



REAL ESTATE

Bulletin

EDMUND G. BROWN, *Governor*

September-October 1962

W. A. SAVAGE, *Commissioner*

COMMISSIONER DEFINES CALIFORNIA'S MANY PHASED LEADERSHIP

In his message to the Governor's Council for September, Commissioner W. A. Savage presented an imposing list of areas relating to real estate wherein California either pioneered or has gained and maintains leadership.

1. There can be no doubt or quibbling about population. Before the end of this year we will have passed up New York to become first.

2. California is saluted throughout the United States—and even beyond—as the unchallenged pioneer and present leader in the scope and effective enforcement of its Real Estate License Law.

3. We became license law pioneers more than 40 years ago when our forward-looking legislators enacted the first Real Estate License Law in the United States. Now all 50 states have such laws, a number modeled on the California law.

4. We have by far the largest number of real estate and related licenses issued and in force of any state in the union—as of June 30, 1962.

5. California was among the first states to enact subdivision laws and is acknowledged as the leader in enforcement of statutes protecting the public from objectionable practices in this phase of our economy. Further illustrations of progressive legislation were those statutes designed to eliminate abuses of public trust through: (1) rental agency malpractice; (2) mortgage loan and 10 percent defalcations; (3) advance fee rackets; (4) land location rackets, mostly involving federal land; and (5) most recently the promotion—particularly in interstate trade—of misrepresented subdivision properties.

6. The examinations for licensure, given by the Division of Real Estate, are among the most comprehensive anywhere in the United States. They are constructed by the staff with due regard for law and practice, enlisting the co-operation of industry and aided by research conducted by the University of California and other public institutions of higher learning in the State.

THE OFFICE SCRIBE SAYS:

"I see where the National Institute of Real Estate Brokers is conducting a contest for real estate salesmen. 'Tell your most interesting sale or trade in approximately 500 words,' their announcement reads. Why 500 words? What's wrong with 'Wow!'"

7. Probably most unique and outstanding of all facets of our license law leadership is the creation and administration of the Education and Research Fund made possible by the allocation of one-fourth of the money realized from license fees for the support of the broadest and most productive professional real estate educational program at the college level under way anywhere inside or outside of our national borders.

Finally, the report concluded, "These licensees are contributing towards the training of a licentiate which will have higher standards of knowledge and competence than ever before known in this field. . . . I am proud to be associated in this undertaking . . .!"



COMMISSIONER W. A. SAVAGE

SEMINAR FOR LICENSEES

A "real estate investment seminar" for real estate brokers and salesmen will be presented December 7 and 8 on the University of California Berkeley campus by U.C. extension and the California Real Estate Association. The all-day meetings will be held in the new Associated Students' Union Building.

All aspects of California real estate investment will be considered, among which will be: impact of taxation, competition for the investment dollar, legal and ethical aspects of broker participation.

Further information and enrollment forms may be obtained from University of California Extension, Berkeley 4, California.

REAL ESTATE BULLETIN

Official Publication of the
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September-October 1962

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DIVISION OF REAL ESTATE

STATE OF CALIFORNIA

EDMUND G. BROWN, Governor

W. A. SAVAGE

Real Estate Commissioner

JOHN E. HEMPEL

The Assistant Commissioner

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San Bernardino (part time), 1798 D St.

Long Beach (part time), 3747 Long Beach Blvd.

Disciplinary Action—July, August, 1962

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 July, August, 1962

Name	Address	Effective date	Violation
Dawson, Beverly Emeline Real Estate Broker	1396 Solano Ave., Albany	7/10/62 (Granted right to restricted license on terms and conditions)	Secs. 10176 (e), (f); 10177 (d), (f); Secs. 2830, 2831 & 2832 of R.E. Comm. Reg.
Brookens, Willard Real Estate Broker	5900 4th Ave., Los Angeles	7/17/62	Secs. 10176 (e), (f); 10177 (d), (f); Secs. 2830 & 2831 of R.E. Comm. Reg.
Johnston, Edward Henry Real Estate Broker	9015 Wilshire Blvd., Beverly Hills	7/17/62 (Granted right to restricted license on conditions)	Sec. 10177 (d) & (f)
Martin, James Edwin Real Estate Salesman	3330 Geary Blvd., San Francisco	7/17/62	Sec. 10177 (b) & (f)
Pifer, Walfred Lundstrom Real Estate Salesman	1590 Wilbur Pl., Reno, Nevada	7/17/62	Sec. 10177 (f) & (d)
Ramage, Kenneth Charles Real Estate Salesman	1354 N. Harper Ave., Apt. 211, Los Angeles	7/17/62	Sec. 10177 (b)
Rosenfeld, Alan Lee Real Estate Salesman	495 Grandview, San Francisco	7/17/62	Sec. 10177 (f) & (j)
Perez, Paul John Real Estate Salesman	7425 W. Manchester, Los Angeles	7/24/62	Secs. 10176 (a), (i); 10177 (f) & (j)
Berdahl, John Richard Real Estate Salesman	Circle Springs, Alaska	8/1/62	Sec. 10177 (b) & (f)
Jackson, Charles Edward Real Estate Salesman	1902 S. Lincoln St., Oceanside	8/1/62	Sec. 10177 (b), (f) & (j)
Sharpe, William Hamilton dba Omega Real Estate Co. Real Estate Broker	1674 1/2 Broadway, Vallejo	8/6/62 (Granted right to restricted license on terms and conditions)	Secs. 10176 (e), (f); 10177 (d), (f); Secs. 2830 & 2832 of R.E. Comm. Reg.
Conway, Merritt F. Real Estate Broker	4128 Wilshire Blvd., Los Angeles	8/7/62 (Granted right to restricted license on conditions)	Secs. 10176 (a), (b), (c), (f); 10177 (d), (j); 10242 (a), (c), (d); 11202; Secs. 2832, 2950 (d) & (f) of R.E. Comm. Reg.
Conway Mortgage Company Mortgage Credit Corporation Reorganization Corporation Redevelopment Corporation Reinvestment Corporation President, Merritt F. Conway	4128 Wilshire Blvd., Los Angeles	8/7/62 (Granted right to restricted license on conditions)	Secs. 10176 (a), (b), (c), (f); 10177 (d), (j); 10242 (a), (c), (d); 11202; Secs. 2832, 2950 (d) & (f) of R.E. Comm. Reg.
Planagan, Sam Houston Restricted Real Estate Salesman	4645 Hidalgo Ave., San Diego	8/7/62	Sec. 10177 (f)
Greyson, Jack Alan Real Estate Broker	3921 Wilshire Blvd., Los Angeles	8/7/62	Secs. 10085; 10176 (a), (c), (f), (j); 10177 (d), (f), (j); Secs. 2830, 2831, 2970 & 2971 of R.E. Comm. Reg.
Herring, Willard Edward Restricted Real Estate Broker	1624 N. El Camino Real, San Clemente	8/7/62	Secs. 10160; 10162; 10164; 10177 (d), (f); Secs. 2771 & 2772 of R.E. Comm. Reg.
Brown, William Courney dba William C. Brown Mortgage Co. Real Estate Broker Business Opportunity Broker President, Brown & Dodd Inc.	2645 Imperial Ave., San Diego 3071 Imperial Ave., San Diego	8/23/62 (Granted right to restricted license on conditions; said licenses shall be suspended for 30 days upon effective date of order)	Secs. 10177 (f), (j); 10302 (d) & (j)
Carnes, Edwin Joseph dba Carnes Realty Real Estate Broker	Ct. A, 1125 25th St., San Diego	8/23/62	Secs. 10176 (e), (f); 10177 (b), (d); Secs. 2830 & 2832 of R.E. Comm. Reg.
Causey, Roland Charles Real Estate Salesman	2204 E. Pacific Coast Hwy., Long Beach	8/23/62	Secs. 10176 (a), (b), (c), (f); 10177 (f) & (j)
Crow, Cecil Monroe Business Opportunity Salesman	31 Lamartine St., San Francisco	8/23/62	Secs. 10177 (b), (f); 10302 (b) & (c)
DeMarcus, Clarence Coldeon Real Estate Salesman	1217 Bernal Ave., Burlingame	8/13/62 (Granted right to restricted license on terms and conditions)	Sec. 10177 (b) & (f)
Dunlap, Edward Lawrence Real Estate Broker	14145 Ventura Blvd., Sherman Oaks	8/23/62	Sec. 10177 (b) & (f)

A Salute to Oldtimers

From time to time the *Bulletin* salutes pioneers in California real estate who are still active in the industry, not just because they have endured, but because they have been creative contributors to their vocation and its public image during their years of practice. This issue commends:

H. V. Briggs
3181 Glendale Blvd.
Los Angeles

Howard L. Nicholson
125 E. Victoria St.
Santa Barbara

Frank B. Crissman
2942 W. Coast Hwy.
Newport Beach

Fred E. Reed
100 Grand Ave.
Oakland

Ferne C. Criswell
747 New York St.
Long Beach

J. Carl Seulberger
498 Lake Park Ave.
Oakland

— — — — — A CHEERING COMMENT — — — — —

Here is a quotation from President Jim Edmonds of the Long Beach District Board of Realtors, typical of similar comments in other board newsletters, which obviously pleases by bringing home the fact that improving industry standards is a co-operative task involving all of us.

"Did you take time to read the

article in the July-August issue of the *Real Estate Bulletin*, entitled 'Anonymous Agent Short on Ethics, Courtesy'? (p. 562) . . .

"... a most enlightening approach to a problem that seems to continue occurring . . . to remind realtors that Articles 9 and 21 of our Code of Ethics must be enforced."

Licenses Revoked During July, August, 1962—Continued

Name	Address	Effective date	Violation
Patterson, Elizabeth Dora Real Estate Salesman	2139 W. Ball Rd., Ste. C, Anaheim	8/23/62 (Granted right to restricted license on conditions)	Sec. 10177 (b) & (f)
Kahn, Irvin Real Estate Broker	Ste. 5, 8584 Sunset Blvd., Los Angeles	8/28/62	Secs. 10176; 10176 (a); 10176.1; 10177 (d), (f); Secs. 3081.09 (b) & 3081.096 of Civil Code; Sec. 2849.2 of R.E. Comm. Reg.
Ochs, Florian Anton Real Estate Broker	400 Dewey Blvd., San Francisco	8/28/62 (Granted right to restricted license on terms and conditions)	Sec. 10177 (b) & (f)
Roney, Gordon Ray Real Estate Broker Real Estate Salesman	30 Cabot Ave., Santa Clara; 20309 Silverado Ave., Cupertino	8/28/62 (Granted right to restricted license on terms and conditions; said licenses shall be suspended for 30 days upon issuance)	Secs. 10176 (c), (i) & 10177 (f)
Western Trust Deed Corporation Real Estate Corporation	9606 Santa Monica Blvd., Beverly Hills	8/28/62	Secs. 10176; 10176 (a), (i); 10177 (d), (f), (j); Secs. 3081.09 (b) & 3081.096 of Civil Code; Sec. 2849.2 of R.E. Comm. Reg.
Havens, Wayne James Real Estate Salesman	2380 Sierra Blvd., Sacramento	8/29/62	Secs. 10176 (a), (b), (g), (i); 10177 (f) & (g)

Licenses Suspended During July, August, 1962

Name	Address	Effective date and term	Violation
Ballarín, Joseph Dowd dba Home Investment Co. Real Estate Broker	3729 Mission St., San Francisco	7/ 5/62 30 days	Sec. 10176 (a)
Loewenstein, Matthew Joseph, Jr. Real Estate Broker	2318 Mission St., San Francisco	7/16/62 30 days (Stayed for one year on conditions)	Secs. 10162 & 10177 (f)
Montgomery, Walter Eglington Restricted Real Estate Salesman	588 N. Azusa Ave., Covina	7/16/62 30 days	Sec. 10177 (d), (f) & (k)
Bodziak, Bruno Francis dba Ben Bodziak Real Estate Broker	8731 South Western Ave., Los Angeles	7/19/62 45 days	Secs. 10176 (e); 10177 (d), (f); 10240; 10242 (c); & Sec. 2830 of R.E. Comm. Reg.
Boehm, E. L. Co., Inc. Real Estate Corporation	8733 South Western, Los Angeles	7/19/62 45 days (Stayed for one year on conditions)	Secs. 10176 (e); 10177 (d), (f); 10240; 10242 (c); & Sec. 2830 of R.E. Comm. Reg.
Boehm, Ernest Lewis President, E. L. Boehm Co., Inc. Real Estate Broker	8733 South Western, Los Angeles 818 W. San Bernardino Rd., Covina	7/19/62 45 days (Execution of suspension stayed for 60 days)	Secs. 10176 (e); 10177 (d), (f); 10240; 10242 (c); & Sec. 2830 of R.E. Comm. Reg.
Brown, Oswald Raymond dba O. R. Brown Co. dba Keystone Realty Co. Real Estate Broker Chairman of Board, E. L. Boehm Co., Inc.	10045 South Western Ave., Los Angeles 8733 South Western Ave., Los Angeles	7/19/62 45 days (Execution of suspension stayed for 6 months on conditions)	Secs. 10176 (e); 10177 (d), (f); 10240; 10242 (c); & Sec. 2830 of R.E. Comm. Reg.
Lundblad, Herbert Lewis Real Estate Broker Treasurer, E. L. Boehm Co., Inc.	11854 S. Normandie Ave., Los Angeles 8733 South Western, Los Angeles	7/19/62 45 days (Execution of suspension stayed for 60 days)	Secs. 10176 (e); 10177 (d), (f); 10240; 10242 (c); & Sec. 2830 of R.E. Comm. Reg.
Lutz, Malven Real Estate Salesman	8733 South Western, Los Angeles	7/19/62 30 days	Secs. 10177 (d), (f) & 10242 (c)
Atwood, Floyd Eugene Real Estate Salesman and right to Renewal Real Estate Salesman License conditioned on passing examination	3941 Haven, Fremont	8/ 7/62 90 days	Sec. 10177 (f), (j); & Sec. 2763 of R.E. Comm. Reg.
Wade, James Robert Restricted Real Estate Salesman	6401 Jackson Dr., San Diego	8/ 7/62 60 days	Sec. 10177 (d) & (f)
Glass, Joe dba Joe Glass & Associates Real Estate Broker	3232 Fair Oaks Blvd., Carmichael	8/18/62 4 months	Sec. 10177 (f)

Examination Failure Rates Display New Pattern

September highlighted a change in the statistical pattern of failure rates which has been taking shape over the past several months with 69 percent of renewal salesman license applicants passing their examinations as compared with 68 percent of those applying for original licenses as salesmen. While 75 percent of the applicants for renewal real estate broker license passed their examinations, only 42 percent of the applicants for original broker licensure were successful.

This would seem to be partly explained by noting that nearly all those real estate salesmen who have failed to qualify for their renewal license while exercising the permissible alternative of holding two successive original licenses, ultimately apply for and take the original real estate broker license examination as the only means of staying in business.

Prior to 1961 the original broker examination was constructed in a multiple choice format, and many of those who had been unsuccessful in answering the more demanding essay-type questions constituting the renewal salesman examination turned to the less complex multiple choice test for an original broker license.

This weakness in examination structure has been eliminated by providing a much more difficult essay-type examination for original broker license applicants. Not only does this account partially for the statistical reversal of pattern, it also illustrates the validity of the commissioner's contention that the applicant who seeks permanent licensure for the broader responsibilities as a real estate broker should prove himself to possess the knowledge demanded by those responsibilities.

Letters Like This We Like to Receive

In September the commissioner had a letter from Frank K. Allen, Exhibit Supervisor of the California State Fair and Exposition, expressing appreciation for the co-operation of the division's Sacramento District office in preventing questionable real estate

promotional exhibits. Mr. Allen, among other things, said:

"It was a genuine pleasure to have the privilege of working with your office and to receive the wholehearted co-operation which you extended to us. It was mainly through your efforts, and that of your department

that our office was able to restrain the participation of questionable applicants for our exhibit space as it pertains to real estate operations."

This, we think, is a significant illustration of the often repeated adage, "an ounce of prevention is worth a pound of cure!"

Unanchored Subdivision Promotions Analyzed for National Conference

C. Edward Elias, Jr., working with the U.C.L.A. research program, attached a new label to the type of interstate land promotions which have been troubling national and state license regulatory officials to a mounting degree during the past few years when, in a report to the National Conference on Interstate Land Sales in San Francisco, October 2, he dubbed them "unanchored subdivisions."

The title might relate to the fact that many are "dream properties" unanchored in reality, as well as to the fact that they have no relation to any community or economy in being. Their proclaimed value often is a fiction existing in the carefully applied inks of a mail order brochure, a full-page newspaper display advertisement, or colorful presentation in a national magazine or a military service journal, offering "all this and heaven too" for \$10 down and \$10 per month.

Legitimate Land Developers Suffer

Not only has this offcolor merchandising been accounting for the siphoning of millions of dollars of California investors' money into channels of no apparent return but, in the process, it has cast a growing cloud upon legitimate land developers who constitute a basic segment of the real estate industry. Moreover, the report stated, "Not only are the purchasers

losing money, but the states and counties where unethical promoters operate are also being hurt."

A Typical Promotional Property

Based upon a study of many such offerings, Professor Elias painted the following picture. The typical lot averages 2.16 acres, has no fire protection, sewage disposal, roads or provisions for maintenance, water, utilities or public transportation. An average property is 12 miles from any school and at least 12 miles to a shopping center.

The average developer of this type of offering pays \$123 per acre, creates an enticing picture through misleading illustrations and glib promises and sells it to investors at \$731 per acre. The buyer who purchases the property as a retirement location, or as "a good place in the county to raise a family" faces the all but impossible expense of adding nonexistent facilities and amenities.

Although the commissioner's subdivision public report is issued on some of these properties, setting forth these disturbing facts (except for land prices), buyers too often do not take the time or trouble to either consult with the proper authorities or check the implications of the facts thus made available to them.

Sales Contract Juggling Successfully Prosecuted

September 13 saw the culmination of misdemeanor proceedings which were initiated in the Municipal Court of Riverside County against an individual and a construction company as the result of investigations conducted by the Division of Real Estate. The respondents were charged with violation of Section 11202 of the Business and Professions Code, which spells out the responsibility of those who sell subdivision property using real property sales contracts with respect to payments thereon.

Sentence was: (1) three years' bench probation under condition that no law or ordinance be further violated; (2) placement in custody of Sheriff of Riverside County for six months (execution stayed pending settlement of hearing in federal court); (3) \$1,000 fine, to pay or serve; (4) submission to court upon request of any and all reports concerning business dealings; (5) further co-operation with the federal court in San Bernardino in straightening out financial difficulties; and (6) stay of execution granted until March 7, 1963.

Old English Wise

The *Bulletin* scissors clipped the following quotation from an ancient document of Merry Old England from the pages of *Title Insurance and Trust Magazine* and failed to note the volume date and page, but we think you will agree that those counselors of an olden day were pretty sharp and as current as today's mail in their advice.

"First see the land which thou intend'st to buy, Within the seller's title clearly lie, And that no woman to it doth lay claime, By dowry, joynture, or some other name, That may incumber. Know if bond or fee, The tenure stand, and that from each feoffe It be released, that th' sellers be soe old, That he may lawful sell, thou lawful hold. Have special care that it not mortgag'd lye, Nor be entailed upon posterity. Then if it stand in statute bound or noe, Be well advised what quitt rent must goe, What custome service hath been done of old By those who formerly the same did hold, And if a wedded woman put to sale, Deal not with her unless she bring her male, For she doth under covert barren goe, Although sometimes some traffique soe (we know) Thy bargain made and all this done, Have special care to make thy charter run To thee, thy heirs, executors, assignes, For that beyond thy life securely binds. These things foreknown and done, you may prevent Those things rash buyers many times repent; And yet when you have done all you can, If youle be sure, deal with an honest man."

Yes, indeed, this is modern as well as ancient wisdom, and especially that last line. All of us would like to think that every possessor of a real estate broker or salesman's license might automatically qualify as that "honest man"!

A DAILY QUESTIONNAIRE

Every licensee might ask himself these questions every day:

(1) Would I consult an attorney who hadn't "hit the books" since passing the bar examination?

(2) Would I go to a doctor who hadn't kept abreast of the latest developments in medical practice?

(3) How current and authoritative are the books on my shelf? The journals on my desk? The knowledge in my mind?

(4) Am I doing all I can to justify the faith I ask my clients to place in my professional competence?

BBB Fair Practice Code for Advertising and Selling

The Association of Better Business Bureaus, Inc., has published a copyrighted Fair Practices Code which all businessmen, including those in the real estate industry, will find loaded with words of wisdom that, closely followed, will make for peace of mind and greater assurance of that public confidence which also pays dollar dividends.

- "Serve the public with honest values."
- "Tell the truth about what is offered."
- "Tell the truth in a forthright manner so its significance may be understood by the trusting as well as the analytical."
- "Tell customers what they want to know—what they have a right to know and ought to know about what is offered so that they may buy wisely and obtain the maximum satisfaction from their purchases."
- "Be prepared and willing to make good as promised and without quibble on any guarantee offered."
- "Be sure that the normal use of merchandise or services offered will not be hazardous to public health or life."
- "Reveal material facts, the deceptive concealment of which might cause consumers to be misled."
- "Advertise and sell merchandise or service on its merits and refrain from attacking your competitors or reflecting unfairly upon their products, services, or methods of doing business."
- "If testimonials are used, use only those of competent witnesses who are sincere and honest in what they say about what you sell."
- "Avoid all tricky devices and schemes such as deceitful trade-in allowances, fictitious list prices, false and exaggerated comparative prices, bait advertising, misleading free offers, fake sales and similar practices which prey upon human ignorance and gullibility."

First Decrease in Licenses Since World War II

For the first time since World War II, there has been a drop from the preceding year in the total of outstanding real estate, business opportunity and mineral, oil and gas licenses.

While the decline is minor in terms of percentage—1.8 percent from June 30, 1961, to June 30, 1962—it becomes significant when compared to the trend over the past 16 years, when each year saw a rise in the number of licensees—a climb which averaged over 6 percent per year. Thus, until the past year, the number of licensees had been growing at a ratio almost twice that of the State's population growth.

In the past year, a decline was registered in the number of original licenses, but it was more than counterbalanced by an increase in active renewable four-year licenses.

The principal loss occurred in inactive licenses; a year ago these licenses comprised 23 percent of the total, now they account for 21.9 percent of the licenses outstanding.

Business opportunity licenses showed a slight drop while there was a small increase in mineral, oil and gas licenses.

REAL ESTATE, BUSINESS OPPORTUNITY, AND MINERAL, OIL AND GAS LICENSES
Issued and in Effect June 30, 1962, Compared With Previous Years' Totals

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	76	1	57	1,785	16,701	132	2,451	470	317	1,918	19,755	9,356	27,926
Real estate renewals	3,389	71	1,623	19,888	38,169	7,967	41,322						
Business opportunity originals	8		3	30	226	4	191			14	34	428	
Business opportunity renewals	256	5	152	566	681	536	4,580			537	1,107	5,679	
Mineral, oil and gas originals						1	4			1	1	4	
Mineral, oil and gas renewals	4		1			32	51				32	56	
Total	3,733	77	1,836	22,269	55,777	8,672	48,609	470	10,225	31,018	110,425		
GRAND TOTAL (1961-62)	3,733		1,913		78,046		57,281		470	10,225		141,443	
GRAND TOTAL (1960-61)	3,464		1,941		79,946		58,362		467	10,117		144,183	
GRAND TOTAL (1959-60)	3,166		1,934		73,486		56,342		713	9,485		135,641	
1961-62 over 1960-61													
Numerical change	+269		-28		-1,900		-1,081		+3	+108		-2,740	
Percentage change	+7.8%		-1.4%		-2.4%		-1.9%		+0.6%	+1.1%		-1.8%	
1961-62 over 1959-60													
Numerical change	+567		-21		+4,560		+939		-243	+740		+5,802	
Percentage change	+17.9%		-1.1%		+6.2%		+1.7%		-34.1%	+7.8%		+4.3%	

Division Personnel Given Commendation

Commissioner Savage received a communication from Attorney General Stanley Mosk expressing his appreciation and that of the Steering Committee of the National Conference on Interstate Land Sales (held in San Francisco, October 1-3, 1962) for the valuable contributions of staff and personnel of his agency to that gathering.

Specific mention was made of: (1) panel participation by staff members; (2) the gathering and distribution of informative materials; (3) the plan-

ning and building of a display of out-of-state subdivision brochures and other types of advertising which was "an outstanding factor in illustrating the problem with which the conference was concerned"; (4) and the presentation of preliminary findings of an economic and legal study of out-of-state promotions being conducted by the University of California at Los Angeles at the instance of this agency as a part of the continuing research program.

QUESTIONS AND ANSWERS ABOUT EXAMINATIONS

Q. May the written examination for renewal real estate salesman license be postponed until after the expiration date of my original salesman license?

A. No. Section 10153.5 requires qualifying for renewal license during the one-year period of the original license (10th through 12th month).

Q. May an applicant who has failed two successive examinations for original real estate salesman license immediately file for a third such examination?

A. No. Section 10153.8 provides for a mandatory one-year waiting period from the date of the last such qualifying examination.

Q. Can an applicant who has failed the original real estate salesman examination take an oral examination in an effort to improve the written score?

A. An applicant who fails a second successive examination for original real estate salesman license or original business opportunity salesman license, and who has obtained a written score between 72 percent and 74 percent is eligible for an oral supplementary test.

Q. What are the written scores that an applicant must obtain to be eligible for an oral supplementary test?

A. Original examinations—no orals on first failure

Re-examination (salesmen)—72 percent to 74 percent

Re-examination (brokers)—65 percent to 74 percent

Renewal examination (salesmen)—60 percent to 69 percent

Renewal examination (“old law” brokers)—65 percent to 74 percent

Renewal examination under second successive original license—65 percent to 74 percent (as of December 31, 1962).

Q. Can I have an “extension” of time on my original license while

awaiting the results of my oral examination?

A. No. There is no provision in the Real Estate Law for the extension of any license past the date of expiration, for any reason whatsoever.

Q. Due to my extreme nervousness I was unable to think of the right answers during my oral examination, and I failed to obtain a passing score. Can I have another oral examination?

A. No. The oral examination is considered to be part of the overall examination. It is given only on the re-examination for original license and the Real Estate Law provides for only one re-examination for such license. Section 2766 of the Rules and Regulations of the Real Estate Commissioner also provides for only one examination for a renewal license during the time an original license is effective.

Q. Since I specialize in selling only residential property, why do I have to take an examination where the questions cover all the other types of real estate transactions? I never use any of that knowledge in my business.

A. Your real estate license entitles you to conduct any type of real estate transaction. There is no special license for selling residential property only. For this reason you must be tested in all categories of real estate, including commercial, industrial and agricultural property.

Q. I filed an application for a broker's license a few weeks before the new statutes became effective in September 1961. I was not qualified then, but I now have the necessary experience to take the broker's license examination. I would like to qualify under the “new law.” How do I do this? Can my original fee of \$20 be applied to my application under the “new law”?

A. You must file a new application and pay an additional fee of \$25 to qualify under the present law. The fee you submitted with your first application is not refundable, nor is it transferable.

Disciplinary Hearings Ruled by Fact

In the conduct of formal hearings involving licensees, against whom accusations of unlawful acts have been lodged, fair play and due process are meticulously observed in order that the rights and privileges of all parties to the proceedings may be protected.

In the first place, the hearing has been preceded by careful investigation of all aspects of the original complaint leading to the filing of a formal accusation and the serving of a copy thereof on the respondent who has 15 days in which to file a notice of defense.

At least 10 days, and usually more, prior to the scheduled hearing the respondent receives a “Notice of Hearing on Accusation” which informs him of the time and place of hearing, that he “may be present at the hearing, may be but need not be represented by counsel, may present any relevant evidence, and will be given full opportunity to cross-examine all witnesses testifying against” him. Furthermore, he is apprised of his right to have subpoenas issued to compel the attendance of witnesses and the production of books, documents or other pertinent evidence.

The concern of the commissioner in each of these hearings is that all relevant aspects of the disputed activity be screened for the actual facts and that these facts be presented before the hearing officer. The concern of the hearing officer is that due process shall be followed in the interest of truth, and that the ultimate decision recommended for the commissioner's action shall be justified by the measurement of these facts against the law. If disciplinary action ensues, it comes because the facts warrant it!

THE OFFICE SCRIBE SAYS:

“Codes of ethics are never a guarantee of ethical performance by either those who draft them or those who vocally swear by them. They acquire validity only when through usage they become part of one's way of life.”

Child's Wisdom Equal To Give-away Tactics

"If some Californians had left their land investment decisions to children during the past few years, they might have conserved a few of the millions of dollars estimated to have been siphoned down the drain of no return by unscrupulous out-of-state land promoters."

This remark by a concerned licensee was prompted by a news report from the San Diego Better Business Bureau *Reporter* relating that, subsequent to the recent Del Mar Fair, over 400 inquiries were received about the validity of a drawing for which the inquirers had registered. As a result of the drawing, each was informed that he was the "winner" of a lot in southwestern New Mexico (provided, of course, he paid a \$52 "closing" cost!)

Adding to their puzzlement was the fact that each lucky (?) "winner" had registered for a bouncy little puppy at the land company's fair booth and, so far as anyone was able to determine, although thousands of persons had apparently won lots, no one had won a pup.

The Better Business Bureau, as is its custom, urged inquirers as a first step to obtain a copy of the commissioner's subdivision report on the property, which would give them a factual report on various value-affecting aspects of their so-called prize. Those who called found that the commissioner had already issued a desist and refrain order against the promoter, ordering the offer stopped.

Don't Like To Have Dream Disturbed

The point of this article, however, as indicated by the introductory paragraph, is the caliber of public reaction to this news. Although most expressed gratitude for the bureau's warning to "proceed with caution" and to obtain the official report before mailing any money, one woman expressed the feeling of many when she remarked, "Oh, you people find something wrong with everything."

It remained for a child to demonstrate possession of keen insight and good judgment when an eight-year-

Exam Cheater's License Is Suspended

Most brokers and salesmen will recall their license examinations and the proctor's warning to all examinees, "*You are to have no papers or books of any kind on your desk other than the examination materials handed you. All reference items of any kind are to be left with the proctor until the examination is completed!*"

The group taking the examination may react with a slight titter of amusement and an occasional *sotto voce*, "kindergarten stuff!"

But a certain salesman who failed to heed this warning when taking his renewal salesman license test will testify that the proctor's admonition is to be taken seriously indeed. The salesman took notes to the examination room and, as he surreptitiously referred to them, the proctor detected him in the act. A formal hearing was held at which guilt was established beyond any reasonable doubt, and the commissioner suspended both his current license and his right to take an examination for a renewal license.

The regulation against cheating in examinations (Sec. 2763, Regulations) may seem "kid stuff" to some, but this salesman who saw fit to disregard it has been out of business for some months; and, although according to the record, "he desires to continue as a real estate licensee, and sincerely regrets his aforesaid conduct," will remain out of business until the termination of the suspension period.

Honesty and a good reputation are prerequisites to licensing. Regret, however sincere, is never an adequate remedy for a breach of either!

old puppy-seeker chuckled and said, "I haven't got the 52 bucks anyway!" Then he added, "You know what! I'm going to write them and tell them to sell the lot I won and send me the dough!"

Perhaps our concerned licensee was right. Perhaps the innocent insight of a child is the best safeguard against those who would capitalize upon the gullibility of adult citizens.

When a Broker's Job Is Done

"*Get the check in your hand, sonny,*" counseled the once-upon-a-timer, "*and the name on the dotted line, and your worries are all over!*"

No real estate broker, possessed of a modicum of commercial "know-how" or ethical sensitivity, would give such advice today, but there are those who say, "Get them to escrow and you've got it made."

For those whose thinking and practice follow this pattern, let it be said for the record that many a presumably consummated transaction has fallen apart, and many a commission check gone glimmering because of this and for no other reason. Moreover, many a complaint has been submitted to local board committees on ethics and to the Real Estate Commissioner because of ramifications of this "grab 'em, sell 'em, forget 'em" business philosophy.

This is not the thesis inherent in the Code of Ethics. This is not the practice by which respected real estate firms of long standing and deserved reputation have built their professional image in the public mind. No, indeed. The concept implied in the term "Licensed Real Estate Broker," the point of view with which public confidence has been and continues to be won is that a broker's responsibility to his clients ends when all facets involved in their "meeting of the minds" negotiated through his agency are resolved—not one minute sooner. This is a fact which must be reckoned with, a required element in the policy foundation of any ultimately effective real estate career.

MATCH THIS RECORD!

Division license files turn up this personnel turnover record: One salesman, who has worked for 27 brokers in 3 years, 3½ months, is seriously considering settling down. Stability where art thou!

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

WHY LICENSE CHANGES TAKE SO MUCH TIME

"Vituperation" is an interesting word meaning to censure severely, but the division's senior deputy directly responsible for licensing procedures would much prefer having it kept in its place in the dictionary rather than being loosed in his direction for presumed delays in processing time—delays which are inherent in the nature of the request and hence immune to expediting efforts.

A concrete, and fairly typical, example should promote a clearer understanding of what is involved in a request for what seems to the licensee a simple change. Recently, a broker, moving to a new location, sent in a request for the change of his broker license and 28 salesman licenses, together with a check for \$30 to take care of the \$1 fee for each change of address. He expected the processed licenses to come back forthwith and, when this did not ensue, he addressed a letter to Sacramento which would have to be properly termed either "severe censure" or "vituperation," whichever label comes most quickly to mind.

One Request Means Many Operations

For the record, this is a summation of the necessary actions which this seemingly simple operation actually demanded. First, a check of the files showed 80 salesmen registered in the broker's employ at the time of the address change, rather than the 30 for which forms and fees had been submitted. The licenses of two additional salesmen had expired prior to the re-

TODAY'S PROBLEMS— —TODAY'S SOLUTIONS

Among the many comments in answer to the commissioner's request for constructive criticism of the *Real Estate Bulletin*, one that appears often refers to complete back files of the *Bulletin* kept for reference purposes by licensees writing in.

This is good if—and this is a very important if—the filer remembers that laws, conditions, and acceptable procedures change from year to year, even from month to month, and, consequently, that which was law, regulation or policy in 1956 may be different in 1962. Above all, remember, that counsel to be valid must be current. Keep the *Bulletins* by all means. Consult them by all means, but double check your answers against those contained in recent issues or the latest *Reference Book!*

quested change. Fifty salesman licenses, therefore, had to be canceled.

This latter operation, itself, involved further essential but time-consuming moves. Each individual file had to have a suspense note entered. A letter had to be written to the broker informing him these salesman licenses were canceled and that, should he desire to continue them as employees, the required fees must be sent in. If the answer was "no," a form letter had to be mailed to each of these salesmen, notifying him of cancellation of his license and that a fee would be necessary to reinstate or place the license on an inactive basis. If the an-

COMMUNICATION AND BUSINESS

The American Telephone and Telegraph advertises: "How many business problems are really communication problems?" A good question for any business executive, but especially for one in real estate where clear communication is the essence of effectual negotiation between buyer and seller, lessor and lessee, the two or more parties to a property exchange, or any other transaction of two or more parties for whom the licensee acts as agent.

To communicate facts between mind and mind to the point of understanding and ultimate agreement in such a way that its every part shall hold against future challenge is the accomplishment of a professional's mind.

swer was "yes," the files had to be checked again and 50 reinstatement forms prepared for the careless, and now quite unhappy broker.

How much simpler it would have been if the broker had known the number of salesmen actually charged to his sponsorship and supervision, and had sent in fees to cover all active employees, returning the licenses of all inactive ones. "Vituperation" could have remained in the dictionary. The broker could have moved his office with equanimity, and the senior deputy involved would now be possessed of a much less noticeable tendency to develop ulcers.