



REAL ESTATE

Bulletin

GOODWIN J. KNIGHT, *Governor*

September-October 1958

F. W. GRIESINGER, *Commissioner*

Convention Time

Spotlight on San Francisco For Two Real Estate Conventions

Not one but two of the largest real estate conventions in the Nation are scheduled for San Francisco in November. The City by the Golden Gate will be the setting for the annual conventions of the California Real Estate Association and the National Association of Real Estate Boards. The CREA convention opens on Thursday, November 6th, closing November 8th. Then starts the NAREB conclave with some meetings on November 8th and general sessions beginning Monday, November 10th. The new California Masonic Memorial Temple on Nob Hill, just completed at a total cost of over \$6 million will be the site of the general session meetings of both the CREA and NAREB conventions.

The purpose of the conventions is to inform the real estate industry of business and practice trends and of the experiences and problems met and solved by specialists within the general field of real estate.

Two well-known speakers will ad-
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CONVENTION DATES

54th Annual Convention
CALIFORNIA REAL ESTATE
ASSOCIATION

November 6-8, 1958

51st Annual Convention
NATIONAL ASSOCIATION
OF REAL ESTATE BOARDS

November 8-13, 1958

License Law Officials Confer in San Francisco

The National Association of License Law Officials (NALLO) gathers for its annual conference this year in San Francisco, November 5th through 8th. Real estate commissioners and administrative officers from 48 states (including the new state of Alaska), the Territory of Hawaii and the Province of Ontario, Canada, will pool their experience and future plans to provide better administration and enforcement of real estate license laws.

On the association's agenda for discussion will be the efforts on a nationwide scale, to deal with unlicensed advance fee operators; the improvement of license examinations and other qualification requirements; the encouragement and expansion of real estate educational programs; and the recent court cases affecting the real estate industry.

The license law officials plan to take time off from their heavy schedule of conference business for a trip to Sacramento to inspect the principal office of the California Division of Real Estate, the largest agency of its kind in the Nation.

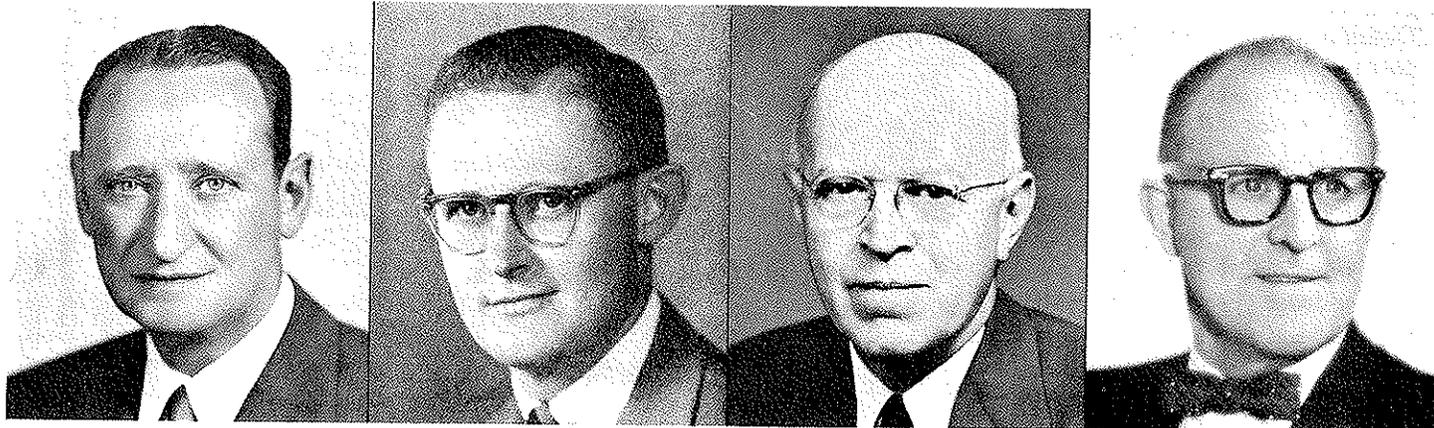
Country's Real Estate Leaders Gather at San Francisco for Conventions

Robert W. Semenow
Secretary-Treasurer, NALLO

William F. Swanson
President, NALLO

H. Walter Graves
President, NAREB

Clive Graham
President, CREA



REAL ESTATE BULLETIN

Official Publication of the
California Division of Real Estate

September-October, 1958

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DIVISION OF REAL ESTATE

STATE OF CALIFORNIA

GOODWIN J. KNIGHT, Governor

F. W. GRIESINGER

Real Estate Commissioner

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INACTIVE?

PROTECT YOUR LICENSE!

Are you an inactive licensee or do you contemplate inactivating your license? If so, make sure the Division of Real Estate has your correct current address. A license can be inactivated upon request by the licensee and an inactive license certificate furnished upon payment of a \$1 fee. An inactive licensee upon changing mailing address should notify the division so that its records will reflect the new address. (Fee for change of address \$1.)

DISCIPLINARY ACTION—JUNE, 1958, AND JULY, 1958

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 JUNE, 1958, AND JULY, 1958

Name	Address	Effective date and term	Violation
Lyon, Arthur Edward Jr. Real Estate Salesman	368 Bush St., San Francisco	6/ 2/58	Secs. 10177 (b) & (f)
Mugatroyd, Ruth Marguerite Real Estate Salesman	511 Fourth St., San Rafael	6/ 5/58 (Granted right to restricted license)	Secs. 10177 (b) & (f)
Collins, George Woodrow Real Estate Salesman	1505 E. Johnston Ave., Hemet	6/ 6/58	Secs. 10177 (a) & (f)
Boericke, Arthur Thacher Real Estate Broker	980 Sutter St., San Francisco	6/16/58 (Granted right to restricted license on conditions)	Secs. 10176 (e), (i); 10177 (d), (f); Secs. 2830 & 2832 of R. E. Comm. Rules and Regulations
Powell, William Gray Real Estate Salesman	Hwy. 50 & Lodi St., Tahoe Valley	6/27/58	Sec. 10177 (f)
Barr, Samuel dba Barr Realty Co. Real Estate Broker Business Opportunity Broker	1624 Crescent Pl., Venice	7/ 1/58 (Granted right to restricted licenses)	Secs. 10165, 10176 (a), (i); 10176.1; 10177 (d), (f), (j) & 10302 (e)
Degley, Frank Ester dba Degley Realty Co. Real Estate Broker Business Opportunity Broker Member of Degley & Smith Realty Co.	900 American Ave., Long Beach and 2730 University Ave., San Diego	7/15/58 (Granted right to restricted licenses on conditions)	Secs. 10177 (d), (f) & 10302 (e)
Ahumada, Raymond Santos Real Estate Salesman	249 A W. Pomona, Monterey Park	7/22/58	Secs. 10177 (d), (f) & 11020
Ronistal, Katherine Lincoln Real Estate Salesman	8131 Bridgeport, Anaheim	7/22/58	Secs. 10176 (a), (i) & 10177 (f)
Matteson, Margaret M. Real Estate Broker	5253 S. Figueroa St., Los Angeles	7/25/58	Sec. 10177.6
Johnson, Earl Wellington, Sr. Sec.-Treas. of B.W.J. Mortgage Inc. dba Earl Johnson & Associates Real Estate Broker	13183 Van Nuys Blvd., Pacoima	7/30/58	Secs. 10176 (i); 10177 (d) & (f)
Delacroix, Stephen Joseph Real Estate Salesman	1754 W. 25th St., Los Angeles	7/31/58	Sec. 10177 (b)

LICENSES SUSPENDED DURING JUNE, 1958, AND JULY, 1958

Name	Address	Effective date and term	Violation
Brown, Jo Ann Real Estate Salesman	519 Laguna St., San Francisco	6/ 4/58 60 days	Secs. 10176 (a), (i) & 10177 (f)
Mize, Harvey Leon Real Estate Broker Business Opportunity Broker	1842 Washington Way, Venice	6/ 4/58 10 days	Secs. 10176 (a), (i); 10177 (f) & 10302 (e)
Humphrey, Samuel Real Estate Broker Business Opportunity Broker	300 S. Kenmore Ave., Los Angeles and 2819 Silva, Lake-wood	6/ 6/58 15 days	Secs. 10177 (d), (f) & 10302 (c)
Bentley, William Francis, Jr. Restricted Real Estate Salesman	12835 Burbank Blvd., North Hollywood	6/20/58 30 days	Secs. 10177 (d) & (f)
McCord, William Franklin Real Estate Salesman Business Opportunity Salesman	3981 Wilshire Blvd., Los Angeles	6/30/58 60 days	Secs. 10177 (f); 10301 (a), (b) & 10302 (e)
Shrage, Jerome Joel dba New Frontier Realty Real Estate Broker	5810 Pearlblossom Hwy., Palm-dale	7/ 1/58 15 days	Secs. 10141, 10176 (a), (g), (i) & 10177 (f)
Erickson's Real Estate Clarence E. Erickson—Re-stricted Member Real Estate Corporation Restricted Business Opportunity Broker	1575 Draper St., Kingsburg	7/ 8/58 Indefinitely	Secs. 10156.7 & 10279.7
Burnett, R. Clarice Restricted Member Erickson's Real Estate	1575 Draper St., Kingsburg	7/ 8/58 Indefinitely	Secs. 10156.7 & 10279.7
English, Leland Sterling dba Lee English Real Estate Broker Business Opportunity Broker	806 Turquoise St., San Diego	7/10/58 15 days (Stayed for 1 year)	Secs. 10177 (f) & 10302 (e)
Hough, Charlotte Marie Real Estate Salesman	6837 Espanita, Long Beach	7/15/58 10 days (Stayed for 1 year)	Secs. 10177 (d) & (f)
Gagne, Jeannine Marie Real Estate Salesman	2016 15th St., Sacramento	7/16/58 30 days	Secs. 10177 (d) & (f)
Jessen, Andreas Peter Restricted Real Estate Broker Restricted Business Opportunity Broker	3153 Geary Blvd., San Francisco	7/16/58 180 days	Secs. 10177 (f) & 10302 (e)
Niday, Raymond Sr. dba Niday Realty Co. Real Estate Broker	1472 E. Tulare St., P.O. Box 411, Tulare	7/22/58 10 days	Secs. 10176 (i); 10177 (d), (f); Secs. 2830 thru 2832 of R. E. Comm. Rules and Regulations

California's Population in 1958

. . . State's Growth is 562,000 in Past Year . . .

California's estimated total population at mid-year was 14,752,000, an increase of 562,000 or 4 percent over July 1, 1957. These estimates were presented in the State Department of Finance's annual mid-year population report.

Since April 1, 1950, the State has added 4,166,000 people to its resident rolls and the 10-year gain to 1960 is likely to reach 5,000,000.

Births during 1957 established a record for the eighth consecutive year—350,559 with 123,940 deaths. The mortality rate equaled the all-time low first reached in 1954—8.7 deaths per 100,000 population. Civilian migration

Between 1950 and 1958, the number of new residents added was as follows:	
Number	Area
2,021,000	Los Angeles Metropolitan Area
811,000	San Francisco Bay Region
387,000	San Diego Area
285,000	Southeastern Part of the State
212,000	Sacramento Valley
206,000	San Joaquin Valley
244,000	Remainder of the State

millions today, California appears destined to grow to a state with more than 22 million residents by mid-1970. Large scale gains are expected to continue both in migrants and numbers added through natural increase.

Estimates of future population growth from 1959 to 1970 see annual gains in civilian population to exceed one-half million, increasing to more than 700,000 a year by 1970. These projections are based on the assumption that California's economic condition will reflect steady growth throughout the period. However, no boom comparable to the recent 1955-1956 expansion is anticipated in these figures.

COMMISSIONER'S MESSAGE

Over the past 18 months the Real Estate Commissioner has had the opportunity to meet with various groups of licensees throughout the State, enabling him to give a personal report of his policies, of the responsibilities of his office and of the functioning of the agency which he heads. Generally real estate boards have sponsored these meetings because they are organized to arrange and publicize them on the local level. However, the commissioner would welcome the opportunity to meet with and to talk to all interested licensees if practical means to do this could be arranged.

The commissioner would like all licensees to know it is his earnest wish to communicate personally his official message on as broad a scale as possible. If any of you have suggestions of how such meetings may be arranged and will write to the commissioner, he will give your ideas his personal attention.

accounted for 322,000 new residents, a moderate decline from the 385,000 of the 1956-57 period. Immigration—the movement of people into California—is at a higher volume today than at any time from the end of World War II to the last quarter of 1956. With the recession assumed to have touched bottom, civilian migration is expected to remain over 300,000 in the years ahead.

Looking to the Future

From a population of about 14¼

. . . In 1846 Pio Pico, the last Mexican Governor of California, lamented: "We find ourselves suddenly threatened by hordes of Yankee emigrants, who have already begun to flock into our country, and whose progress we cannot arrest. Already have the wagons of that perfidious people scaled the almost inaccessible summits of the Sierra Nevada, crossed the entire continent, and penetrated the fruitful valley of the Sacramento. What that astonishing people will next undertake, I cannot say; but in whatever enterprise they embark they will be sure to prove successful." . . .

Hearing by Senate Committee on "Advance Fee Racket"

U. S. Senators sitting as the Senate Permanent Investigating Subcommittee heard charges in July that the Nation's property owners are being defrauded of millions of dollars each year by "advance fee racketeers." The subcommittee was considering a bill (S. 3889) to make their fraudulent practices a federal offense.

Assistant Commissioner Donald McClure testified on behalf of the State of California and the National Association of License Law Officials before the subcommittee in Washington.

The federal legislation considered by the Senate subcommittee provided a maximum penalty of five thousand dollars (\$5,000) fine and/or five years in prison for advance fee operators convicted of misrepresentation. The bill failed to pass in the 1958 session, but is expected to be revived in January, 1959, if other measures fail to curb the demonstrated abuses.

Method of Operation

The advance fee operator purports to act as an advertiser for or "finder"

of prospective buyers of business opportunities and, to some extent, real properties. While unlicensed advance fee companies usually contend they only offer "advertising services," their salesmen generally offer verbally many services and promise results which the firm does not bind itself to perform or achieve in its written contract. One of the salesman's chief selling points is his tremendously inflated estimate of the price the property will bring when it is exposed to the horde of buyers (imaginary) which he says his company can reach. This bait of outrageous overvaluation seems to work since a great many owners have paid advance fees ranging from a couple of hundred to several thousand dollars, after which little or no action is forthcoming.

The advance fee concerns complained against are not licensed and the methods used in their operations tend to undermine public confidence in licensed brokers and salesmen.

In California, an Assembly interim committee has been conducting studies

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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 . . .**

Discounted Loans Can Be Usurious

The first district court of appeal recently upheld a lower court finding of usury in a real estate transaction which was completed by discounting a loan in escrow. The rate of interest on the face value of the note secured by a second deed of trust was legal; computed on the discounted and actual amount lent, it was well over the maximum rate of 10 percent allowable on loans secured by real property. Further, the real estate broker who participates in such a usurious transaction leaves himself vulnerable to disciplinary action against his license, said the Attorney General in an official opinion.

* * *

Action, of course, will be taken against wilful violators whenever such violations are discovered. But the recent rulings that discounted loans can be usurious under certain conditions will catch unaware many practicing real estate brokers who work with individual lenders who, as a matter of course, may have been taking discounts in the manner now labeled as "usurious."

. . . The great bulk of California licensees have repeatedly demonstrated their respect for all phases of the law under which they operate. However, after a reasonable period of widespread publicity on the new rulings, violators—wilful or not—may look for disciplinary action against their licenses.

License Examinations

License examination totals are at a higher level than had been anticipated. In the 1957-58 Fiscal Year, there were 92 more examination sessions given throughout the State than in the previous year (11.6% increase). The bulk of the increase was accounted for by original license examinations (mostly salesmen) which were up 2,797 (19.9%).

For the entire fiscal year, the overall examination total exceeded the total for the previous year by 4,532 or 16.9% increase.

Subdivision Activity

During the first eight months of this year, 56,974 acres of California land were subdivided into 95,069 parcels.

Looking back, 15 years ago (1942-43) only 2,700 acres were turned into subdivisions. Since that time, over 600,000 acres, comprising more than 1,400,000 lots have been subdivided.

Proper License Required If Home Used as Branch Office

A good many real estate salesmen appear to be doing business from their own homes to the extent that they are actually operating branch offices for their brokers, according to reports coming to the commissioner.

When a salesman makes a business office out of his home, his employing broker is required to secure a branch office for that address and display a sign as required by law and the commissioner's rules and regulations. **The broker must also exercise reasonable supervision over the activity of his salesman, as expressly provided by Section 10177(h) of the license law.**

The commissioner has reason to believe that, in many instances, the employing broker hesitates to obtain a branch office license because the salesman's residence, which would constitute the branch office, is in an area zoned as strictly residential.

Nevertheless, salesman licensees and their employing brokers are cautioned that branch offices must be properly licensed and the salesman properly supervised, or the commissioner will be forced to take disciplinary action.

Real Estate Conventions

(Cont. from Page 361, Col. 1)

dress the CREA convention. Dr. Norman Vincent Peale, author of "The Power of Positive Thinking" and minister of the historic Marble Collegiate Church in New York City, and Arthur H. "Red" Motley, president of Parade Publications, Inc., a Sunday picture magazine supplement, are scheduled to appear on the program.

Also, there will be after-breakfast round table workshops as well as conferences and panel meetings on current subjects covering every phase of the real estate business, including multiple listing, appraising, property management, selling, mortgage finance, industrial development, leasing, building, advertising, public relations, exchanges, and income property.

The annual convention of the National Association of Real Estate Boards is held in California only infrequently; thus this year California real estate men and women are offered a unique opportunity to enlarge their business horizons.

The importance of these conventions—NAREB celebrating its fiftieth or golden anniversary and CREA completing its fifty-third year—will assure a large attendance from the 25,000 members of CREA and 62,000 members of NAREB.

Check Those Applications!

A broker should not endorse an application for a salesman's license without checking every question on the application to see that it has been completely answered by the prospective salesman. There have been a number of instances where a salesman applicant has not answered the question relative to possible criminal record before the broker checked and signed the application. The subsequent check by the division revealed a criminal record warranting denial of the application for license.

In cases such as these, the broker is in the position of having certified to the "honesty, truthfulness and good reputation" of the applicant without

(Cont. on Page 366, Col. 3)

Draw Contract Correctly Before Asking Party to "Sign Here Please"

Ask any real estate agent if he knows how to fill out a deposit receipt and chances are the answer will be an emphatic "Of course, that's my business!"

Yet, complaint after complaint is received by the division from buyers and sellers that contract forms, such as deposit receipts, listing forms, etc., have not been fully completed, are lacking in detail or even illegible.

Some common flaws are: forms not dated; do not contain the name of the person paying the deposit; the amount of the deposit not properly set forth; omission of name and unit number of a tract as a description of the property being purchased; the type of deposit not indicated, such as, cash, check, note, etc.; handwriting not legible; all conditions not set forth; words crossed out and other words substituted without proper initialing by the person or persons concerned, etc.

Misunderstandings Created

It may appear that some of the omissions or shortcomings mentioned are not material in an individual case and perhaps have caused no trouble to any of the parties to the agreement. However, there is always the possibility that an improperly completed listing or deposit receipt may cause misunderstandings and perhaps legal involvements for buyers and sellers.

Sloppy use of forms, which are the tools of the trade, have a bad effect upon public relations and undermine public confidence in the professional qualifications of real estate brokers who either draw the contracts or are responsible for those drawn by salesmen in their employ. All forms should be so completely and clearly filled out that no misunderstanding can exist as to the agreement intended.

Application for Limited Real Estate Salesman License Now Requires Three to Four Weeks for Fingerprint Clearance.

Hit and Run Sale Leads to Complaint

... "Please Furnish Us With Your Version!"—reads the commissioner's letter ...

... Nobody likes to have a complaint filed against him. Yet many buyers and sellers write letters to the commissioner's office which are prompted, in large part, by misunderstandings with the broker or salesman. Or more common yet is the complainant who feels the broker hasn't "followed through" on his transaction. Read the following tale of woe to learn how "Bill, the broker" might have received a letter from the commissioner's office beginning ... "Please furnish us with your version!"

Hit and Run Sale

A large familiar car pulls up in front and a portly well dressed gentleman gets out and heads for the office. There is a scowl on his face.

But already "Bill, the broker" has busted out the rear door of the real estate office, with the hurried remark thrown back at his floor-holding salesman: "Tell him I'm not in today. Tell him anything. That guy is a pain in the neck!"

What Bill left unsaid was: That he hates to meet his recent customer; ... and a portly well dressed gentleman gets out ... that he fears he may have to resell the property to the same man all over again. Or could it be that Bill has developed customer resentment and has dusted his hands of that last deal with some remark like this:

"What's he complaining about! I earned my commission fair and square. It isn't my fault that the garage isn't large enough for that big car of his! The fact is he got a good deal if you ask me. He wanted something cheap and he got it cheap, just like he ordered!"

"Says he's going to write the Real Estate Commissioner and tell him I misrepresented the property. Why that ungrateful so and so! For two cents I'd ... !"

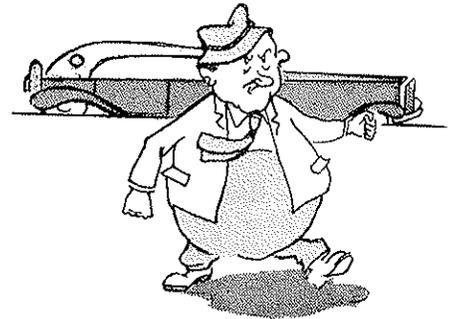
Hold on Bill! You knew it was barely big enough for last year's Ford or Chevy, when you showed him the property, but still it's annoying to realize you've made an enemy out of a once friendly client. Or could it possibly be a guilty conscience? Did you misrepresent? That's what the commissioner is going to have to decide.

But what really burns you, Bill, is that "ungrateful so and so" has now gone down and listed a property with your friendly competitor. You could have had that listing if you had used your head, or attempted to help the man out of his dilemma, but you avoided him after the sale.

Oh! You drove by the place all right, and could see the back of that big car sticking out of the garage. Why didn't you go in and say hello?

But listen to his tale of woe. It wasn't the small garage that made the man unhappy, or the leaky roof over

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... You could see the back of that big car sticking out ...

Hit And Run Sale, Cause Of Complaint

(Cont. from Page 365, Col. 2)

the back porch that made him claim you misrepresented the condition of the house.

What he really disliked and has irked him no end, was the surprising apathy you exhibited toward his wounds. He feels you sold and ran and he's had it. He thinks your actions have been sharp and seemingly premeditated. But you, Bill, are adamant.

"What in the heck did you expect me to do? Hold his hand? He's over 21 and got eyes in his head!"

Don't fret, Bill. Your friendly competitor by now has traded that little home in on a larger place across town and there's a happy new family in the little house that you sold just a short time ago.

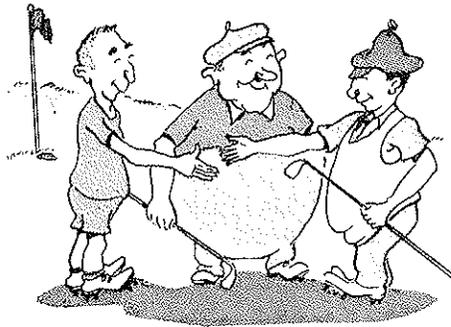
That "so and so" has even joined your competitor's knife and fork club, and they're bowling on the same team. What's this? He has bought the local hardware store, lock, stock and barrel, and of course, through your friendly competitor.

It is possible that Bill may have lost the chain of a dozen good sales, as he hit and ran and wasn't man enough to face up to the new problems that came from a misfit sale.

We all know it is possible the customer may never come back if you don't get his deposit. But if you do get his offer and it is accepted, then don't turn a deaf ear to his troubles.

Relax, try to help, he may buy that larger house from you or join your golf club and possibly go for a business deal or two. Certainly his friends will come to you.

And speaking of golf, remember keep your eye on the customer, your resentment down, and follow through.



... or join your golf club ...

Proper Receipt Required When Giving Public Report

It is not enough for a broker or salesman engaging in new subdivision sales to furnish a true copy of the commissioner's public report to each buyer before committing him to a purchase. He must also give the buyer an opportunity to read the report and obtain a signed receipt made out in proper form. This receipt must be kept on file for the commissioner's inspection for at least three years, according to Section 2795 of the Commissioner's Rules and Regulations.

Form of Receipt

While no set type of receipt has been established by the commissioner, it is expected that the receipt will show the prospective buyer has been given a copy of the public report and

has had an opportunity to read it before committing himself to a purchase. If the receipt is incorporated in a contract or agreement of sale in such a manner that it is "hidden" or in such small type that it could easily go unnoticed, then it is likely that the commissioner's requirement will not be met.

The commissioner does not attempt to prescribe a certain type of receipt form. But he does want the real estate industry to understand that the primary purpose of the public report is to acquaint the buyer with the information secured through investigation of the subdivision, and a proper receipt will give evidence that the buyer receives this information prior to his purchase.

Qualifying Examination Can Be Required for Reinstatement of License

As a condition to the reinstatement of revoked or suspended licenses, the commissioner may require the applicant to take and pass a qualifying examination.

This is the wording contained in Section 10182 of the California Real Estate Law. Careful consideration is given by the commissioner to each license reinstatement request to determine whether an examination should be required.

Today's license examinations can go far to determine the competency of those persons requesting reinstatement, particularly where a former licensee has shown he is ignorant of the law or the real estate business. It seems logical to the commissioner that if every new license applicant must take an examination, so should anyone whose license has been revoked. The same requirement might apply where the disciplinary action results in a suspension and where a noticeable element of ignorance was a contributing cause for discipline.

Of course, every licensee, whether he has any reason to fear disciplinary action or not, should keep himself well informed as to changes in the license law and as to new developments in the real estate field.

Check Those Applications!

(Cont. from Page 364, Col. 3)

having made a proper check or knowing what he was certifying to.

Broker Can Send Application

The recommended procedure would be for the broker, himself, to send the application to the division. Certainly, if the certification is made lightly, the broker is not helping advance the status of the real estate business.

In addition, if no background inquiry is made, the broker has violated his duty as a licensee inasmuch as the commissioner necessarily relies on the broker's certification as to the character of the applicant for salesman license.

A Look at the Man Who "Issues" Your License

What does it take to earn and collect a commission? Many things—energy, intelligence, skill, sometimes a little luck—but always, "to collect," a license is necessary.

While the Commissioner's authority stands behind every license, he has designated one man as responsible for license issuance, the processing of license applications, the giving of information regarding licenses, and, most important, the investigation into the backgrounds of license applicants in respect to their honesty, truthfulness, and good reputation.

Let's take a look at the man who carries out these duties.

Harold H. Wells, License Supervising Deputy, has been in charge of the operation of the division's licensing headquarters in Sacramento since July, 1953. All questions concerning licensing problems throughout the State are his concern.

He is responsible for the maintenance of application files and license files and has statewide supervision over the granting of licenses with fictitious business names.

Career With the Division

In addition to his licensing responsibilities, Wells is currently designated as deputy in charge of the Sacramento main office. Prior to his appointment as supervising deputy in Sacramento, he was senior deputy in charge of the Oakland district office for approximately three years. His original appointment as a Deputy Real Estate Commissioner came in 1946.

Wells first came to the Division of Real Estate in 1935 as cashier, and later served for a time as accounting officer.



HAROLD H. WELLS
License Supervising Deputy

His educational background includes studies at Sacramento Junior College plus special courses in accounting and law.

Member of Executive Committee

In his official capacity as license supervising deputy, he meets each month with the division's executive committee to formulate policy proposals dealing with the many phases of the division's activities.

LICENSE IDENTIFICATION NUMBERS

New licenses issued by the Division of Real Estate show a figure entitled "Identification No." which replaces the "License No." formerly used. Application forms and correspondence will refer to the "Identification No.," which should also be used in opening escrows, etc. Other numbers on the face of the license—those in red or entitled "Type"—are internal audit control numbers and need not concern the licensee.

An identification number is assigned permanently to each licensee and he retains the same number through any transfer, change, or renewal of license. A branch office license issued to a broker will have the same identification number as his main office license.

Advance Fee Testimony Heard by Senate Committee

(Cont. from Page 363, Col. 3)

on this subject and the real estate industry is expected to ask for a strengthened law in order to combat successfully the activities of the dishonest operators in the advance fee field. But, because these operators have fought control imposed by licensing and are constantly on the move from one state to another, they have proved very difficult to apprehend and bring to trial. After careful preparation of criminal cases, enforcement officials often find an offending firm dissolved and its agents scattered to other states.

Public Becoming Aware

The Senate hearings on advance fee operations, as well as those conducted by the Assembly interim committee, have already had at least one beneficial result: They have served to make the public more aware of the "advance fee racket" and somewhat less likely to be victimized by it.

REAL ESTATE, BUSINESS OPPORTUNITY, AND MINERAL, OIL AND GAS LICENSES ISSUED AND IN EFFECT JUNE 30, 1958

Type of License	Corporations		Partnerships		Salesmen		Brokers		Limited		Branches	Total	
	Inactive	Active	Inactive	Active	Inactive	Active	Inactive	Active	Inactive	Active		Inactive	Active
Real estate originals		70		43	640	9,996	58	1,953	37	1,102			
Real estate renewals	11	1,906	37	1,703	15,901	30,979	8,913	38,017			207	735	13,164
Business opportunity originals	1	8		3	16	208	1	130			4,807	24,862	72,605
Business opportunity renewals	2	192	7	186	547	784	667	5,029			6	18	349
Mineral, oil and gas originals		1					1	7			379	1,223	6,191
Mineral, oil and gas renewals		5					15	86				1	8
TOTAL	14	2,182	44	1,935	17,104	41,967	9,655	45,222	37	1,102	5,407	26,854	92,408
	2,196		1,979		59,071		54,877		1,139			119,262	

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Commissioner's Forum

Trust Account for Salesman

Q. We have a salesman in our organization who is very much interested in taking over all rentals with collections on property management and rental commissions. Could this salesman maintain a separate trust account in which all rental collections would be placed in his name, with the checks drawn on the account signed by the salesman?

—C. B. J., Sales Manager

A. No. Under the Commissioner's Regulations a licensed salesman may not maintain a separate trust account under his name. The broker is required to put all funds entrusted to him into a neutral escrow depository or place them in the hands of principals or in his trust fund account. The broker has the primary responsibility for the safety of funds of a fiduciary nature received or handled by him or his employees or subagents. The salesman is an employee of the broker under the law, and he must turn all funds received over to his employing broker.

Section 2834 of the Commissioner's Regulations deals with this matter and specifically provides that a withdrawal of trust funds by a salesman must be expressly authorized in writing by the broker in each such case.

Working for Two Brokers

Q. Why is it not possible for a real estate salesman to become a business opportunity salesman or broker even if his employing broker, for one reason or another, chooses not to take the business opportunity broker license examinations?

—T. O. B., Salesman

A. It is possible for a real estate salesman to be licensed under one bro-

ker and as a business opportunity salesman under another broker.

From the practical standpoint, this arrangement may present a good many problems. For example, how about commissions as between the two employing brokers? There could easily be differences of opinion in this area since a real estate license entitles a broker to collect a commission on the sale of a business if it is "purely incidental" to the sale of real property.

It is true that a real estate salesman can qualify for business opportunity broker license examination if he can show sufficient experience in the general field of business opportunities or is able to show specialized education in lieu of the usual two years' experience as a licensed business opportunity salesman.

This section is open to letters from licensees on matters of general interest concerning the Real Estate Law, subdivisions, and mortgage loan laws.

Address your letter to the Editor of the *Bulletin*, Division of Real Estate, 1015 L Street, Sacramento.

Wait for License

Q. I have passed my renewable all-day examination. How long can I wait before actually paying my fee and applying for a license?

—L. M. M., Salesman.

A. Not later than three months after the expiration of your original license.

Progress Reported In Processing Cal-Vet Purchase Applications

The State Department of Veterans Affairs predicts that all active applications for "Cal-Vet" loans now on file with the department should be serviced by the end of 1958.

The department's Division of Farm and Home Purchases announced its 17 district offices have been authorized to start processing loan application priority cards filed as late as March 31st of this year, indicating that the backlog has been virtually cleared of all active applications filed at the beginning of the year.

By active applications, the agency stressed it refers to those priority cards filed by veterans seeking "new" loans for the purchase of homes or farms. Applications involving refinancing of homes presently in the ownership of the veteran applicant are under a moratorium imposed by the Legislature and may not be processed.

The current backlog of applicants totals about 16,000 and eligible veterans are still filing priority bids for the 3.5 percent loans at a rate of some 3,000 per month. The Farm and Home Division said it has found that nearly half of the veterans who file for loans do not go ahead with them the first time they are reached in the chronological files. Many of these wish to wait until they have located a bi- or more suitable home or change in employment or situation.