



## University Real Estate Certificate Program

The Real Estate Certificate Program offered by University Extension, University of California, and financed in part by allocations from the Real Estate Education and Research Fund administered by the Real Estate Commissioner, is now in its eleventh year. Under the program, real estate courses will be given this fall in 62 localities throughout the State, and the services of 110 real estate specialists will be engaged to teach the courses.

As evidence of the popularity of the program, over 750 persons now hold Real Estate Certificates. The Extension Division estimates that 85 percent of the people taking the courses are real estate licensees or engaged in allied occupations. The Certificate in Real Estate is acceptable by the State Real Estate Commission as the equivalent of one year of full-time experience as a licensed real estate salesman toward qualification for real estate broker license.

### *Advantages of Professional Education*

The majority of courses in the certificate program are geared to the professional level. To keep abreast of the continuing changes and newly developed techniques relating to specialties in the field, a person in real estate would be required to spend many hours daily reading volumes of written material coming from many sources. For most, this is impractical; however, the end may be accomplished by attending classes conducted by specialists who can impart fundamentals, latest information, and suggested techniques relating to a particular subject. People who have attended these courses also say they benefit by an exchange of experiences with their fellow students.

### *Admission to Classes*

Individuals holding a real estate salesman or broker license, those

working in fields related to real estate, and persons qualified on the basis of previous attendance are eligible to take the certificate courses. Others must take the fundamental course, "Trends and Factors Influencing Real Estate", in order to qualify for more advanced courses. However, the courses in "Commercial and Investment Properties" and "Essentials of Residential Design and Structure"

may be taken by anyone able to show a valid interest in the subject matter. Persons who do not qualify under this general admission policy but who believe their backgrounds should entitle them to enrollment may ask for special consideration by application to Karl Venter, Statewide Field Coordinator, Real Estate Program, University Extension, 813 S. Hill Street, Los Angeles, or Duncan B. Campbell, Field Coordinator, University Extension, 2580 Bancroft Way, Berkeley 4.

### *Award of Certificate*

Upon the successful completion of eight courses, as outlined below, a

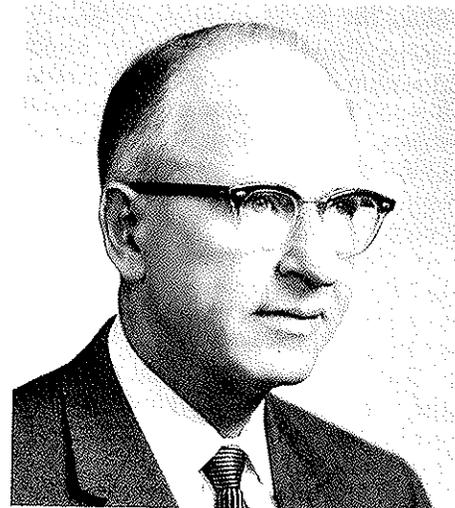
*(Cont. on page 455, col. 1)*

## Meet the New Asst. Commissioner, Licensing

Because of extensive coverage of new mortgage loan legislation in the June *Bulletin*, there was little space for a story on Harold H. Wells, newly appointed Assistant Real Estate Commissioner in charge of licensing, statewide.

The qualification for and issuance of real estate, business opportunity, mineral, oil and gas licenses and the registration of real property loan brokers has become a large operation warranting a single administrative head. Considering these circumstances, the commissioner has created this new post, naming Wells to fill it, with responsibility for administration of licensing from initial receipt of application through complete processing to issuance of license; correspondence regarding licenses; granting of fictitious business names; and—very important—preliminary investigation of license applicants in respect to their honesty, truthfulness and good reputation.

*(Cont. on page 453, col. 3)*



HAROLD H. WELLS  
Assistant Commissioner, Licensing

**REAL ESTATE BULLETIN**

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**DIVISION OF REAL ESTATE**  
STATE OF CALIFORNIA

EDMUND G. BROWN, Governor

W. A. SAVAGE

Real Estate Commissioner

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1015 L Street, Sacramento

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**Funds for State Schools Only!**

Expenditures from the Real Estate Education and Research Fund cannot be made for educational and research projects in private institutions of higher learning, according to a recent ruling by the State Attorney General.

In explanation, it was pointed out that the legislative act of 1956 confines the use of the Real Estate Education and Research Fund to the University of California, state colleges and junior colleges. This excludes private institutions from direct participation, states the opinion.

The request for the opinion was made by the State Real Estate Commissioner at the request of his real estate education and research advisory committee.

**DISCIPLINARY ACTION—APRIL, 1960, AND MAY, 1960**

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 April, 1960, and May, 1960**

| Name   | Address  | Effective date  | Violation  |
|--|--|---|--|
| Nessamar, Lawrence Aramis<br>dba Nessamar Realty Co.                           | Ste. 208, 211 S. Beverly Dr.,<br>Beverly Hills | 3/ 2/60   | Secs. 10176(c), (i); 10177(d),<br>(f); Secs. 2830 & 2831 of R.E.<br>Comm. Rules and Regulations                |
| Walshall, Forrest Nash<br>Real Estate Salesman                                 | 7289 17th St., Sacramento                      | 4/12/60   | Secs. 10176(g), (i) & 10177(f)   |
| Byron, Charles<br>Real Estate Salesman   | 3532 W. Imperial Hwy., Ingle-<br>wood          | 4/13/60   | Secs. 10177(b) & (f)   |
| Verhines, Dean Allen<br>Real Estate Salesman                                   | Apt. 9, 8811 Burton Way, Los<br>Angeles        | 4/13/60   | Secs. 10177(h) & (f)   |
| Salmi, Berta Margaret<br>Real Estate Salesman                                  | 1527 28th St., Sacramento                      | 4/21/60   | Secs. 10176(g), (i) & 10177(f)   |
| Salmi, Everett William<br>Real Estate Salesman                                 | 1527 28th St., Sacramento                      | 4/21/60   | Secs. 10176(g), (i); 10177(f) &<br>10302(c)  |
| Haley, Robert Preston<br>Real Estate Salesman<br>Business Opportunity Salesman | 1627 E. 14th St., San Leandro                  | 4/28/60<br>(Granted right to<br>restricted real es-<br>tate salesman li-<br>cense on terms and<br>conditions) | Secs. 10177(f), (l) & 10302(c)   |
| Minor, Robert Hill<br>Real Estate Broker                                       | 400 N. Wilmington, Compton                     | 5/ 3/60   | Secs. 10176(i); 10177(d), (f);<br>Secs. 2830 & 2831 of R.E.<br>Comm. Rules and Regulations                     |
| Weisberg, George Richard<br>Real Estate Salesman                               | 163 S. Fairfax Ave., Los Angeles               | 5/ 3/60<br>(Granted right to<br>restricted license)   | Secs. 10177(b) & (f)   |
| Parks, Cecil McNeill<br>Restricted Real Estate Broker                          | 2624 1/2 Wellington Rd., Los<br>Angeles        | 5/ 4/60<br>(Granted right to<br>restricted license<br>on conditions)  | Secs. 10177(a) & (f)   |
| Pekos, John Don<br>Business Opportunity Salesman                               | 7243 Richfield St., Paramount                  | 5/ 4/60   | Sec. 10302.6   |
| Anderson, Charles Stewart<br>Real Estate Broker                                | 2122 Market St., San Francisco                 | 5/ 9/60   | Secs. 10176(a), (i); 10177(f) & (l)  |
| Erickson, Clarence Elwood<br>Real Estate Salesman                              | 3716 E. Ashcroft, Fresno                       | 5/ 9/60<br>(Granted right to<br>restricted license<br>on conditions)  | Sec. 10177(f)  |
| Johnson, William Richard<br>Real Estate Salesman                               | Old South Fork Rd., Three<br>Rivers            | 5/ 9/60   | Secs. 10130, 10131, 10137 &<br>10176(c)  |
| Waddell, Theodore James<br>Real Estate Broker                                  | P.O. Box 91, Raymond                           | 5/ 9/60   | Sec. 10177(b)  |
| DeBock, Ernest Wesley<br>Real Estate Broker                                    | 1126 H St., Sacramento                         | 5/11/60   | Secs. 10176(a), (c), (i); 10177(d),<br>(f), (l); Secs. 2830 & 2832 of<br>R.E. Comm. Rules and Regu-<br>lations |
| Grossman, Alex Joseph<br>dba Founders Realty<br>Real Estate Broker             | Ste. 4, 16041 Ventura Blvd.,<br>Jencino        | 5/11/60   | Secs. 10176(a), (i) & 10177(f)   |
| Dupree, Gerald Ernest<br>Real Estate Salesman                                  | 5721 Grove St., Oakland                        | 5/17/60<br>(Granted right to<br>restricted license<br>on conditions)  | Secs. 10176(g), (i) & 10177(f)   |
| Neill, George Hertle<br>Real Estate Broker                                     | 13239 Riverside Dr., Sherman<br>Oaks           | 5/25/60   | Secs. 10177(b) & (f)   |
| Chaperon, William<br>Real Estate Salesman                                      | 2166 Market St., San Francisco                 | 5/26/60   | Secs. 10176(c), (i); 10177(b) &<br>(f)   |

**Licenses Suspended During April, 1960, and May, 1960**

| Name  | Address   | Effective date and term | Violation  |
|---|---|-------------------------|--|
| Engbersen, Herman Rowlee<br>Real Estate Broker<br>Real Estate Salesman                                    | 3197 Castro Valley Blvd., Castro<br>Valley; 850 Barker Ave., Hay-<br>ward | 4/ 2/60<br>60 days      | Secs. 10177(f) & (l)   |
| Firestone Home Sales, Inc.<br>John Frederick Firestone,<br>President                                      | 6037 Woodman Ave., Van Nuys   | 4/ 5/60<br>45 days      | Secs. 10177(d); 11012 & 11013.2<br>(a); Sec. 2811 of R.E. Comm.<br>Rules and Regulations |
| Firestone, John Frederick<br>Real Estate Broker   | 6037 Woodman Ave., Van Nuys   | 4/ 5/60<br>45 days      | Secs. 10177(d); 11012 & 11013.2<br>(a); Sec. 2811 of R.E. Comm.<br>Rules and Regulations |
| Webb, Robert Houston<br>Real Estate Broker  | 1500 Russell St., Berkeley  | 4/11/60<br>60 days      | Secs. 10176(a), (b), (i) & 10177<br>(f)  |
| Lammey, John William<br>Restricted Real Estate Salesman   | 1131 W. Manchester, Inglewood   | 4/12/60<br>30 days      | Secs. 10177(b) & (f)   |
| Matthews, Vivian Evelyn<br>Real Estate Salesman   | 198 Sir Francis Drake Blvd., San<br>Anselmo                               | 4/27/60<br>60 days      | Secs. 10176(a), (i) & 10177(f)   |
| Abouaf, Sam<br>dba Solano Realty & Investment<br>Co.<br>Real Estate Broker<br>Business Opportunity Broker | 633 Tuolumne St., Box 49, Val-<br>lejo                                    | 5/ 1/60<br>30 days      | Secs. 10176(a), (i); 10177(c),<br>(f); 10302(c) & (f)                                    |
| Howard, Harvey Clemen<br>Real Estate Broker   | 2074 Newport Ave., San Jose   | 5/ 4/60<br>15 days      | Secs. 10176(a), (i) & 10177(f)   |

(Cont. on next page)

## Appellate Court Sustains 30-day Suspension

Usually when a salesman suffers a suspension of his license for 30 days, he will make a few explanations to his boss and to his fellow workers—remarks either sheepish or of the “I was robbed” nature—clean up his desk and go off on a month’s vacation. Not so in the case here reported. In this case a salesman’s license was suspended for 30 days on a charge of making a substantial representation and making false promises “of a character likely to influence, persuade or induce.”

Judging from the record, this salesman felt he had been treated unjustly. In a superior court action, he asked that the order of suspension be set aside. The judge denied his plea. He then took the case to the district court of appeals, where the order of suspension was again upheld. So finally the suspension became effective, as the Supreme Court would not entertain the matter.

### Sells New Home in Subdivision

The first link in this chain of legal action and reaction was forged several years ago when our salesman sold a new home in a subdivision. The purchasers inquired about an unsightly building near the house they were buying. The salesman allegedly said that the old structure would be torn down or remodeled.

Time went by and still the old house remained, becoming more dilapidated, if anything. Finally, the purchasers of the new home complained to the real estate commissioner; an accusation was filed against the salesman; and, after hearing, the commissioner signed an order suspending the license for 30 days.

In the hearing, the salesman denied having made any representations about the old building, and it was his word against the purchasers because the testimony of another purchaser in the

tract, to the same effect as that of the complainants, was ruled inadmissible as hearsay.

However, the hearing officer, and later the courts, took into account the fact that the purchasers were buying a new house in a new tract in which a single antiquated house remained standing. This lent credence to their testimony that they sought assurance from the salesman that the building would be demolished and that they bought under this assumption.

### Actionable Deceit

In its decision, the court summarized and quoted from other cases, quotes which bear pondering by any agent:

*“To be actionable deceit, the representation need not be made with knowledge of actual falsity, but need only be an assertion, as a fact, of that which is not true, by one who has no reasonable ground for believing it to be true.*

*“If one makes material false statements to another to induce him to buy an article and which do induce him to buy to his injury, the defrauding party, either knowing them to be untrue, or believing them to be true but having no sufficient ground for such belief, will not be protected from liability for his fraudulent conduct by the fact that he did not intend to deceive the other party.”*

## Discount Brokers: Fund Care Outlined

As recounted in the last issue of the *Bulletin*, emergency 1960 legislation was enacted regulating activities of real property loan brokers who specialize in the sale of discounted trust deeds or mortgage notes. Some “discount brokers” have asked for clarification as to just how they should handle funds received by them under specified conditions.

**Under applicable law and regulations, the discount broker must adhere to the following rules for safeguarding funds entrusted to him:**

(1) *Funds received for the purchase of notes secured by deeds of trust:* Such funds are to be deposited in an independent licensed escrow until the purchaser of, or lender on, the trust deed approves or disapproves the Discount Broker’s Statement furnished to him by the discount broker;

(2) *Moneys collected by discount broker and credited to an investor’s account for future reinvestment in notes secured by deeds of trust:* Such moneys are also to be deposited in a neutral escrow;

(3) *Moneys collected by a discount broker in servicing clients’ trust deeds and notes (collections of payments—interest and principal):* Such moneys, if not immediately turned over to the client, shall be deposited in a trustee account and transmitted therefrom to the investor.

## DISCIPLINARY ACTION—Continued

| Name  | Address   | Effective date and term  | Violation  |
|---|---|--|--|
| Scarlati, Michael Guy<br>Real Estate Broker<br>Business Opportunity Broker                              | 837 San Bernardino Ave., Pomona   | 5/4/60<br>one year<br>(Last six months stayed on terms and conditions) | Secs. 10160, 10162, 10164; 10177 (d), (f); 10283, 10285, 10287; 10302(d), (e); Secs. 2771 & 2772 of R.E. Comm. Rules and Regulations |
| Jones, Laybon<br>dba Laybon Associates<br>Real Estate Broker<br>Real Estate Salesman                    | 4119 Foothill Blvd., Oakland;<br>2554 24th Ave., Oakland                  | 5/12/60<br>60 days   | Secs. 10176(a), (b), (f) & 10177 (f)   |
| Frankfort, Milton Samuel<br>Restricted Real Estate Broker   | 3928 Wilshire Blvd., Los Angeles  | 5/13/60<br>(Indefinitely)  | Sec. 10156.7   |
| Riley, Arthur<br>Restricted Real Estate Salesman  | 5273 E. Beverly Blvd., Los Angeles  | 5/20/60<br>30 days   | Sec. 10177(f)  |
| Johnson, James Edward<br>dba Financial Center Realty<br>Member, J. E. Woods & Co.<br>Real Estate Broker | Rm. 202, 145 Montgomery St., San Francisco<br>583 Eddy St., San Francisco | 5/17/60<br>30 days   | Secs. 10176(e), (g); 10177(d), (f), (j); Secs. 2830 & 2832 of R.E. Comm. Rules and Regulations                                       |

### LICENSE NUMBERS

Your license identification number is the black number in the right-center of your license. The red number, across the left end, is an audit number for clerical purposes.

When communicating with the Division on license matters, please make reference to license identification number.

### WHOOPS—WRONG NUMBER

The telephone number for the Oakland District Office is TE mple-bar 4-3460, Extension 236.

## The Court Decides The Case of the Deed in Blank

Although the following case did not involve a license, it does have many aspects which are of interest to anyone engaging in real estate transactions either as an agent or a principal.

A District Court of Appeal considered evidence which showed that A signed, among other papers in blank, a quitclaim deed which she gave to her Attorney B, on his advice that it would facilitate the sale of a certain one of several pieces of property she had acquired upon the death of her husband. Attorney B then filled in the deed with a description of one of the other properties owned by A and this property was in effect quitclaimed to the Attorney's secretary.

The secretary deeded the property to an innocent purchaser, C, who as part of the consideration gave back notes secured by a trust deed naming Attorney B as "trustee". In the course of time, the purchasers paid off the note, making the payments directly to the attorney who did not account to A, his client. Not for more than two years did A find out about the transaction, whereupon she brought action to quiet title to the property; in other words, to vest title indisputably in her.

### *Court's Findings*

The Appellate Court upheld the decision of the Superior Court finding for A—in effect restoring undisputed title to her. The court cited the weight of authority to the effect that "a deed executed in blank is void and passes no title." The court also stated it has been definitely decided that under the California Statute of Frauds the name of the grantor or grantee or a description of the property cannot be inserted by an agent for the grantor in the absence of the latter unless the agent's authority to do so be specified in writing. If the authority of the agent is not in writing, his insertion of the name of grantor or grantee, or the description of the property does not create an instrument which can pass title.

The court further discussed the point that an innocent purchaser—in our case, C—taking a void instrument may find protection in the doctrine of estoppel where circumstances are presented which establish negligence or some other misconduct by the other party which contributed to the loss.

### *Elements of Estoppel*

However, the court pointed out four things essential to the application of the doctrine of equitable estoppel:

- (1) The party to be estopped must know the facts;
- (2) He must intend that his conduct shall be acted on or must so act that the party asserting the estoppel has a right to believe it is so intended;
- (3) The latter must be ignorant of the true facts; and
- (4) He must rely on the former's conduct to his injury.

*(Cont. on page 455, col. 3)*

## WATER...

### State Department Gives Story of Thirsty Land

Available free to those in the real estate field from the Department of Water Resources is a series of mimeographed bulletins entitled "California Water Development Program—Problems and Benefits."

The mimeographed information bulletins contain population projections, and industrial, urban, agricultural and recreational land development potentials in areas to be served by the State's Feather River and Delta Diversion Projects. Work already is under way on some phases of the water development system.

The water resources reports also outline predicted new job and business opportunities resulting from construction of the projects. Areas covered in the department's "Problems and Benefits" series include San Joaquin Valley, Sacramento Valley, San Francisco Bay (both north and south), Delta, City

## Investment Opportunity Widened By FHA

FHA administrative regulations have been amended to permit members of the general public to purchase FHA mortgages or trust deeds insured under Section 203(b) of the National Housing Act and secured by a one to four family property. The principal purpose of the amendments is to widen the market for FHA insured loans to include individuals and organizations attracted by the safe, readily negotiable investment bearing an attractive yield, thus making more mortgage money available.

The amended regulations approve individuals and organizations as investing mortgagees and allow such investors to acquire one or more mortgages insured under Section 203(b) of the National Housing Act from sponsoring mortgagees or other investing mortgagees. The approval by regulation eliminates any need for FHA to take approval action on the separate transactions.

The regulations do not permit the investing mortgagee to initiate or service FHA insured mortgages.

Approved mortgagees, as sponsoring mortgagees, are authorized to sell insured mortgages to investing mortgagees but must continue to be responsible to the FHA for compliance with the provisions of the insurance contract, including payment to FHA of all charges, fees and premiums, exactly the same as if the insured mortgages were held in their portfolios. A reasonable fee may be charged the investor by the sponsoring mortgagee for the sale and servicing of such mortgages.

of San Francisco, coastal Southern California, interior Southern California and Central Coast (San Luis Obispo-Santa Barbara).

Any of the above bulletins, or the complete set, may be obtained from: Public Information Section, Department of Water Resources, 1120 N Street, Sacramento, or Information Officer, Department of Water Resources, 1100 South Grand, Los Angeles 15.

# They Helped Build California

By COY SANDERS, Deputy

As this *Bulletin* hits your desk, the eyes of Californians will still be blurred and their eyes still athrob from remembered sights and sounds of political conventions, and one of the most vivid of those memories will be the praise heaped by speaker after speaker upon our founding fathers for their matchless contributions to our present well-being. This is good, because it is only through proper recognition of past struggles that we may accurately appraise present achievement and intelligently plan for a creative future.

This is not just a political phenomenon; it is true of every area of human endeavor. That it is particularly applicable to the real estate field is indicated by recent correspondence received from and about the founding fathers of the profession in this State.

## Pioneer's Tales

One old-timer whose line of continuous experience extends back to those wide open days just after the turn of the century when he handled properties in major city locations, which would now command astronomical prices, speaks of commissions by saying, "We always got along as well as we could to suit the occasion and circumstances." One of those occasions, which might be of particular interest to present day novice salesmen, who are surprised to find out that a "Deposit Receipt" does not necessarily refer to money in the bank, involved the receipt of a "fine shotgun" and a \$300 note in payment for the consummation of a rather complicated property transaction.

Another distinguished pioneer looks back to 1907 when he began a long uphill fight against great odds trying to sell lending institutions, chambers of commerce, and investors generally, upon the advantages of industrial development in California.

Yet another sends pictures and accounts of 1911 subdivision promotions in Southern California characterized by free transportation, free lunches, and two salesmen to every client. If you had a car, money enough to buy a tankful of gas, and a third cousin as a possible purchaser, you were in business—at least for one trip!

## In The Beginning

There was no real estate law in those days; no Division of Real Estate with its statewide licensing and regulatory program; boards and trade associations were not organized to service every specialized real estate field; there were no shelves full of authoritative volumes of instruction and resource material available at libraries or from publishing houses; no university and college courses in real estate subjects. Under these circumstances, it is exceedingly difficult to conceive of the tremendous determination and creative imagination these old-timers must have had, starting with so little, leaving so much.

In small recognition, we list some of their names in successive *Bulletins* as a symbol of our appreciation to all of them. **A far more effective tribute would be the increased dedication of every California licensee to his continued growth through study, research and practice which should establish him, beyond all question, as a professional and his calling of real estate as a profession. As these pioneers dreamed, so may we achieve!**

## MORE OLD-TIMERS

Eugene H. Cordary  
7662 Genesta Avenue, Van Nuys  
C. R. L. Crenshaw  
1856 S. Curson Avenue, Los Angeles  
C. E. Culberson, Jr.  
4342 Oakwood Avenue, La Canada  
W. H. Daum  
600 E. Eighth Street, Los Angeles  
Samuel M. Dudlext  
31280 Yucaipa Blvd., Yucaipa  
L. J. Durnerin  
1043 S. Genesee Street, Los Angeles  
Ralph H. Ensign  
412 W. Sixth Street, Los Angeles  
Frank H. Evarts  
2749 Stoner Avenue, Los Angeles

## Assistant Commissioner, Licensing

(Cont. from page 449, col. 2)

In his capacity as assistant real estate commissioner, Mr. Wells is a member of the division's executive committee, which meets each month to review all phases of the division's activities and makes recommendations to the commissioner on matters of policy and procedure. He is also called upon to advise the State Real Estate Commission on matters within his province.

Let's take a look at the new assistant commissioner, who, incidentally, has just completed 25 years of service in the Division of Real Estate. Since 1953 he has been in charge of the division's licensing operation in Sacramento. Previously he was deputy-in-charge of the Oakland office, transferred there from his duties as a deputy in the Sacramento office where he had been cashier and accounting officer.

Hal Wells, Sacramento born, was educated in the schools of that city, including Sacramento City College. Over the years he has taken a number of special courses in accounting, real estate, government, and management.

## MERITORIOUS SERVICE

The Commissioner calls attention to the unique contributions of Mr. George R. Pena of the San Francisco District Office toward the improvement of procedures in the Division of Real Estate and other state agencies. First, let it be explained that the State of California maintains a merit award system under which state employees are invited to submit suggestions for improvements in operations and procedures calculated to save time, materials and costs.

Mr. Pena, who came to the Division of Real Estate in 1956, is among the top dozen out of all the thousands of state employees in number of merit award suggestions made. His ideas have won him seven monetary awards and five commendations from the State Merit Award Board for meritorious achievement in state service.

## State of California Offers for Sale

5,214—ACRES  
LASSEN COUNTY

Located just off Hwy. 395 approximately 40 miles north of Susanville in and around the town of Madeline—consisting of three parcels.

1. 3,440 A—Madeline Plains Waterfowl Management Area
2. 1,774 A—Tule Lake Reservoir
3. Two lots—in the Town of Madeline

Entire offering to be sold as a single unit.

Minimum acceptable offer  
\$110,000.00

Sealed bid opening 4:00 P.M.  
P.S.T. Sept. 30, 1960

Address inquiries to:

Property Acquisition Division  
Department of Finance  
1420—Ninth Street  
Sacramento 14, California  
Phone: HI 5-4711 Ext. 2725

## Decisions—What Does the Professional Man Say?

(Courtesy the South Bay Board of Realtors)

Decisions—all of us must make decisions during our daily experiences. Many are mighty important, and the effects of them influence many people and are far reaching.

For example: We who are in the real estate business inevitably come face to face with a situation where we must make a vitally important decision; we must answer this question: "Would I rather make a fast buck off this man or woman or have his continuing confidence in and good opinion of me as a Realtor?"

Another example: "Am I going to allow every Tom, Dick and Mary to hang their licenses in my office just because I know their uncle or they cut my hair or sell me choice meat or fix my punctured tire?"

Another example: "Am I going to instruct, control, educate, guide, assist, and encourage my sales staff that they all may render a better service for my clients? Or am I going to run my office the easy way and let some of

these uninformed persons run loose around town and inflict careless, sloppy, unethical, downright harmful practices upon the public; the public who is being ASKED to DEPEND upon brokers; the public led to believe that brokers are reliable and trustworthy?"

One more: Am I going to permit my salespeople to say to the property owner—"You listed your home with Joe Doe for ONLY that much?—why if you had given it to me I would have gotten \$2,500 more!" Or—"If you list your property with us, we have an all-cash buyer hiding down the street just ready to grab your home!"—or—"THAT office—they're too SMALL to give you real service—or—THAT office, they're too BIG to give you individual service!"—or—ad infinitum and ad nauseam!

Decisions—how good are ours? How sensible? How just? Where are they leading the real estate profession and YOU?

## License Examinations

The Examination Section reports that 8,917 license applicants failed examinations in 1959. The table below shows the failure rate trend of the past few years. In the table, broker and salesman license examinations are lumped together, being classified only as examinations for "original" or "renewal" license. Limited real estate salesman license examinations are set forth separately, as the tests for this license have traditionally not been very exacting.

Percentage of Failures

| Type of Examination       | 1957  | 1958  | 1959  |
|---------------------------|-------|-------|-------|
| Original .....            | 20%   | 24%   | 25%   |
| Limited .....             | 2%    | 6%    | 10%   |
| Renewal .....             | 17%   | 22%   | 25%   |
| Total Examinations Failed | 4,380 | 6,684 | 8,917 |

More than 36,000 license examinations were administered by the division last year. Indications are that 1960 will see this figure soar to more than 40,000.

## Listings and Values

**COMMISSIONER'S COMMENT:** The following brief article adapted from "The Riverside Realtor" spotlights, is seems to me, a reprehensible and extremely nonprofessional practice—that of taking a listing for the listing's sake, without apparent thought of its salability. To the points mentioned in the article, I should like to add this: The practice leads to false and confusing concepts of value in a community, with consequent damage to public and licensees alike.

A good listing has been defined as one that with skilled effort "will sell within a reasonable time at the price and terms at which it is offered."

Frequently, half the property on the market isn't for sale—really for sale, that is, in the accepted meaning of the term. It is listed but only because some salesman has sought a listing, and agreed to take it at an unrealistic figure.

It is most important that the listing be taken at a figure honestly and conscientiously close to its true worth.

**FHA REPORTS . . .**  
FHA has no requirement that you must be in a certain age group or have a specified amount of income to obtain an FHA-insured mortgage for the purchase of a home. FHA determines each applicant's eligibility individually on the basis of his particular circumstances.

The salesman can then be proud to offer it to any customer and feel as certain as possible that real service is being rendered; service in speeding up the sale for the seller (honestly priced homes sell faster) and service to the buyer, who knows the agent either is qualified to set the price or has sought and perhaps even paid for an impartial opinion in having it set.

Remember, you have a duty to both seller and buyer—to sell the property for the owner and find property for the buyer which is not overpriced. Explain this to the seller and if he really wants to sell, you will get the listing priced right.

## Certificate Program

(Cont. from page 449, col. 3)

Certificate in Real Estate is awarded by University Extension. In the larger communities in the State, a person is able to earn a certificate in two years by enrolling for two courses each term. The curriculum leading to the certificate includes three groups.

All of Group I must be completed; two courses must be elected from Group II, and the eighth course may be elected from Group III. The aspirant for the certificate must complete each course with a grade of at least "C".

### Northern Area Real Estate Certificate Courses

#### Group I

Trends and Factors Influencing  
Real Estate  
Real Estate Practice  
Legal Aspects of Real Estate  
Real Estate Finance  
Principles of Real Estate Appraisal

#### Group II

Advanced Real Estate Appraisal  
Property Management  
Commercial and Investment Properties  
Essentials of Residential Design  
and Structure

#### Group III

Real Estate Exchanges and Taxation  
Brokerage Administration and Procedures  
Urban Renewal  
Estimating for Residential Construction  
Estimating for Light Commercial  
Construction  
City and Regional Planning

### Southern Area Real Estate Certificate Courses

#### Group I

Trends and Factors Influencing  
Real Estate  
Real Estate Practice  
Legal Aspects of Real Estate  
Real Estate Finance  
Principles of Real Estate Appraisal

#### Group II

Advanced Real Estate Appraisal  
Property Management  
Commercial and Investment Properties  
Essentials of Residential Design  
and Structure

#### Group III

Real Estate Exchanges and Taxation  
Brokerage Administration and Procedures  
Construction Cost and Estimating  
City and Regional Planning

## NEVADA TOUGHENS LICENSE REQUIREMENTS

Completion of an accredited course in real estate principles, practices and ethics, or one year's experience as a salesman is now required of the applicant for real estate broker license in Nevada.

## "Automation" Comes To Examinations

In the near future, candidates for original license will be writing their examinations on answer sheets which will be mechanically scored. With the number of license examinations steadily and rapidly increasing, their volume has reached a point justifying application of mechanical scoring methods of the type widely used in secondary schools and colleges, civil service tests and testing in military centers throughout the country.

The Examination Section of the Division of Real Estate is presently revising examinations for original real estate salesmen and broker licenses and for limited real estate salesman license, making all questions objective in type without material change in the subject matter. When the new tests go into use, the candidate will be handed a booklet containing the questions for each of which four or five possible answers are given—one of which is correct. The examinee will not mark his answers in the examination booklet—a separate answer sheet is used for that purpose. On the sheet, using a special marking pencil provided by the proctor, the examinee will indicate by a mark in the appropriate column his selection of the correct answer out of the several alternatives given.

### Graded in Sacramento

The answer sheets will be identified, collected and forwarded to Sacramento where each is run through an IBM data processing machine. The first run-through tallies the number of correct answers. Double checking, the answer sheet again goes through the machine, which this time records the number of incorrect answers and the score is then computed. Further checks inherent in the process assure that examinees will not be penalized for purely mechanical errors.

The same system will later be applied partially to the examinations for renewable license. The new procedure should result in more rapid and economical handling of examinations with earlier notification of results.

## Deed In Blank

(Cont. from page 452, col. 2)

The trial court found no active negligence on the part of A, who had relied upon the advice of her attorney; hence judgment in favor of A was affirmed by the District Court of Appeal.

The court apparently sympathized with the position of the innocent purchaser, C, taking occasion to remark that he is not without adequate remedy at law and could "seek recourse against the fraudulent defendants who occasioned (his) loss."

**Commissioner's Comment:** Had the party presumably handling A's affairs in this case been a licensee, action would, of course, have been brought against his license. Among charges would have been violation of Section 2900 of the Commissioner's Regulations, which provides "... No licensee shall solicit, accept or execute any contract, writing or other document relating to a real estate transaction or escrow in connection therewith, which shall contain any blank to be filled in after signing or initialing such contract, writing or other document."

### Salesman Experience Must Be Completed and Verified

Most applicants for real estate broker license rely on experience as real estate salesmen for qualification. In this case, the applicant must have completed at least two years of full-time work as a licensed salesman and this experience must be verified. Until these requirements are met, the application will not be processed and the applicant will not be scheduled for examination. Some salesmen submit broker license applications before completion of the requisite 24 months of full-time real estate experience in the mistaken belief that this will hasten their licensing as brokers. Actually, such an attempt to shortcut gains nothing, resulting only in unnecessary correspondence.

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## MORTGAGE LOAN AGENT HELD GUILTY OF UNLICENSED ACTIVITY

In January of 1959, a real estate broker lost his license for failure to disclose his mortgage loan records upon official request. Subsequently, it came to light that he was, although now unlicensed, apparently acting as a loan broker, utilizing as a base of activity the office of a properly licensed real estate broker. To complicate the situation, his wife was a licensed salesman employed by the broker whose office he was using.

A criminal complaint was filed in the Los Angeles Municipal Court, charging the broker with operating without a license and further charging the broker, whose office was being used, with aiding and abetting the illegal action.

The case came on for trial June 22, 1960, at which time both the ex-broker and the broker charged with abetting submitted their cases on the record. The court found the ex-broker guilty of operating as a loan broker without a license and sentenced him to 90 days in jail suspended, probation for one year, conditioned on abstention from any violation of the Real Estate Law and payment of a \$100 fine. The case of the real estate broker involved in the action was referred to the probation division for report and sentencing at a later date.

## Recording Trust Deeds: Regulation Changed

Section 2849.2 of the Commissioner's Regulations has been amended by striking out the last sentence, which required the real property loan broker to record a trust deed prior to selling it or entering into an agreement to sell it.

The regulation, which was adopted as a result of urgency 1960 legislation relating to activities of mortgage loan brokers, remains unchanged otherwise. It still specifies maximum times allowed for recordation of trust deeds or assignments by loan brokers.

### MOVED LATELY? WHAT ABOUT YOUR OLD SIGNS?

In checking addresses and offices of licensees, it is often found that a broker has moved to a new location, but failed to remove his name and sign from the old office which may be vacant.

A broker's name and sign on an abandoned or vacant office can give the public a very poor impression. It may lead to the belief that he has failed in business or has simply folded up and moved away. It would seem to be only good business practice to remove all personal identification from a vacated office or building.

## Purchasing Subdivision Lots for Resale?

You may be required to notify the Real Estate Commissioner if you buy subdivision lots for resale. More specifically, you are required to file if you acquire a block of five or more lots for purposes of resale—improved or unimproved. This is so even though the entire subdivision was previously filed and reported on by the commissioner. The reason for this is that the commissioner regulates the sale or lease of subdivided land, not the dividing itself.

If there has been a recent complete filing on the subdivision, usually all one needs to do is file a simple statement called a "Five Lot Letter." This statement puts you on record as to the conditions under which you propose to resell the lots. Usually no fee is required and, if there are no material changes from the original filing other than title, the previously issued subdivision public report may be used.

A case is before the commissioner at the present time which illustrates the importance of notification. A broker who did not file is not only in danger of losing his license, but is being sued for misrepresenting the filled ground condition—a situation which might well have been avoided if the proper procedure had been followed.

If in doubt about any procedure concerning the sale or division of properties contact the Division of Real Estate.