



# Real Estate Bulletin

Official Publication of the California Division of Real Estate

EDMUND G. BROWN, *Governor*

June 1965

MILTON G. GORDON, *Commissioner*

## Business Opportunity License Law Repealed; Effective Date January 2, 1966

SB 269, introduced by Senator Thomas M. Rees, which will repeal the business opportunity portion of the Real Estate Law and provide that real estate licenses will cover the handling of business opportunity transactions, has been passed by the Legislature and signed by Governor Brown. The change, which becomes effective January 2, 1966, was proposed by Commissioner Milton G. Gordon as part of his packet of "departmental legislation," backed also by the organized industry.

Until the amendment becomes effective the Real Estate Commissioner must administer and enforce all of the provisions of the law as it now stands. But, because of lack of active participation in the business opportunity phases of the business, some holders of business opportunity licenses who are also licensed as real estate brokers or salesmen may wish to forego renewal of their business opportunity licenses if renewal would normally take place some time before January 2, 1966.

However, the person who is active in business opportunity sales will undoubtedly want to renew his business opportunity license if only to protect his claim to commissions which might be earned during the intervening period. To renew a business opportunity license, the four-year fee must be paid and this fee cannot be prorated nor can any part of it be refunded or applied as credit against another license.

There are a few persons licensed as business opportunity brokers or salesmen who do not carry a comparable real estate license. The amended law provides for these individuals in this manner. It states: "Any person who held an unrevoked or unsuspended business opportunity license ninety (90) days prior to the effective date of the repeal of the business oppor-

*(Continued, col. 1, page 711)*



## DRE SACRAMENTO OFFICES MOVE TO NEW LOCATION

Early in July the Division of Real Estate Sacramento headquarters and the district office will move from present quarters at 1015 L Street and 1228½ H Street, respectively, to 111 Capitol Mall. The privately owned building which will house the DRE is located at the intersection of the Capitol Mall and Front Street near the Tower Bridge.

The move will consolidate Sacramento operations of the DRE, providing more convenient service to the public. Among the functions of the main office are issuance of licenses, application processing, preparation and grading of examinations, accounting and preparation of publications.

The downtown Mull Building, presently the location of headquarters operations, is owned by the City of Sacramento and will be razed to make place for a multistory parking facility.

## Departmental Bill Speeding License Issuance Introduced

Discussed in the April issue of the *Bulletin* were the purpose and effect of 11 bills introduced in the Legislature as part of the "departmental bills" packet initiated by Commissioner Milton G. Gordon and which has the support of the organized real estate industry.

One more bill has been added to the packet—SB 973 introduced by Senator Pittman. This bill would authorize the Real Estate Commissioner to suspend, without hearing, the license of any real estate licensee who procured a real estate license for himself by fraud, misrepresentation or deceit, or by making any material misstatement of fact in his application

for a real estate license. If this legislation is enacted, the right to suspend without hearing would expire 90 days after the issuance of the original license. At the time of suspension an accusation would be served on the real estate licensee and anytime within 15 days after receipt of the order of suspension and accusation the licensee could file a written request for a hearing. The hearing would be held within 15 days thereafter, unless the party requesting the hearing asks for postponement. The bill stipulates that a decision following a hearing of this kind must be communicated within a specified time, or the suspension is lifted.

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**REAL ESTATE BULLETIN**

Official Publication of the  
California Division of Real Estate

June 1965

Published Bimonthly in Sacramento by the

**DIVISION OF REAL ESTATE**

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MILTON G. GORDON  
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**NOTICE TO APPLICANTS  
FOR BROKER LICENSE EXAM**

Applicants for real estate broker  
license examination need not sub-  
mit original documents or original  
copies of college transcripts to sup-  
port claims of experience or educa-  
tional qualification.

Documents and transcripts will not  
be returned. So consider submitting  
photostats or thermofax copies of  
the originals.

**Disciplinary Action—February—March 1965**

NOTE: A list of actions is not published in this *Bulletin* until the 30-day period allowed for court appeal has expired; or, if an appeal is taken, until a final determination of the court action. Names of persons to whom licenses are denied upon application are not published.

**Licenses Revoked During February—March 1965**

Name	Address	Effective date	Violation
Miles, Thomas James Real Estate Broker (Granted right to restricted license on conditions, after 15 days from effective date of Order)	3251 Grove St., Oakland	2/ 1/65	Secs. 10148; 10176 (c); 10177 (d), (f); Secs. 2830, 2831 and 2831.1 of R.E. Comm. Reg.
Vincent, William Davis Real Estate Broker Real Estate Salesman (Granted right to restricted licenses on conditions)	1617 N. LaBrea Ave., Los Angeles 1966 Outpost Circle, Los Angeles	2/ 1/65	Sec. 10177 (b) and (f)
Balmain, Ralph Clarence Real Estate Broker (Granted right to restricted real estate salesman license on conditions)	1510 4th St., Santa Rosa	2/ 8/65	Sec. 10177 (b) and (f)
Hartman, Alvin James dba A. J. Hartman Realty Company Restricted Real Estate Broker	716 Calmar Ave., Oakland	2/ 8/65	Secs. 10176 (c), (i); 10177 (f), (k) and Sec. 2832 of R.E. Comm. Reg.
Gallick, Stanley William Real Estate Salesman	4575 Santa Monica Blvd., Los Angeles	2/ 9/65	Sec. 10177 (b) and (f)
Buswell, Robert Langsdale Vice President, Colonial Mortgage Company Real Estate Broker	Rm. 209, 1147 W. Holt Ave., Pomona 742 N. Loren Ave., Azusa	2/10/65	Secs. 10085; 10130; 10131.2; 10176 (i); 10177 (d), (f), (j) and Sec. 2971 of R.E. Comm. Reg.
Thornton, Ruby Janet Real Estate Broker Business Opportunity Broker (Granted right to restricted licenses on conditions after 60 days from effective date of Order)	2420 University Ave., San Diego	2/11/65	Secs. 10145; 10176 (a), (b), (c), (e), (i); 10177 (d), (j); 10177.5; 10302 (d), (e), (j); 10302.5; Secs. 2830; 2832; 2900; 2901 and 2902 of R.E. Comm. Reg.
Wood, Larry Cliff Real Estate Salesman	2227 Artesia Blvd., Redondo Beach	2/11/65	Sec. 10177 (b) and (f)
Lehman, Raphael Edward Real Estate Salesman	1144 El Monte Dr., Thousand Oaks	2/16/65	Sec. 10177 (b), (f) and (j)
Preston, Helen Real Estate Salesman (Granted right to restricted license on conditions)	4920 E. 2nd, Long Beach	2/16/65	Sec. 10177 (b) and (f)
Collins, John Thomas Real Estate Salesman (Granted right to restricted license on conditions)	1811 D St., San Bernardino	2/21/65	Sec. 10177 (b) and (f)
Binford, William Darwin Real Estate Salesman	2273 Vancouver Dr., Apt. 4, Anaheim	2/23/65	Sec. 10177 (b) and (f)
Rye, Martin H. Real Estate Broker Business Opportunity Broker (Granted right to restricted licenses after 1 year from date of Order on conditions)	7945 Blackburn Ave., Los Angeles	2/23/65	Secs. 10177 (b), (f); 10302 (b) and (e)
VanSlovic, Peter Andrew Real Estate Salesman	22-315 Fawnridge Dr., Palm Springs	2/24/65	Sec. 10177 (b) and (f)
Wise, Harlan Kenneth Real Estate Broker Business Opportunity Broker (Granted right to restricted licenses 180 days from date of Order on terms and conditions)	Ste. A, 2609 E. McKinley, Fresno	2/25/65	Secs. 10177 (d), (f); 10238.3; 10238.6; 10302 (d) and (e)
Choy, Raymond Good dba Clay Realty Real Estate Broker (Granted right to restricted license after 30 days from date of Order on conditions)	43 Waverly Pl., San Francisco	3/ 1/65	Secs. 10176 (a), (i) and 10177 (f)
Wilson, Abraham Lincoln Real Estate Salesman	531 Pier Ave., Hermosa Beach	3/ 2/65	Sec. 10177 (b) and (f)
Zelner, Gilbert Francis Real Estate Broker Real Estate Salesman (Granted right to restricted licenses on conditions)	Rm. 320, 1760 The Alameda, San Jose 4858 Anna Dr., San Jose	3/ 3/65	Sec. 10177 (b) and (f)
DeVaglio, Anthony dba Land Sales & Investments Co. Real Estate Broker (Granted right to restricted license on conditions)	1459 N. Avalon Blvd., Ste. C, Wilmington	3/ 4/65	Secs. 10176 (j); 10177 (f) and (j)
Warsaw, George Bernard President, Modern Mortgage Co. dba Ethical Associates Real Estate Broker	343 N. Genesee Ave., Los Angeles	3/ 4/65	Secs. 10176 (j); 10177 (f) and (j)
Gozzo, Paul Frank Real Estate Salesman (Granted right to restricted license on conditions)	3712 Olive St., Huntington Park	3/10/65	Sec. 10177 (b) and (f)
Lee, Robert Wayne Real Estate Salesman	1104 G, E. 17th St., Santa Ana	3/10/65	Secs. 10130; 10177 (d), (f) and (j)
Youngren, August Lund Real Estate Broker	681 Market St., Rm. 1015, San Francisco	3/10/65	Secs. 10176 (g), (i); 10177 (d), (f); Secs. 2830 and 2832 of R.E. Comm. Reg.
Hendrix, Merle Reginold Real Estate Salesman	Box 73, Somerset	3/16/65	Secs. 10177 (d), (f); 11010; 11018.2; Secs. 2795 and 2796 of R.E. Comm. Reg.
Edwards, Harold B. Real Estate Broker (Granted right to restricted license after 15 days from date of Order on conditions)	918 Merchant St., Vacaville	3/17/65	Secs. 10176 (c), (f) and 10177 (f)
Lane, Jack Real Estate Broker (Granted right to restricted license 180 days after effective date of Order on conditions)	1008 Cypress Ave., Los Angeles	3/23/65	Secs. 10176 (a), (d), (e), (g), (i); 10177 (d), (f), (j) and Sec. 2830 of R.E. Comm. Reg.
Billetier, Lawrence Nelson Real Estate Salesman (Granted right to restricted license on conditions after 45 days)	12114 Burl Ave., Hawthorne	3/25/65	Sec. 10177 (b) and (f)
Drake, Hobart Everett Real Estate Broker (Granted right to restricted license on conditions)	7900 Seville Ave., Huntington Park	3/25/65	Secs. 10176 (j); 10177 (f) and (j)

(Continued col. 1, opp. page)

## Licenses Suspended During February–March 1965

## Desist and Refrain Orders Are Proving Effective

When it appears that the Real Estate Law or the law defining jurisdiction over the offering of subdivided property is being violated, the Real Estate Commissioner is empowered to issue a desist and refrain order describing the alleged violation and calling upon the offender to cease the named activity. Frequently a hearing or a penal charge follows.

To illustrate the varying situations in which a D & R order might be issued, here is the record for the period between March 15 and May 15, 1965. Thirteen D & R orders were issued in the two month's time. They included seven directed to out-of-state subdividers, six of whom were offering their property to California residents without having obtained subdivision public reports and real property securities permits. One order alleged misleading advertising relating to a subdivision offering.

Another order charged creation of a subdivision in California and sale of parcels without notifying the commissioner of intent to subdivide and without, of course, having obtained the necessary public report. There was one instance of failure to comply with local subdivision regulations, which had the effect of keeping a purchaser from using his property for the purpose for which he bought it. In another case a subdivider was charged with making a "material change" by selling lots under "contract of sale," contrary to the information furnished for and reflected in the public report.

Another order resulted from the offer and sale of lots prior to issuance of the subdivision public report. There were two cases involving nonlicensees engaging in activities which, to perform lawfully, require a real estate broker license. In one of these cases the individual concerned also allegedly collected advance fees for his services in obtaining real property loans.

of the same class (broker or salesman) upon written request of the applicant.

Name	Address	Effective date and term	Violation
Caro Realty Haskell Caro, President Real Estate Corporation	340 W. Portal Ave., San Francisco	2/ 1/65 30 days	Secs. 10176 (a), (b), (i); 10177 (f) and (j)
Lokken, Pat. Real Estate Broker (Execution of suspension stayed for 1 year)	14552 E. Whittier Blvd., Whittier	2/ 1/65 10 days	Sec. 10177 (d), (h); Secs. 2834 and 2835 of R.E. Comm. Reg.
Sullivan, Daniel Francis Real Estate Broker	1112 Taraval St., San Francisco	2/ 1/65 15 days	Secs. 10176 (a), (b), (i); 10177 (f) and (j)
Wasserman, Donald Ray dba Golden Gate Realty Real Estate Broker	1127 Irving St., San Francisco	2/ 3/65 15 days	Secs. 10176 (a) and 10177 (f)
Emerson, Frederick Arthur Real Estate Broker (Execution of last 45 days of suspension stayed for 2 years on conditions)	16003 Amar Rd., La Puente	2/ 9/65 90 days	Secs. 10176 (i); 10177 (d) and (f)
Kyne, Stephen Edward Real Estate Broker (After 30 days from effective date, remainder or any portion thereof, may be stayed on conditions)	765 Distel Dr., Los Altos	2/15/65 to and including 7/ 6/65	Secs. 10160; 10162; 10164; 10177 (d) and Sec. 2771 of R.E. Comm. Reg.
Leeb, Donald Charles Real Estate Broker	8155 Van Nuys Blvd., Panorama City	2/16/65 60 days	Secs. 10176 (a), (d), (i) and 10177 (f)
U. S. Realty Corp. Donald Charles Leeb, President Real Estate Corporation	8155 Van Nuys Blvd., Panorama City	2/16/65 60 days	Secs. 10176 (a), (d), (i) and 10177 (f)
Stevens Creek Realty Inc. Charlie Marvin Pillers, President Real Estate Corporation	3275 Stevens Creek Blvd., San Jose	2/24/65 10 days	Secs. 10176 (e); 10177 (d), (g); Secs. 2830 and 2832 of R.E. Comm. Reg.
Choy, Raymond Goon Real Estate Salesman	431 23rd Ave., San Francisco	3/ 1/65 30 days	Secs. 10176 (a), (i) and 10177 (f)
Anderson, Blain Fairbanks Real Estate Broker	1525 Foothill Blvd., La Canada	3/ 2/65 6 months	Secs. 10175; 10177 (d); 11010; 11018.1; Secs. 2794 and 2795 of R.E. Comm. Reg.
Anderson Bros. Realty Co. Blain Fairbanks Anderson, Member Real Estate Partnership	1525 Foothill Blvd., La Canada	3/ 2/65 6 months	Secs. 10175; 10177 (d); 11010; 11018.1; Secs. 2794 and 2795 of R.E. Comm. Reg.
Anderson, Howard Ployd Real Estate Salesman	1105 S. Granada Ave., Alhambra	3/ 2/65 6 months	Secs. 10175; 10177 (d); 11010; 11018.1; Secs. 2794 and 2795 of R.E. Comm. Reg.
Lefringhouse, Stanley E. dba Sandbar Realty Real Estate Broker (Permanently stayed)	4101 E. Ocean Blvd., Long Beach	3/ 9/65 1 day	Sec. 10177 (d) and Sec. 2731 of R.E. Comm. Reg.
Seno, Tom Thomas Real Estate Broker Business Opportunity Broker (Execution of suspension stayed for 5 years on conditions)	3679 Crenshaw Blvd., Ste. 4, Los Angeles	3/10/65 30 days	Secs. 10137; 10177 (d), (f) and 10302 (b)
Cate, Jeff Bankston President, Holiday of Dreams, Inc. Real Estate Broker (Execution of last 60 days permanently stayed on conditions)	809 N. Kings Rd., Los Angeles 1032 N. Glendale Ave., Glendale	3/18/65 90 days	Sec. 10176 (i)
Holiday of Dreams Inc. Real Estate Corporation	809 N. Kings Rd., Los Angeles	3/18/65 5 days	Secs. 10164; 10177 (d) and Sec. 2771 (c) of R.E. Comm. Reg.
Gant, Mary DeCuir Real Estate Salesman	5401 W. Pico Blvd., Los Angeles	3/23/65 60 days	Secs. 10145; 10176 (c), (i); 10177 (d), (f), (g), (j) and Sec. 2832 of R.E. Comm. Reg.
Walton, John William dba Walton Realty Real Estate Broker (Permanently stayed)	645 Divisadero St., San Francisco	3/25/65 30 days	Sec. 10177 (d); Secs. 2834 and 2835 of R.E. Comm. Reg.
Walton, Ronald Anthony dba Anthony Estates Real Estate Broker Real Estate Salesman (Execution of last 30 days permanently stayed)	1598 Fulton St., San Francisco 19 Baker St., San Francisco	3/25/65 120 days	Secs. 10176 (a), (i); 10177 (d), (f); Secs. 2834 and 2835 of R.E. Comm. Reg.
Duffy, Charles T. Real Estate Salesman (After 30 days from effective date, remainder or any portion thereof, may be stayed on conditions)	764 Niantic Ave., Daly City	3/30/65 to and including 11/20/66	Sec. 10177 (d) and Sec. 2754 of R.E. Comm. Reg.
Hilton, Kenneth A. Restricted Real Estate Salesman	8445 Rosemead Blvd., Pico Rivera	3/31/65 (Indefinitely)	Secs. 10175; 10176 (a), (b), (c), (i); 10177 (d), (j) and Sec. 2902 of R.E. Comm. Reg.

## Licenses Revoked During February–March 1965

(Continued from col. 3, opp. page)

Name	Address	Effective date	Violation
Park Realty Inc. Hobart Everett Drake, President Real Estate Corporation (Granted right to restricted licenses on conditions)	7900 Seville Ave., Huntington Park	3/25/65	Secs. 10176 (i); 10177 (f) and (j)
Rogers, Clinton Woodrow dba Third Street Investment Properties Real Estate Broker	5139 3rd St., San Francisco	3/27/65	Secs. 10176 (a), (f) and 10177 (f)
Stavness, Albert Alrich Real Estate Broker Real Estate Salesman (Granted right to restricted real estate salesman license on conditions)	114 N. Citrus Ave., Covina 20749 E. Palm Dr., Glendora	3/30/65	Sec. 10177 (b) and (f)

## Business Opportunity License Law Repealed

(Continued from col. 1, page 709)

tunity license law may apply for and be issued a real estate license of the same class for the remaining term of said license without examination or fee."

Should any person have an application pending for business opportunity broker or salesman license 90 days prior to the effective date of the repeal, the application would be reprocessed as a real estate application

# SUBDIVISION

## DEVELOPMENTS AND ITEMS OF SIGNIFICANCE

### AUDITS DISCLOSE SUBDIVISION VIOLATIONS

An analysis of 110 subdivision impound examinations, performed recently by DRE auditors, indicates that many subdividers and licensees are still uncertain as to what constitutes material change in a subdivision and are generally unfamiliar with the detail of laws governing the subdividing of real estate. Violations revealed by the audits were: (1) improper handling of impounds and of receipts for public reports; (2) unreported sales of five or more lots; (3) incorrect display of office signs and licenses; (4) unreported changes in financial arrangements; (5) deposits accepted prior to receipt of public report; (6) sale of promotional notes to the public without a permit; (7) unreported sales contracts; (8) trust fund shortages; and (9) misrepresentations.

It is essential that new subdividers and licensees familiarize themselves with the subdivision law, and realize they must notify the commissioner of any material change in conditions which would make incorrect the information provided in the subdivision public report. A common and often unreported change, for example, is a change in the depository for handling purchasers' moneys. It is also incumbent upon them to know that prescribed receipts for copies of the public report given to purchasers must be kept on file for three years and are subject to inspection by the commissioner's deputies.

The commissioner feels it necessary to point out that the subdividers and licensees implicated in the violations revealed by the audit investigation can hardly plead ignorance of the legal requirements involved; duty requires that he take action against the more flagrant violators, particularly if there are any injuries to purchasers. His deputies have been instructed to investigate those subdivision activities where possible violations may be oc-

### WHAT IS A CONDOMINIUM?

Some misunderstanding apparently still exists as to what constitutes a condominium. For a development to be classified as a condominium there must be an undivided fee ownership of all the underlying land, in addition to the fee title to the airspace encompassing the purchaser's particular living area, which is legally described as a *unit*. The *condominium* is the owner's fee to the airspace and his undivided interest in the underlying land, plus common areas within the improvement. The *project* is the entire parcel of real property, including all the condominiums. The project can be either a high-rise development or a cluster of one-or-more-storied buildings.

### Use Proper Receipt Form For Subdivision Public Report

Random subdivision audits made by agency auditors have uncovered numerous violations of Commissioner's Regulation 2795.1. This section provides for an approved form to be used as the receipt from a prospective purchaser testifying he has been given and has read a copy of the Subdivision Public Report before his deposit was accepted.

**An acknowledgment incorporated into a deposit receipt that the prospective purchaser has received a copy of the public report, or the use of any other form of receipt not corresponding in content to the approved form, does not comply with the law.**

Licensees are urged to advise subdividers that neglecting to use the proper receipt form can involve them in litigation.

curing, and when violations are indicated to "follow through" with such formal hearings, injunctions or criminal complaints as are appropriate.

### Pending Departmental Bill

(Continued from col. 3, page 709)

The purpose of the proposed legislation is to allow for issuance of original licenses following passage of the appropriate examination, but prior to the clearance of the applicant's fingerprints.

It would be the Commissioner's intention to institute the revised procedure when appropriate internal arrangements have been made after the enabling bill becomes law.

Fingerprints are checked by the State Bureau of Criminal Identification and Investigation and by the FBI. Frequently, the checking procedure takes a considerable length of time, perhaps unduly restraining from business activity the prospective licensee who has no criminal record. These are in the great majority and it is to aid them that the new legislation is proposed. However, should a license be issued and the fingerprint check ultimately shows an unsavory background or evidence of dishonesty on the part of the licensee, the license could be suspended without delay pending the hearing to which the licensee is entitled.

### Many Other Bills Affecting Real Estate Introduced

As always is the case, numerous other bills have been introduced which would, if they became law, affect many phases of real estate licensing and practice. These include bills relating to membership of the State Real Estate Commission, appointment of the Real Estate Commissioner, certain exemptions from the license requirements, additional grounds for disciplinary action against licenses, prohibitions against panic selling, soil tests in subdivisions, the Map Act, real estate finance instruments, mechanics' liens, advertising, real estate loan soliciting, changes in the Civil Code, the Real Estate Education, Research and Recovery Fund, etc.

It should be emphasized that these are not "departmental bills"; the proposed legislation comprising that packet has all been described in some detail in the *Bulletin*.

## EDUCATION-RESEARCH PROGRAM

University of California — State Colleges — Junior Colleges

### Buyers Appraise Brokers and Salesmen

How do home buyers view real estate brokers and salesmen? What characteristics do they look for and what do they criticize? A graduate student research team from the Business Division of San Jose State College recently completed a survey designed to find some answers to these and similar questions. The project was completed under the direction of Professor Theodore J. Sielaff and was conducted at the invitation of a real estate board in a medium-sized city located south of San Francisco.

The objective of the study was to gather and interpret data considered to be of value in determining the agents' image in the community. The study attempted to isolate factors motivating buyers to use or not to use an agent and to discover patterns which might be useful in an educational program.

For the latter, some of the factors considered were: appearance, aggressiveness, honesty, customer satisfaction, knowledge. Only recent buyers, over a period of 10½ months preceding the start of the study, were questioned by members of the team.

#### Home Buyers Experienced

Home buying in the city studied is dominated by well-established families, the team reported. In the first 10 months of 1964 roughly 75 percent of the buyers were 30 years of age and over, and were people who had previous experience in the real estate market as buyers or sellers or both. Over two-thirds of all home buyers used agents.

The real estate agents rated high, in the buyers' opinion, on appearance, friendliness, honesty, clarity in the use of real estate terms, and reliability in keeping appointments. Some weaknesses included lack of familiarity with the property shown, inadequate explanation of financing, and a tendency to exaggerate.

It was found that agent contact was an important factor in making sales. If a sale was not made by one agent, continuous contact with the prospect by that agent or other agents increased the chance that some agent closed the sale.

#### Do You Want to Teach?

Junior college deans of instruction throughout the state are continually seeking persons whose education and experience might qualify them as instructors of real estate subjects. Real estate brokers, professional appraisers, specialists in real estate financing, attorneys, and others with sound educational and experience backgrounds in related fields who, at the same time, have an urge to teach should get in touch with the nearest junior college to explore the need for instructors and the procedure involved in qualifying. Teaching experience can be most rewarding.

Some buyers avoided the use of agents because they hoped to save money and indicated they would be inclined to do so in the future. This point of view is in sharp contrast with the buyers who used agents. Over 60 percent of this group felt that they would use an agent if they were to sell their property.

#### Homeowner Is Mobile

The present-day homeowner is becoming more mobile; and consequently, he is not attached to a particular home or neighborhood as in the past. This mobility is in part due to his desire to buy a more expensive home within the same general area. Hence, the brokers and salesmen are well advised to maintain some contact with those to whom they sell. Each new homeowner was asked if the agent who sold him his present house had been in touch since the day the sale was closed and 44 percent reported that no followup had been made. Many of these homeowners

### PROFESSOR MAISEL APPOINTED TO FEDERAL RESERVE BOARD

Sherman J. Maisel, 46, Professor of Business Administration and Chairman of the University of California's Center for Real Estate and Urban Economics at Berkeley and specialist in mortgage lending, has been appointed by President Johnson to the Board of Governors of the Federal Reserve System in Washington, D.C.

Maisel is well known to the California real estate fraternity as he has alternated with Professor Paul Wendt as chairman of the Berkeley center and is recognized as an authority on forecasting economic trends and solving problems in housing and finance. He has served as economic consultant to both government and private industry since 1954. In that year he and his colleague, Dr. Albert H. Schaaf, published the results of their research on "Characteristics of Real Estate Brokers and Salesmen in California." Maisel has since written a number of books and articles on his specialty, the latest being *Financing Real Estate*, a textbook on mortgage lending and the components of the mortgage market. Other books by Maisel include *Fluctuation, Growth and Forecasting* and *House Building in Transition*.

He was a valued member of the Commissioner's Real Estate Education and Research Advisory Committee (the CREERAC) and also served on the University-State Colleges-Junior Colleges Liaison Committee in Business Administration.

indicated they would not contact the agent who sold them their present home should they ever sell or buy again.

Buyers are not very critical about the age or sex of real estate agents who serve them. The majority indicated "no preference" as far as the age of the real estate agent was concerned; but of the 45 percent of the buyers who expressed a preference, a decided majority preferred real estate agents between 30 and 50 years of age. Fifty percent of the buyers said they preferred to deal with males as real estate agents; 23 percent said females.

(Continued col. 1, page 716)

## First Impressions Are Lasting!

# Fill In Listing Form Completely

The basis of many complaints coming to the Division of Real Estate lies in the listing agreement, indicating too many brokers and salesmen treat lightly their responsibility to complete the listing form with care and skill. Not only should it represent a firm employment contract, but it is the heart of professionalized real estate service.

By analyzing a completed listing agreement, this article aims at helping improve knowledge and training in this area. Reproduced on the opposite page is a California Real Estate Association standard *exclusive authorization and right to sell listing contract*, probably the form most widely used throughout the state. The form was filled in using the data given below.

### *Data for Filling Out Listing*

In 1963, John J. Smith and Jane S. Smith, his wife, purchased property located at 123 Magnolia Street in the City and County of Sacramento, taking title in joint tenancy. They paid \$20,000 for the property with \$3,000 down and secured an FHA loan on the unpaid balance, note payable \$143 or more per month, including taxes, fire and mortgage insurance and interest at 5¼ percent per annum on the unpaid balance.

On March 15, 1965, Mr. and Mrs. Smith decided to sell the property and called on Bernard B. Brown, a real estate salesman, to list their property. It was agreed that \$23,000 would be a fair market price; that the buyers might assume the existing loan; that the owners would accept a minimum of 15 percent down and carry the balance on a note secured by a second deed of trust with monthly payments of \$31 or more including interest at the rate of 7 percent per annum. It was further agreed that if the buyers wanted the owners to help finance, the latter would want the note all due and payable in 10 years or the unpaid balance all due and payable in the event the property was resold. The owners also agreed to give the salesman an exclusive right to sell contract for 90 days beginning on the day of the listing and further agreed to pay a 6-percent commission and title costs.

Clauses in the form are numbered to correspond with points in the following discussion:

1. Insert the broker's full name and his dba if he has one, i.e., John J. Jones dba Reliable Realty. Only the broker's name appears here, as an individual, a corporation or a partnership.

2. If an owner agrees to a 90-day listing, it is important the listing actually reflects termination in 90 days. The "exclusive right" and the "exclusive agency" type of listing must contain a definite termination date. If this is not provided for in the agreement, the agent risks disciplinary action against his license.

3. Name the city and county.

4. Legal description should be inserted from the seller's deed or policy of title insurance. The street address can also be given as further identification to property location. For more complete information, include the type of property listed, such as a single-family dwelling, etc. If the property is located in a suburban or rural area, it may be difficult to locate by route and box number. Pinpoint the location by established landmarks and crossroads.

5. Spell out selling price and insert the figures as well.

6. When the listing is drawn, the liabilities of the owner of the property are imposed as measured by the contract and it is the agent's obligation to make sure the contract is complete in all of its terms. This is probably the most important section of the form and should be completed in detail. The exact terms on which the seller agrees to sell his property should be accurately enumerated and described. Conditions or contingencies should be listed to avoid any future misunderstanding.

7. Write in the percentage for the commission; i.e., six percent (6%).

### EDITOR'S NOTE ABOUT THE LISTING ARTICLE

This article is offered merely as a guide and was written because of concern over improperly completed listing forms which cause numerous complaints. Analysis shows most such complaints were rooted in carelessness or lack of knowledge of the fundamental principles of the business on the part of the broker or salesman. Obviously some licensees need to be reminded that a fiduciary relationship exists between the broker and the property owner who enters into a listing contract with him.

The agent is required to serve his principal faithfully and work for his best interests. The agent should be fair and consider carefully his obligations to every party to the transaction. The agent's advice to the seller should not be based upon desire to make an easy sale or the commission involved but on the best interests of the principal. Licensees who are employing professional listing techniques recognize this obligation to their principals.

The listing illustrated is not meant to be an absolute criterion or regarded as the expression of an official position which might be applied to specific cases in disciplinary or other legal actions. It does stress the importance of completing the form in detail, since it represents the employment contract between principal and agent authorizing the agent to perform services for the principal involving the latter's property.

It is not the policy of the DRE to attempt to construe contracts or determine earned commissions, but it discourages the use of instruments which are not clear in all their implications. This attitude is based upon the fact that such use, however limited, is erosive of the sound public relations of the real estate industry and is harmful to the general public.

This is the employment contract and the terms of compensation should be clear.

8. Who pays for the policy of title insurance is a matter of agreement. Local custom usually dictates policy here and one should be prepared to advise his client on this.

9. The date, city or town, address of owner and telephone number should be legibly written or printed. Signatures of both husband and wife should be obtained.

10. Broker's signature, address and phone number and salesman's signature on the bottom line, i.e., John J. Jones, dba Reliable Realty by Bernard B. Brown. Do not print signature.

11. This information should be precise.

12. Exceptional care should be taken in quoting taxes, particularly if the owners are entitled to the veter-

(Continued col. 1, opp. page)

# Exclusive Authorization and Right to Sell

CALIFORNIA REAL ESTATE ASSOCIATION STANDARD FORM

In consideration of the services of JOHN J. JONES, dba RELIABLE REALTY (11)  
 herein called Broker, I hereby employ Broker, exclusively and irrevocably, for the period beginning March 15  
(2) 19 65, and ending at midnight June 12, 1965, to sell the property  
 situated in City of Sacramento (3) County of Sacramento  
 California, described as follows: Lot 3, Block 10, as shown on the "Plat of the Alexander Tract"  
recorded in the Office of the County Recorder of Sacramento County on July 10, 1955,  
in Book 47 of Maps, Map No. 8. Also described as a single-family dwelling located  
at 123 Magnolia Street. (4)

and I hereby grant Broker the exclusive and irrevocable right to sell said property within said time for Twenty-three thousand and no/100 (5) (\$23,000.00) Dollars  
 and to accept a deposit thereon (5)

Terms: Cash in the amount of at least three thousand, four hundred fifty and no/100  
dollars (\$3,450); buyer to assume the existing first trust deed securing note with  
approximate remaining balance of sixteen thousand, four hundred and no/100 dollars  
(\$16,400) payable one hundred forty-three and no/100 dollars (\$143) or more per  
month including interest at five and one-quarter percent (5 1/4%) per annum, mortgage  
insurance, real property taxes, fire insurance; seller will take back a purchase  
money second trust deed for the balance of the purchase price payable thirty-one  
and no/100 dollars (\$31) or more per month including interest at seven percent  
(7%) per annum. The entire amount of the note is due and payable in ten (10) years  
or if the property is resold. (6)

Possession of property to be delivered to buyer at close of escrow.  
 I hereby agree to pay Broker as commission six (7) per cent. (6%)

If sold property is sold during the term hereof or any extension thereof by Broker or by me or by another broker or through any other source, if said property is withdrawn from sale, transferred, or leased during the term hereof or any extension thereof, I agree to pay Broker said per cent of the above listed price.

If a sale, lease or other transfer of said property is made within three (3) months after this authorization or any extension thereof terminates to parties with whom Broker negotiates during the term hereof or any extension thereof and Broker notifies me in writing of such negotiations, personally or by mail, during the term hereof or any extension thereof, then I agree to pay said commission to Broker.

Evidence of title shall be a California Land Title Association standard coverage form policy of title insurance to be paid for by seller. (8)

If deposits or amounts paid on account of purchase price are forfeited, Broker shall be entitled to one-half thereof, but not to exceed the amount of the commission.

I hereby acknowledge receipt of a copy hereof.

Dated March 15 19 65

Sacramento, California

123 Magnolia Street (9)  
 (Address of Owner)

Sacramento, 95814 (10) 321-0021  
 (City) (Zone) (Phone) John J. Smith  
Jane S. Smith Owner

In consideration of the execution of the foregoing, the undersigned Broker agrees to use diligence in procuring a purchaser.

500 Q Street (11) John J. Jones, dba Reliable Realty  
 (Address of Broker) Broker

Sacramento, 95814 (12) 342-1101  
 (City) (Zone) (Phone) By Bernard B Brown

Size of parcel: 60' x 130' (13) Taxes: \$ 446 (non-vet) (12) per year.  
 Loan Information: FHA, 30-yr. loan, orig. amt., \$17,000 paid down to \$16,400 as of Mar. 1,  
1965. 5 1/4% int. + 3% mtg. ins. prem. 5 3/4% 1st TD recorded in Book 3288, Page 51  
OR Sacramento County; Beneficiary ABC Ins. Co., L.A. Loan #222-3434. (13)

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(Continued from col. 3, opp. page)

an's exemption or if a new home is involved.

13. Loan information should be precise as to amount, interest and terms; and should include the current address of all lenders or loan-servicing agents and the loan numbers from the payment books, etc.

Section 10142 of the Real Estate Law provides that the licensee shall deliver a copy of any agreement re-

lating to a real estate transaction to the person signing it at the time the signature is obtained and failure to do so may jeopardize the agent's license.

Poor listing techniques or practices lead to lawsuits and dissatisfaction as well as loss of commissions, reputation and goodwill.

Remember — first impressions are lasting!

## Changing Listing Form Leads to Confusion

It is a poor practice to try to change an "exclusive listing form" to an "open listing" by striking out or adding a word here and there. Writing a clearly understandable listing contract is difficult at best without such complications.

When such an improvisation is attempted in the field, it often leads to confusion. Some of the printed words on the form are bound to be crossed out, and often the termination date reads "until sold." In some instances the owners become afraid to deal with other brokers because they are not clear as to just what their contractual obligation is.

The gradual decline in the use of "open listings" does not preclude the licensee from carrying such forms in his sales kit, making it unnecessary to attempt to alter another form to fit an occasion.

## Arthur Day Passes

Arthur M. Day, Deputy Real Estate Commissioner attached to the Division of Real Estate district office in Sacramento, died on Monday, May 3, after hospitalization for only one day.

Art Day had over 41 years of service with the Division of Real Estate, first coming to work with the agency in April, 1924. Serving under 11 different commissioners, he functioned in many different capacities over the years. For some time he was responsible for the preparation and grading of license examinations, but during most of his career he worked in the field on complaint and subdivision matters. He was well and favorably known to real estate people in the Central Valley area, and they and his fellow workers miss him.

He was a member of the F & AM, Capital City Lodge, Sacramento Scottish Rite Bodies, Ben Ali Temple of the Shrine, Rainbow Chapter No. 385, Order of Eastern Star and Elks Lodge No. 6.

Surviving are his wife, Annette; brothers, Lawrence R. Day of Sacramento, Roland J. Day and Robert F. Bell, both of Washington; and a sister, Mrs. Bessie Lou Coy of Santa Cruz.

BULK RATE  
U. S. POSTAGE  
PAID  
Permit No. 157  
SACRAMENTO, CALIF.

## Buyers Appraise Licensees

(Continued from col. 3, page 713)

There was a noticeable consistency in the views of husbands and wives. In no area was there any great divergence of opinion. In general, men showed a slightly greater tendency than women to be satisfied with the services of real estate agents in spite of the fact that men were more prone than women to question the honesty of the agents. Men tended to be more critical of the agent's appearance than women.

This study was not financed with assistance from the Real Estate Education, Research and Recovery Fund, although the fund has helped to establish real estate research capabilities at San Jose State College.

## DRE Suspends Broker's License For Mishandling Check

In a limited definition of "negligence" Section 2832.1 of the Commissioner's Regulations reads in part: ". . . The fact that a check is being held in an uncashed form must be specifically disclosed to the seller or offeree before he accepts the offer." Had a certain broker made sure his sales staff knew and observed this rule, he might have avoided the action which resulted in suspension of his license.

One of his salesmen had accepted a \$5,000 check as a deposit on a five-acre parcel. The offer was not accepted but the check was not returned, being delivered to the clerk who handled the escrows in the bro-



LOS ANGELES DISTRICT OFFICE SUPERVISORIAL STAFF MEETS WITH ASSISTANT COMMISSIONER Standing (l. to r.): William M. Orthel, supervising auditor; John Lazur, chief deputy; Joseph Nunes, attorney in charge. Seated: Henry H. Block, assistant commissioner, southern regulatory area. The Los Angeles District office services an area of 42,815 square miles with a population of over 9,535,766, including 94,704 licensees.

ker's office. The check remained in the office safe during negotiations which went on for some four months, entailing, among other things, a new offer and deposit receipt.

Finally, the salesman began to lose faith in the buyer and discussed his fears with the broker, who contended that it was at this point that he had learned for the first time that the check had not been deposited in the trust account or turned over to the title company, but was held in the office safe.

The buyer was asked to issue a new check or authorize presentation of the old check to the bank. He refused, and it was learned that he had closed his account; indeed at no time had he sufficient funds in the bank to cover the check.

The hearing officer held that the check had not been handled properly, and the broker had retained a check in his possession in an uncashed form without the disclosure of this fact to the seller. The commissioner ordered suspension of the broker's license.