estate Commissioner W. A. Savage and some members of his staff meet CREA President J. B. Clayton, Jr., at Sacramento. The group includes, left to right, John Hempel, Examinations; Harold Wells, Licensing; Donald McClure, Assistant Commissioner; Mr. Savage; Mr. Clayton; Gaylord Nye, Assistant Commissioner; Walter Miller and Edwin Magovern, Education and Publications.

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STATE OF CALIFORNIA
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W. A. SAVAGE
Real Estate Commissioner

STATE REAL ESTATE COMMISSION

MAURICE G. READ, THOMAS R. ROONEY
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San Bernardino, Lodi
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ADMINISTRATORS

DONALD McCLOURE, Assistant Commissioner
1015 L Street, Sacramento
GAYLORD K. NYE, Assistant Commissioner,
Northern California
1182 Market Street, San Francisco
M. R. GRIFFIN, Assistant Commissioner,
Southern California
541 South Spring Street, Los Angeles

PRINCIPAL OFFICE

1015 L Street, Sacramento
HAROLD H. WELLS, License Supervising Deputy
WALTER J. MILLER, Chief, Education and
Publications
JOHN E. HEMPEL, Examination Supervising
Deputy
EDWIN E. MAGOVERN, Editor

Northern District Offices

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Saxon A. Lewis, Supervising Deputy
SACRAMENTO, 1015 L Street
James M. Winter, Deputy-in-Charge (Sacra-
mento District)
FRESNO, 308 Rowell Building
John S. McVay, Deputy-in-Charge
OAKLAND, Rm. 320, 1815 Telegraph Avenue
Marvin H. Wiegman, Deputy-in-Charge
BAKERSFIELD (part time), 331 18th Street

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Spring Street
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SAN DIEGO, 615 Orpheum Theatre Building
John Lazar, Deputy-in-Charge
SAN BERNARDINO (part time), 3798 D Street
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DISCIPLINARY ACTION—FEBRUARY, 1959, AND MARCH, 1959

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

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

Licenses Revoked During February, 1959, and March, 1959

Name	Address	Effective date	Violation
Shiffman, Irvin dba Cardinal Mortgage Co. Real Estate Broker	Rm. 2, 132 N. Western Ave., Los Angeles 4	2/ 3/59 (Granted right to restricted license on conditions)	Secs. 10176(a), (i); 10176.1; 10177(d), (f) & Sec. 2844 of R.E. Comm. Rules and Regu- lations
Becker, Alvin Forman Real Estate Broker Business Opportunity Broker	2401 Shattuck Ave., Berkeley...	2/ 5/59 (Granted right to restricted license)	Secs. 10176(e), (i); 10177(d), (f); 10302(e); Secs. 2830 & 2832 of R.E. Comm. Rules and Regulations
Hiatt, Merle Dodd Real Estate Salesman	522 23d St., Richmond.....	2/ 5/59	Sec. 10177(f)
Jaques, Frank Zurr Restricted Real Estate Broker	1610 Jefferson St., Napa.....	2/ 5/59	Secs. 10160, 10162; 10164; 10165; 10176(b), (i) & 10177 (f)
Burns, Howard Joseph Real Estate Broker	7845 Castro Valley Blvd., Castro Valley	2/16/59	Secs. 10130; 10176(e), (i); 10177(b), (d), (f); Secs. 2830, 2831 & 2832 R.E. Comm. Rules and Regulations
Cobb, Stephen Real Estate Broker	6047 Mission Blvd., Riverside ..	2/20/59	Secs. 10176(i) & 10177(f)
Mullen, Ransford Murray Real Estate Salesman	15929A Western Ave., Gardena	2/20/59	Secs. 10176(a), (i); 10177(d) & (f)
Wade, James Robert Real Estate Salesman	7961 La Mona Circle, Buena Park	2/25/59 (Granted right to restricted license on conditions)	Secs. 10177(a) & (f)
Buckley, F. J. dba F. J. Buckley & Company Real Estate Broker	4160 Wilshire Blvd., Los Angeles.	3/ 2/59	Secs. 10176(a), (d), (i) & 10177 (f)
Ginter, Jack Gordon Real Estate Salesman	Suite 9A, 11681 San Vicente Blvd., Los Angeles 49	3/ 6/59	Secs. 10176(e), (i); 10177(d) & (f)
Waugh, George Herbert Real Estate Broker	1699 Nogales St., North Sacra- mento	3/ 6/59	Sec. 10177.5
Wright, Robert Oris Real Estate Broker	Rm. 336, 1079 B St., Hayward..	3/ 6/59 (Granted right to restricted license on conditions)	Secs. 10177(b) & (f)
Matheson, Charles William Real Estate Broker	850 S. Bascom Ave., San Jose...	3/13/59	Secs. 10177(b) & (f)
Dixon, Ruby Lee Secty., Associated Property Own- ers Realty Service Restricted Real Estate Officer	1109 E. Vernon Ave., Los An- geles	3/17/59 (Granted right to restricted license)	Secs. 10177(d) & (f)
Newman, Robert Barry Pres., Associated Property Own- ers Realty Service Restricted Real Estate Officer	1109 E. Vernon Ave., Los An- geles	3/17/59 (Granted right to restricted license)	Secs. 10177(d) & (f)
Hernandez, Joseph Luis dba Hernandez Realty Co. Real Estate Broker	3448 Mission St., San Francisco.	3/18/59 (Granted right to restricted license)	Secs. 10177(b) & (f)
McClay, Hugh Douglas Pres., A. A. Mortgage Company, Inc. Real Estate Broker Business Opportunity Broker	1147 Highland Ave., Manhattan Beach and 2624 W. Sixth St., Los Angeles 57	3/20/59	Secs. 10177(b), (f); 10302(b) & (e)
Steele, George Adams dba George A. Steele and Asso- ciates Real Estate Broker	336 S. San Gabriel, Pasadena...	3/20/59 (Granted right to suspension on terms and conditions.)	Secs. 10176(a), (i); 10177(d) & (f)
Oldfield, Nathan Marcus Real Estate Salesman	10043 N. Saratoga Ave., Santa Clara	3/23/59 (Granted right to restricted license)	Secs. 10177(b) & (f)
Braucher, William Jay Real Estate Salesman	15513 Seventh St., Victorville...	3/25/59	Sec. 10177.6

Proposed Legislation

(Cont. from page 393, col. 3)

firms engaged in the business of selling advertising space in any publication issued primarily for the purpose of promoting the sale or lease of business opportunities or real estate or for referral to business opportunity or real estate brokers.

Would also regulate the content and form of contracts for publication space, provide for bonding, and place the program under the jurisdiction of the Commissioner of Corporations.

A.B. 2494. Real Estate Education in Junior Colleges. (Waldie)—Authorizes the governing board of a school district maintaining a junior college to contract with the Real Estate Commissioner without approval of any other state agency for the purposes of advancement of education and research in real estate.

S.B. 1397. Mortgage Loans and Brokers. (Burns)—Would repeal that part of the definition of a real estate broker which includes a person who negotiates the purchase or sale of a

promissory note and would provide that mortgage loan brokers must be licensed real estate brokers and must also obtain a special mortgage broker's license. Changes in the Real Property Loan Brokerage Law would be made.

S.B. 1456. Inheritance Tax Appraisers. (McAteer)—Would require an inheritance tax appraiser, whenever he is required by law to appraise real property, to employ an experienced real estate broker for a joint appraisal of said property.

Real Estate Reference Book Available at Division Offices or by Mail Order

A ready reference to real estate laws, rules and principles applying to real estate agents and which also serves as an aid in preparing for license examinations, is available at all offices of the division or by mail order.

Material in previous editions of the *Reference Book* has been brought up to date and added phases of real estate are discussed in the 1959 edition.

To order the Reference Book use blank order form (page 399, this *Bulletin*. Price: \$2.60 (incl. sales tax) postpaid).

The loaf of bread, I'll bring from home;
The book of verse, I'll borrow.
The jug of wine, all neatly corked,
Awaits our jaunt tomorrow.
But thou must tell me where we'll sing,
For this I've not provided.
Dost thou know of a wilderness
That's not been subdivided?

—Author Unknown

Subpoenaed Witness Fined For Nonappearance

A witness who failed to answer a subpoena ordering her appearance at a disciplinary hearing before the Real Estate Commissioner was called to account and fined by a Los Angeles court. The fine was \$50 on each of two counts, with \$75 suspended on condition that she appear when the hearing is again set.

The witness had complained of giving a \$500 deposit to a broker who refused to return the money when the deal fell through. Investigation showed the broker had failed to put the money in his trust account or otherwise handle the money properly. After notice of a disciplinary hearing was served on the broker, he returned the money. However, because a serious violation of the law had been committed, the hearing was to go forward as scheduled. The witness or prospective purchaser was subpoenaed, but did not appear. The case was continued to another date and,

again, the witness failed to answer a subpoena—the second served on her.

These facts were certified to the Superior Court in Los Angeles in accordance with the Administrative Procedure Act, which prescribes formal hearing procedures. An order for the witness's appearance in superior court was issued and served, and this time she appeared. The only issue before the court was whether the witness had been subpoenaed by the commissioner and, if so, whether she had failed to appear. Once these facts were established, the fines were ordered. The case against the broker can now again be set for formal hearing.

The suspension or revocation of a license is a serious matter and no formal action is taken without a thorough investigation and hearing to produce all facts for a decision. The subpoena power is important to assure complete and fair investigation and hearing.

Licenses Suspended During February, 1959, and March, 1959

Name	Address	Effective date and term	Violation
Harry, Willard Charles Real Estate Broker	888 El Camino Real, Belmont	2/ 5/59 10 days (Stayed for 180 days on conditions)	Secs. 10176(e), (f); 10177(d), (f) & Sec. 2830 of R.E. Comm. Rules and Regulations
Kiley, John Thomas Real Estate Broker Business Opportunity Broker	1604 N. Garey Ave., Pomona	2/ 6/59 (Indefinitely)	Sec. 10177.6
Morris, Joseph B. dba Joseph B. Morris Realty Co. Real Estate Broker	2975 Sacramento St., Berkeley	2/16/59 30 days	Secs. 10130; 10177(d) & (f)
Dierdorff, Thomas Oscar Real Estate Broker Business Opportunity Broker	3740 1/2 10th Ave., San Diego 3	2/17/59 60 days (Last 30 days of suspension stayed for 1 year on conditions)	Secs. 10177(f) & 10302(c)
Vail, William Henry Heegaard dba William Vail Co. Real Estate Broker	7837 Ivanhoe Ave., La Jolla	2/17/59 60 days (Last 30 days of suspension stayed for 1 year on conditions)	Secs. 10176(a), (d), (f) & 10177 (f)
Berlin, Erwin Jack Real Estate Broker	1314 N. Laurel Ave., Hollywood 46	2/18/59 60 days	Secs. 10176(a), (g), (i) & 10177 (f)
Kisner, Edward James Real Estate Salesman	519 W. First St., Santa Ana	2/18/59 60 days	Secs. 10176(i); 10176.1 & 10177 (f)
Stonecipher, Gifford Guy Real Estate Salesman	3984 Clairemont Mesa Blvd., San Diego	2/18/59 30 days	Secs. 10176(a), (f) & 10177(f)
Janz, Reuben Reinhold Real Estate Broker Business Opportunity Broker	4000 Macdonald Ave., Richmond	2/27/59 30 days	Secs. 10176(a), (b), (f); 10176.1; 10177(f), (j); 10302(c) & Sec. 3081.3(c) of Real Property Loan Brokerage Law
Kessler, George dba Kessler Investment Co. Real Estate Broker	8578 Wilshire Blvd., Beverly Hills	2/27/59 60 days (Last 50 days stayed for 1 year on conditions)	Sec. 10177(f)
Len, Sam dba The Len Company Real Estate Broker	8302 W. Third St., Los Angeles	2/27/59 60 days	Secs. 11012; 11013; 11013.1; 11013.2; 11020; 11077(d) & (f)
Kittell, Elmer dba Elmer Kittell Realty Inv. Co. Real Estate Broker	9426 Santa Monica Blvd., Beverly Hills	3/11/59 30 days (Stayed for one year on conditions)	Sec. 10177(f)

How to—

Add a Branch Office License—Write a letter to the Division of Real Estate, 1015 L Street, Sacramento, requesting a branch office license at a given address. Enclose a fee of \$1 for each branch.

Change an Address—Write to the Sacramento office of the division requesting a change of business location and a new license showing the new address will be issued upon the payment of \$1.

"Inactivate" a License—Write to the division asking for an "inactive license certificate." Your present license must be turned in with your request. If the address to be shown on the inactive license certificate differs from that on the license being inactivated, a \$1 fee is required.

Transfer a Salesman License—Transfer application forms are available at any office of the division and, upon application and payment of a \$1 fee, the holder of a salesman license may transfer from one employer to another.

It Isn't What You Meant to Say— It's What You Do Say!

The above caption applies so truly to the listing. We often hear of a broker or salesman who has a potentially good deal collapse because he didn't write a complete and accurate listing, but should he be the object of sympathy? Not according to the real professional people in real estate.

Also to be considered is the fact that an incomplete or inaccurate listing may subject the agent to more serious consequences than the loss of a commission—Real Estate Law Section 10177(g) makes "demonstrated negligence or incompetence" grounds for disciplinary action.

There is a listing problem in most of the Division's examinations and the examination staff has prepared the following problem similar to those used in the actual tests. It gives data necessary to fill out the listing contract. You might want to test yourself by reading the data, using it as a basis to fill out one of your own listing forms. Then you might want to compare your work with the samples of "bad" and "good" listings provided by our examination staff.

Problem Data For Filling Out Listing

In 1955, Edwin Warner and Mary Warner purchased a property known as 321 T Street, City and County of

EXAM I.Q. ARTICLE AROUSES WIDE INTEREST

Hundreds of letters and post-cards were received from licensees expressing their approval of the "Want to Test Your Examination I. Q." article in the March-April issue of the *Bulletin*.

Many interesting comments about the article and the need for similar "educational" offerings were received. Additional quizzes for future issues of the *Bulletin* are planned.

Some who wrote expressing their commendation of the article inquired about the correct answer to question No. 11 in the quiz, which asked the examinee to "calculate the present depreciated value of a property, etc." Our answer gave the present depreciated book value of the property but, in using such a problem in an examination, full credit would be given for an answer based upon the current reproduction cost of the improvements.

Sacramento, taking title in joint tenancy. They paid \$16,000 for the property giving a purchase money first deed of trust, note payable \$100 per month or more, payments including interest at 5% per annum on unpaid balance.

On April 1, 1958, Mr. and Mrs. Warner decided to sell the property and called in a real estate broker, Arthur Brown. In essence, they tell him:

"We want to sell our property at
(Cont. on next page)

FILLED OUT LISTING (AS SOME EXAMINEES HAVE PREPARED IT)

Authorization to Sell

In consideration of the services of Mr. Brown, hereinafter called agent, I hereby list with said agent exclusively and irrevocably for a period ending June 30, 1958, the following described property, situated in the City of Sacramento, County of Sacramento, State of California, to wit: 321 T Street

and I hereby grant said agent the exclusive and irrevocable right to sell the same within said time for Eighteen thousand four hundred and no/100 (\$18400.) Dollars and to accept a deposit thereon.

of \$2000 cash. We want \$2600 more cash and they are to assume our existing 1st of \$11000. We will carry the balance by making a 2nd note for \$2800 with monthly payments including 6% interest.

I hereby agree to pay said agent as commission .05%

of the selling price herein set forth whether said property be sold by said agent or by me or by another agent or through some other source or whether said property be leased, without said agent's approval, transferred, conveyed or withdrawn from sale during the time set forth herein.

Should a sale be made within sixty (60) days after the termination of this authorization to parties with whom said agent negotiated during the term hereof and said agent notifies me personally or by mail, in writing, of such negotiation within five days after said termination, I agree to pay said agent the commission set forth herein.

Evidence of title to be in the form of Title Insurance to be issued by a responsible Title Company, to be furnished and paid for by the Escrow

Should a deposit be forfeited, one-half thereof may be retained by said agent and the balance shall be paid to me. The agent's share of any forfeited deposit, however, shall not exceed the commission.

I hereby acknowledge receipt of a copy of this Authorization to Sell.

Dated April 1, 1958
Sacramento, California

Signed Edwin Warner

In consideration of the foregoing listing and authorization the undersigned agent agrees to use diligence in procuring a purchaser.

By A. Brown
Agent.

the market price. We understand market prices generally have increased 15% since we bought the property. Our present indebtedness on the original loan is \$11,000. We will sell for 25% of the asking price as a down payment and carry back the balance on a second deed of trust behind the existing loan. Monthly payment to us should be at least 1% of the face value of the note from which we will credit both principal and interest. We will want interest at 6% per annum. If the buyer wants us to help finance, we want the note to become due and payable if the property is sold again. You can have an exclusive right to sell contract for 60 days beginning today. We will pay a 5% commission; the buyer is to pay for the title costs."

APPARENT ERRORS IN THE FILLED OUT AUTHORIZATION TO SELL ARE:

- (A) Which "Mr. Brown"?
- (B) Contract was for 60 days starting April 1. Expires May 30, not June 30.
- (C) Agent shouldn't make his own terms and insert them in the form. Owners said nothing about a down payment; hence, cash should be \$4,600.
- (D) The "we" and "they" are obscure; indefinites should not be used.
- (E) "To assume" has a specific connotation pertaining to liability. Here again agent puts in his own terms which may not reflect his principal's desires.
- (F) Full terms of all loans should be stated, and necessary clauses (acceleration clause in this situation) should be set out.
- (G) When using decimals and percent marks, it is well to know how to use same correctly. .05% means 1/2 of one percent!
- (H) Type of evidence of title should be definite and the party to pay for same should be named.
- (I) Agent should obtain signature of both owners, i.e., Edwin Warner and Mary Warner.
- (J) Agent obtaining authorization to sell should sign his full name.

Senate Hearings

(Cont. from page 393, col. 1)

At the conclusion of the hearings, the subcommittee decided to have its staff study the desirability of legislation which would make advance fee operators guilty of a federal offense when in noncompliance with state laws regulating their activities. The purpose would be to assist any state when the party to an action by the state, in a state court, might rely upon the defense that he was engaged in

interstate, not intrastate, commerce. In another action in this area, a Los Angeles superior court judge issued an order for a preliminary injunction against one of the largest advance fee "loan" operators in Los Angeles. The injunction was granted on behalf of the State Board of Accountancy. The Attorney General, on February 3, 1959, in his Opinion No. 58/121, ruled that this type of activity constituted the practice of public accounting which requires a permit from the State Board of Accountancy.

SUGGESTED FORM OF FILLED OUT LISTING

Authorization to Sell

In consideration of the services of Arthur Brown hereinafter called agent, I hereby list with said agent exclusively and irrevocably for a period ending May 30, 19 58, the following described property, situated in the City of Sacramento, County of Sacramento, State of California, to wit: 321 T Street

and I hereby grant said agent the exclusive and irrevocable right to sell the same within said time for Eighteen thousand four hundred and no/100 (\$ 18,400) Dollars and to accept a deposit thereon.

\$ 4,600.00 cash down payment
\$11,000.00 existing loan payable \$100.00 or more per month including interest at 5% per annum
\$ 2,800.00 will be carried by seller on a note secured by a second trust deed payable \$28.00 or more per month including interest at 6% per annum.
Said trust deed to contain an acceleration clause making total unpaid balance due and payable if property is sold again.

I hereby agree to pay said agent as commission 5% of the selling price

herein set forth whether said property be sold by said agent or by me or by another agent or through some other source or whether said property be leased, without said agent's approval, transferred, conveyed or withdrawn from sale during the time set forth herein.

Should a sale be made within sixty (60) days after the termination of this authorization to parties with whom said agent negotiated during the term hereof and said agent notifies me personally or by mail, in writing, of such negotiation within five days after said termination, I agree to pay said agent the commission set forth herein.

Evidence of title to be in the form of Standard Title Policy to be issued by a responsible Title Company, to be furnished and paid for by the Buyer.

Should a deposit be forfeited, one-half thereof may be retained by said agent and the balance shall be paid to me. The agent's share of any forfeited deposit, however, shall not exceed the commission.

I hereby acknowledge receipt of a copy of this Authorization to Sell.

Dated April 1, 1958
Sacramento, California

Signed Edwin Warner
Mary Warner

In consideration of the foregoing listing and authorization the undersigned agent agrees to use diligence in procuring a purchaser.

By Arthur Brown
 Agent.

Governor Brown Appoints Rempfer to R. E. Commission

Governor Edmund G. Brown has appointed William E. Rempfer of Lodi as a member of the State Real Estate Commission to succeed Curtis M. Robbins, Stockton, retired after 12 years' service as a commission member. The new appointment is for a term expiring January 15, 1963.

Mr. Rempfer has been actively engaged in the real estate brokerage business in Lodi since 1947, acting as general manager of his own company.



WILLIAM E. REMPFER
Member, State Real Estate Commission

As a commission member, Mr. Rempfer will meet quarterly with the other six members to inquire into the needs of real estate licensees in California and the functions of the Division of Real Estate. Another duty is the evaluation of claims of qualification for real estate broker license based upon general real estate experience and/or specialized education. Like the other members, except the commissioner, Mr. Rempfer serves without compensation.

Background of New Member

Mr. Rempfer is a graduate of the College of the Pacific in Stockton, with a major in business administration. He attended public schools in Lodi, California, where he has lived continuously since 1919. During World War II, he served in the U. S. Marine Corps, and for a short time after the war was employed by the State Board of Equalization as an auditor.

JUST FOR THE RECORD . . .

**A Summary of Selected Items of Interest
Concerning Activities of the Division of Real Estate
As Reported Monthly to the Governor . . .**

Subdivision Activity at High Level in Early 1959

Subdivision development in California is off to a fast start in 1959. During the first four months of the year, 1,017 new tracts were registered with the Division of Real Estate, which means about 3,050 filings in 1959 if the pace continues. That would represent an increase of nearly 23 percent over the actual total for 1958 and would near the level of activity reached in 1956.

As further indication of an improving home building picture, the Federal Reserve Board reports a survey conducted by the University of Michigan's Research Center shows more people plan to buy homes in 1959 than in 1958 (9.3 percent against 7.5 percent).

Increase in Community Apartment House Filings

Filings on community apartment house projects classified as subdivisions totaled 57 during 1958—a considerable increase over previous years. The majority of co-operative housing filings were processed in the Los Angeles district office—twenty came from the City of Long Beach, eight from Laguna Beach, seven from Los Angeles proper, and six from Pasadena. The community apartment houses averaged 17 units each.

A deed to a community apartment house unit usually grants a fractional undivided interest in the whole property, with the exclusive right to occupy a specified apartment. The deed

Active in Board Affairs

The Lodi Board of Realtors elected Mr. Rempfer as its president in 1955 and he has served three years as a director of the California Real Estate Association. He has been active in community affairs and is a past exalted ruler of the Lodi Elks Lodge. Mr. and Mrs. Rempfer have four children—three girls and a boy.

usually contains certain covenants and conditions, including agreements covering terms of management and operation and the levying of assessments.

A Study of Real Estate Education and Research Needs Is Published

The California State Department of Education has published "A Study of Real Estate Education and Research Needs in California." The report was financed by a 1957 appropriation of \$31,000 from the Real Estate Education and Research Fund administered by the commissioner. The primary purposes of the study were to analyze the needs of the real estate business in California and to propose a course of action. Recommendations are made in the report regarding the educational program and research policies and the integration of the real estate education and research resources available in California. Many of the recommendations were followed in the establishment and operation of the real estate education and research program administered by the commissioner.

Increase in Formal Hearings

The division conducted 203 formal hearings during the first four months in 1959, which is an all-time high for the comparable period in any year. It almost doubles the 108 hearings held in the first four months of 1958.

Through April, 1959, orders were issued revoking 78, denying 85, and suspending 27 licenses. The division received 1,439 complaints against licensees and subdividers during this period. The complaint total is up from last year, although not as sharply as hearings.

BUSINESS CARDS

A salesman is not permitted to describe himself as an "Associate" on a business card or sign or in advertising unless he also specifies that he is a salesman. By definition (Sec. 10132), a salesman must be an employee of the broker.

Career Opportunities

State of California civil service examinations have been scheduled for the following jobs:

Right of Way Agent

Openings exist throughout the State. Starting salary: \$481 per month with annual increases to \$584. Eligibility for examination: two years' experience in appraisal or negotiation for the acquisition of real property for public use, or three years in title examining or appraisal work involving true market value, plus college degree or equivalent. (Experience in real estate sales or transfers not acceptable.) Application deadline: July 10, 1959.

Land Title Examiners

Openings with State Division of Beaches and Parks in Sacramento. Starting salary: \$436 per month with annual increases to \$530. Eligibility for examination: three years' experience in title work, including at least one year in title examining plus high school graduation or equivalent additional experience. Application deadline August 7, 1959.

Assistant and Associate Land Agents

Openings with State Department of Water Resources and Division of Beaches and Parks in Sacramento. Starting salaries: assistant \$481 . . . increases to \$584; associate \$584 . . . increases to \$710. Application deadline: July 10, 1959.

Application forms for these positions are available at offices of the State Personnel Board or the Department of Employment.

Failure to Give Subdivision Public Report to Buyer Before He Signs Contract of Purchase Can Result in Suspended License!

ORDER FORM

DIVISION OF REAL ESTATE
1015 L Street
Sacramento 14, California

Please send me Reference Book(s) (green and yellow cover)

Price of Reference Book—\$2.60 (incl. sales tax)

I enclose my check money order in the sum of \$.....

NAME (please print).....

ADDRESS (please print).....
Street City State

In the Opinion of the Court

Real Estate Boards Can Limit Membership to Full-time Salesman

A part-time salesman brought suit against the San Bernardino Real Estate Board to recover damages for loss of commissions, etc., which he claimed were occasioned by his expulsion from the board of which he had been a salesman member. The board's bylaws had been amended to provide that broker members could employ only full-time salesmen. Because of this policy the board would not renew the salesman's membership and he was discharged by his employing broker.

The Court Held: It is not unreasonable for a board to require salesmen to be employed on a full time basis in order to qualify for membership. Part-time salesmen are not compelled to be members of boards in order to work and earn commissions. They may seek employment with other brokers who are not members of the board (*Jones v. San Bernardino Real Estate Board*, 168 A. C. A., 738).

Lessors Liable When Disregarding "First Refusal" Clause in Lease

Lessors leased their land without giving existing lessees a chance to exercise their right of "first refusal" in the event of a new lease. Lessees

sued for profits which they would have made had they been allowed to exercise their right to the lease.

The Court Held: Judgment in favor of lessees. The validity of a "first refusal" clause in a lease was upheld and the lessors are liable when they disregard the clause and lease to third parties. (*Nelson v. Reisner*, 61 A. C. 158.)

Extension Clause in Listing Upheld by Supreme Court

A California broker had an exclusive right to sell the owner's property. The listing provided for commission if, within 90 days after the expiration of contract, owner sold to any prospect registered by the broker during the term of the contract. Within 90 days after the contract expired, the owner sold to a prospect registered by the broker. The owner refused to pay commission on the ground that the broker did not perform any service which induced, influenced or caused the sale.

The Supreme Court Held: Broker could collect. It is immaterial that the agent was not the procuring cause of the sale. There was no breach of contract involved and the agent has a right to his commission under the circumstances presented. (*Leonard v. Fallas*, 51 A. C. No. 19.)

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Offering Aid in Obtaining Business Loans Requires Broker's License

Firms collecting fees for promised assistance in obtaining loans on real estate or on businesses are engaged in "negotiating" loans and must have real estate or business opportunity broker licenses, the California Attorney General has ruled.

Here is the situation described in the commissioner's request for an official opinion. A corporation has been engaged in soliciting contracts and collecting advance fees from small business and property owners, ostensibly engaging to help the owners obtain long-term secured and unsecured loans and credit (from \$5,000 to \$500,000) from various sources. Prospective borrowers were first contacted by mail; personal solicitation by salesmen followed.

In its contracts the corporation made a point of disclaiming any oral

BRANCH OFFICE LICENSE EXPIRING?

Remember . . . the term of a branch office license coincides with the term of the main office license no matter when the branch license is issued! Thus, when a broker's main office license expires and he applies for renewal, he must also at that time list the branch offices he maintains and send an additional \$1 renewal fee for each branch.

representations made by its salesmen. Despite this, the Attorney General said the oral representations of the salesmen must be considered with the representations in the contract as constituting the agreement of the parties. But even disregarding the oral representations, he concluded that, in those transactions which involve a loan secured by real estate or a business, the corporation becomes a "negotiator" of the loan and, as such, requires a license as a real estate or business opportunity broker.

Quoted were pertinent provisions of Sections 10131 and 10252 of the Real Estate Law:

"A real estate (business opportunity) broker within the meaning of this part is a person who, for a compensation or in expectation of a compensation, . . . negotiates loans on real estate (or business) . . . for . . . others."

Real Property Loan Brokerage Law Cited

In addition, the Attorney General in his opinion called attention to the fact that the corporation's negotiation of loans secured by first liens of \$10,000 or less and by junior liens of less than \$5,000, would subject it to the jurisdiction of the Real Estate Commissioner under the Real Property Loan Brokerage Law (Civ. Code Secs. 3081.1-3081.93).

In determining that business loan solicitation requires a license, the Attorney General said:

"The 'negotiating' of the loan begins when the would-be borrower signs the contract for the services of the broker and gives him the

Conference-Seminar Is Offered on Real Estate Brokerage Administration

Concentrated two-day conference-seminars on modern real estate brokerage administration will be offered at the University of Southern California, Los Angeles, on June 12th-13th, and at Stanford University, Palo Alto, on June 19th-20th, under the sponsorship of the California Real Estate Association.

Advanced techniques on operating a successful real estate brokerage business will be presented with emphasis on leadership, administrative supervision, operational policy and sales supervision as they apply to the conduct of brokerage operations of all sizes.

Registration will be limited to facilities available. The registration fee is \$25, which covers meal functions, conference kit, policy manual and conference manual. Enrollments can be made through CREA, 117 West Ninth Street, Los Angeles 15.

necessary data. The corporation agrees to, and does, much more than merely 'find' or 'introduce' the owner to, a lender. It 'assists' him to obtain a loan by preparing and presenting financial reports to such lenders. It does more than merely bring the buyer and seller together. In addition, its salesman personally visits and confers with the prospective lender, and at times brings the would-be borrower and lender together and sits in on the negotiations. The rule is well established that any participation however slight in the negotiation will bring it within the definition of a broker." (A.G. Op. 58/121)