

REAL ESTATE BULLETIN

Official Publication of the California Division of Real Estate

GOODWIN J. KNIGHT, Governor

Sacramento, November, 1955

D. D. WATSON, Commissioner

UNLICENSED ACTIVITY

Attempted Circumvention of License Law Results in Heavy Fines and Sentences

Fines totaling \$3,500 were levied against three defendants in the Los Angeles Municipal Court recently for engaging in the real estate business without being properly licensed. The defendants were also placed on probation for lengthy periods.

Garrett Investment Company, a corporation, was fined a total of \$1,500, and the principals, Bernard Garrett and his wife, Eunice Garrett, were fined a total of \$2,000 payable at the rate of \$300 per month. A sentence of 90 days for each of the Garretts was suspended, and they were placed on probation for a period of two years.

Method of Operation

The Garretts had been operating without real estate licenses, ostensibly

as principals. They claimed to have obtained options, or they opened escrows without depositing any money and held the properties until a purchaser could be found. At that time a double escrow was used.

Garrett had published a sizable list of properties for sale which he represented as belonging to the Garrett Investment Company, his corporation. Investigation showed that they did not belong to the company, but that they were merely tied up in these dummy escrows. In other cases, the Garretts contended that they had options on the properties, which upon examination proved not to be bona fide. There were two complaints issued against Bernard Garrett and the company, and one against Eunice Garrett.

In addition to the charges of operating without a license, felony counts were filed against the Garretts and Ernest T. Bryant on charges of filing false documents for record, forgery, grand theft and conspiracy of each of these counts.

Ernest T. Bryant pleaded guilty to two counts, one of forgery and the other of conspiracy to commit forgery, and offered to testify against Garrett. Garrett thereupon pleaded guilty to one count of filing false documents for record and a second count of conspiracy to file false documents for record. The case was passed until a later date for sentence and for report from the Probation Department.

When sentence was handed down, Bryant was given five years' probation and fined \$200. Garrett was also put on five years' probation and fined \$1,800.

PHOTOGRAPHS REQUIRED WITH LICENSE APPLICATIONS

This is a reminder that every applicant for an original license must file his photograph as part of his application. This regulation has been in effect since October 1, 1955, and the processing of many applications is delayed because the applicant has neglected to send along a photo.

This regulation applies to all applicants for license. For example: A real estate broker now applying for business opportunity broker license must send picture. The photograph should be of passport-type, full face, and approximately 1½ inches square.

The center of the three-fold examination card which should accompany all license applications has a designated space for the photo. Supplies of old cards not providing this space should be destroyed.

The photographs are used for purpose of identification at the time of examination and then become a part of the applicant's permanent file with the Division of Real Estate.

RESERVE A COPY OF DIRECTORY OF LICENSEES

If you want a copy of the 1955-56 Directory of Licensed Brokers and Salesmen, PLACE YOUR ORDER BEFORE DECEMBER 15th. The directory is now in preparation and only enough copies will be ordered from the printer to take care of reservations made in advance.

The directory costs the licensed broker \$1.03 (includes sales tax). To anyone not a licensed broker, the price is \$3.61 (includes sales tax). Send your order with check or money order (please, no cash) direct to Division of Real Estate, 1021 O Street, Sacramento. Place your order NOW; the book will be sent to you postpaid upon publication.

If additional copies are wanted for branch offices, the regular price—\$3.50, plus sales tax—must be charged in accordance with the law. However, if an individual is licensed both as a business opportunity and as a real estate broker, he is entitled to order two copies at the lower price.

Each directory costs much more to print than it sells for to brokers. Reservations are necessary to assure no wastage. Brokers are charged a nominal price for the directory so that it will not be ordered unless there is a genuine use for it.

Directories will not be sold in the divisions' branch offices.

Lengthy Investigation

For many months the Division of Real Estate has conducted a continuing investigation of the activities of certain operators who claimed to be acting as principals in real estate transactions, while complaints indicated this position was a mere subterfuge and that the operators were proceeding without licenses which would curtail their type of activity. The foregoing case and convictions stemmed from one of these investigations, and others are continuing.

REAL ESTATE BULLETIN

Sacramento, November, 1955

Published Bimonthly by the
DIVISION OF REAL ESTATESTATE OF CALIFORNIA
GOODWIN J. KNIGHT, GovernorD. D. WATSON
Real Estate Commissioner

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Limited Salesman License

The new amendments to the Real Estate Law do not change the limited real estate salesman license in any way.

The limited real estate salesman cannot sign any contracts or agreements on behalf of his broker under the provisions of the law. Thus, the limited salesman is largely restricted to making contacts with prospects, showing property, and finding property for sale or lease which may be listed by the broker or by a regular salesman.

The limited salesman license is valid for only 120 days or until the end of the fiscal year (June 30th) whichever period is the shorter.

DISCIPLINARY ACTION—AUGUST AND SEPTEMBER, 1955

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. A list of persons to whom licenses are denied upon application is not published.

LICENSES REVOKED DURING AUGUST AND SEPTEMBER, 1955

Name	Address	Effective date	Violation
Moore, Arthur Alexander Real Estate Broker	1920 Market St., Oakland	8/ 1/55	Secs. 10176 (a), (b), (c), (i); 10177 (f) & Secs. 2830, 2831 & 2832 of R. E. Comm. Rules and Regulations
Sprague, Henry Ware dba Five Points Realty & Investment Co. Real Estate Broker	11264 Firestone Blvd., Norwalk	8/ 2/55 (Subject to terms and conditions)	Secs. 10176 (a), (g), (i) & 10177 (f)
Karr, Wendell Holmes Real Estate Broker	1412 W. Glenoaks Blvd., Box 3224, Glendale	8/ 9/55	Sec. 10177 (f)
Bradley, John Joseph, Jr. Restricted Real Estate Broker	19301 Ventura Blvd., Tarzana	8/ 9/55	Secs. 10176 (e), (i) & 10177 (d), (f)
Patino, Jack Real Estate Broker	1935 Mathews Ave., North Redondo Beach	8/16/55	Sec. 10177 (b)
Glissman, Rex P. dba Rex Glissman Co. Restricted Real Estate Broker Restricted Business Opportunity Broker	1550 Market St., San Francisco	8/16/55	Secs. 10177 (f); 10301 (e), (i); 10302 (e) & Secs. 2830, 2831 & 2832 of R. E. Comm. Rules and Regulations
Pani, Sylvia Real Estate Broker	801 S. Painter Ave., Whittier	8/17/55	Sec. 10177 (b), (f)
Hitchcock, Robert Keith dba Anglo-Pacific Realty Real Estate Broker Business Opportunity Broker	3380 Mt. Diablo Blvd., Lafayette	8/17/55	Secs. 10176 (e), (i); 10177 (d), (f); 10302 (d), (e) & Secs. 2830, 2831 & 2832 of R. E. Comm. Rules and Regulations
Bokarica, Mike George Real Estate Broker	5164 W. Olive St., Fresno	8/18/55 (Granted right to restricted RE sales license)	Sec. 10177 (b), (f)
Keppel-Eakle Real Estate Corporation	848 Cole St., San Francisco	8/23/55 (Granted right to restricted license)	Secs. 10176 (a), (b), (i) & 10177 (f)
Keppel, Everett Albert Officer of Keppel-Eakle Real Estate Broker	848 Cole St., San Francisco	8/23/55 (Granted right to restricted license)	Secs. 10176 (a), (b), (i) & 10177 (f)
Sherburne, Willard A. Real Estate Broker	848 Cole St., San Francisco	8/23/55 (Granted right to restricted license)	Sec. 10176 (a), (b), (i) & 10177 (f)
Hayes, Grady Clayborne dba G. C. Hayes Realty Real Estate Broker	1360½ Webster St., San Francisco	8/25/55	Sec. 10177.6
Witt, Everett William Real Estate Broker	479 12th St., Richmond	8/31/55 (Granted right to restricted real estate salesman license)	Secs. 10176 (e), (i) & 10177 (f)
Turso, Joseph B. Limited Real Estate Salesman	300 S. Murphy Ave., Sunnyvale	9/ 2/55	Sec. 10177 (a), (f)
Stone, Kay Arnold Real Estate Broker	451 N. La Cienega Blvd., Los Angeles	9/ 7/55 (Granted right to restricted license)	Secs. 10176 (e), (i); 10177 (f) & Secs. 2830 & 2831 of R. E. Comm. Rules and Regulations
Stone, Kay Arnold Pres. of Kay Stone Company, Inc. Real Estate Broker	10908 Ashton Ave., Los Angeles	9/ 7/55 (Granted right to restricted license)	Secs. 10176 (e), (i); 10177 (f) & Secs. 2830 & 2831 of R. E. Comm. Rules and Regulations
Sessler, Sylvia Dean Real Estate Salesman	4957 Riverton Ave., North Hollywood	9/ 7/55	Sec. 10177 (b), (f)
Waxman, Sol Real Estate Broker	769 39th Ave., San Francisco	9/13/55 (Granted right to restricted license)	Sec. 10177 (f)
Dowd, Harry J. Real Estate Broker	660 Chenery St., San Francisco	9/22/55 (Granted right to restricted license)	Secs. 10176 (e), (i); 10177 (f) & Secs. 2830, 2831 & 2832 of R. E. Comm. Rules and Regulations
Taylor, Dorothy Real Estate Broker	660 Chenery St., San Francisco	9/22/55 (Granted right to restricted license)	Secs. 10176 (e), (i); 10177 (f) & Secs. 2830, 2831 & 2832 of R. E. Comm. Rules and Regulations

(Cont. next page)

Restricted Licenses

Conditions Governing Their Granting and Their Use

The phrase "Granted Right to Restricted License" appears occasionally in the "Disciplinary Action" column of the *Bulletin*, and many readers have inquired as to the significance and use of the term.

Restricted licenses may be issued by the Real Estate Commissioner under two different sets of circumstances:

(1) When a person has been a licensee and has been found in violation of the law after a hearing, or (2) where an applicant for license, who has met all other requirements including examination, fails to make a satisfactory showing after hearing on the point of his general reputation.

The license may be restricted in various ways, such as: by term, or by employment to a particular real estate broker, or by other special conditions set forth in the order granting a restricted license. Examples of special conditions are: requiring a surety bond, requiring regular reports of all transactions, requiring special reports of transactions, requiring spe-

cial treatment of trust funds, and so forth.

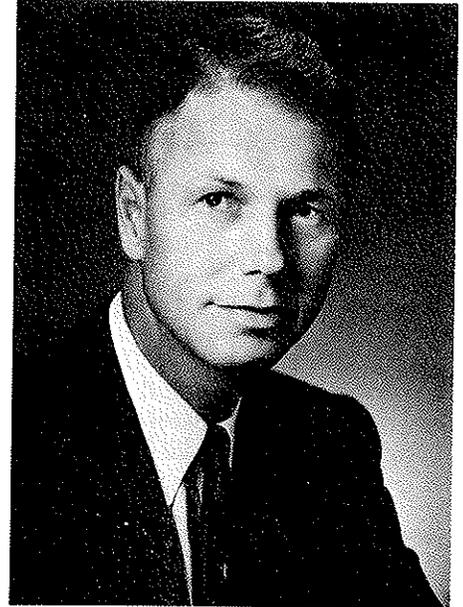
Not Granted Lightly

A restricted license is not granted lightly. When the restricted licensee is to be a salesman, his employing broker may be required to fill out an affidavit whereby he agrees to review carefully transaction documents prepared by the restricted licensee, to exercise close supervision over his activities, and to notify the Commissioner at the first sign of any irregular activity on the part of the restricted licensee.

Restricted licenses are serving a very worth while purpose, but are issued with great care and only in those cases where circumstances clearly appear to warrant.

Cotton Will Succeed Lowe as CREA President

John Cotton of San Diego was elected 1956 President of the California Real Estate Association by the Board of Directors at the 51st Annual Convention of the state organization held in Los Angeles, September 25-29. He will succeed Floyd Lowe, Palo Alto, and will be formally inaugurated early in January in his home city.



JOHN COTTON
CREA's 1956 President

Mr. Cotton, now 42, is a second generation San Diego realtor and native son and is president and general manager of the 52-year-old firm, O. W. Cotton. He has been a CREA director for eight years and has held many important offices in the organization.

Among his professional honors are: past president of the San Diego Realty Board, California Rental Owners Association, San Diego Rental Owners Association, and the San Diego Chapter of the Institute of Real Estate Management.

At the convention, H. Jackson Pontius of Pasadena was elected State Secretary of CREA and Charles H. Brown, also of Pasadena, was re-elected treasurer of the association.

If you want a 1955-56 Directory of Licensees, order it now.

LICENSES REVOKED DURING AUGUST AND SEPTEMBER, 1955

(Cont. from preceding page)

Name	Address	Effective date	Violation
Blackman, Morris..... Real Estate Broker Business Opportunity Broker	8005 Beverly Blvd., Los Angeles..	9/23/55	Secs. 10177 (b), (f) & 10302 (b), (c)
Pelton, James Stuart..... Real Estate Broker	373 South Robertson Blvd., Beverly Hills	9/28/55	Secs. 10176 (g), (i) & 10177 (f)
Pelton, James Stuart..... Member of Pelton & Zahler Real Estate Broker	373 South Robertson Blvd., Beverly Hills	9/28/55	Secs. 10176 (g), (i) & 10177 (f)
Marsh, Lester Marvin..... Restricted Real Estate Broker Restricted Business Opportunity Broker	9611 Felton Ave., Inglewood.....	9/27/55	Secs. 10177 (d), (f) & 10302 (d), (c)

LICENSES SUSPENDED DURING AUGUST AND SEPTEMBER, 1955

Name	Address	Effective date and term	Violation
Foy, Doris Eva..... Real Estate Broker	5919 Grove St., Oakland.....	8/ 1/55 20 days	Secs. 10176 (a), (b), (i) & 10177 (f)
McCabe, Fred..... dba Fred "Farmer" McCabe Real Estate Broker	10292 Garden Grove Blvd., Garden Grove	8/ 1/55 6 months (reduced upon compliance with terms and conditions)	Secs. 10176 (a), (d), (g), (i) & 10177 (f)
Ginns, Grace Fisher..... Real Estate Broker	3734 W. Adams Blvd., Los Angeles	8/ 4/55 90 days	Secs. 10176 (e), (i) & 10177 (d), (f)
Thoren, Muriel Minton..... Real Estate Salesman	3255 Mt. Diablo Blvd., P.O. Box 222, Lafayette	8/31/55 30 days	Secs. 10137 & 10177 (f)
Sweetman, Thomas Gregory..... Real Estate Broker	15211 S. Normandie, Gardena.....	9/ 8/55 30 days	Secs. 10162 & 10165
Austin, Ralph Robert..... Real Estate Broker	1096 Davis St., San Leandro.....	9/15/55 60 days	Secs. 10176 (a), (i) & 10177 (f)

Division's Organizational Structure Explained

Lines of Responsibility Defined and Charted; Policies Reviewed

With the advice and cooperation of some of the largest private business organizations in the State, the commissioner has overhauled the organizational structure of the Division of Real Estate in the interest of efficiency and more economical service.

In an effort to pinpoint responsibility, and standardize procedures, and operations throughout the State, all functions of the division have been carefully organized in accordance with modern business methods. Lines of responsibility are pictured in the chart appearing below. Manuals of procedure and operation have been compiled and adopted, defining duties and authorities.

Commissioner—Chief Officer

Referring to the chart, it will be noted that the Real Estate Commissioner, acting under the Governor and with policy advice from the State Real Estate Commission (Board) appointed by the Governor, administers all the affairs of the Real Estate Division. Most of the administrative de-

tail is handled by the Assistant Commissioner, Donald McClure.

License functions are centralized in Sacramento under License Supervising Deputy, Harold H. Wells. The supervision of regulatory functions (subdivisions, investigative and disciplinary action) is split between Chief Deputy Gaylord K. Nye, in charge of these activities in the northern part of the State, and Chief Deputy Ray D. Westcott in the south.

There are four district offices in the north—San Francisco, Oakland, Fresno and Sacramento—each with a deputy-in-charge and a staff varying in size with the number of licensees served by the office and the area covered. A part-time office is also located in Bakersfield in the northern area.

In the southern regulatory area, under the supervision of Mr. Westcott, there are four district offices, Los Angeles—by far the largest—San Diego, San Bernardino and Long Beach. The latter two are part-time offices.

Office Calls

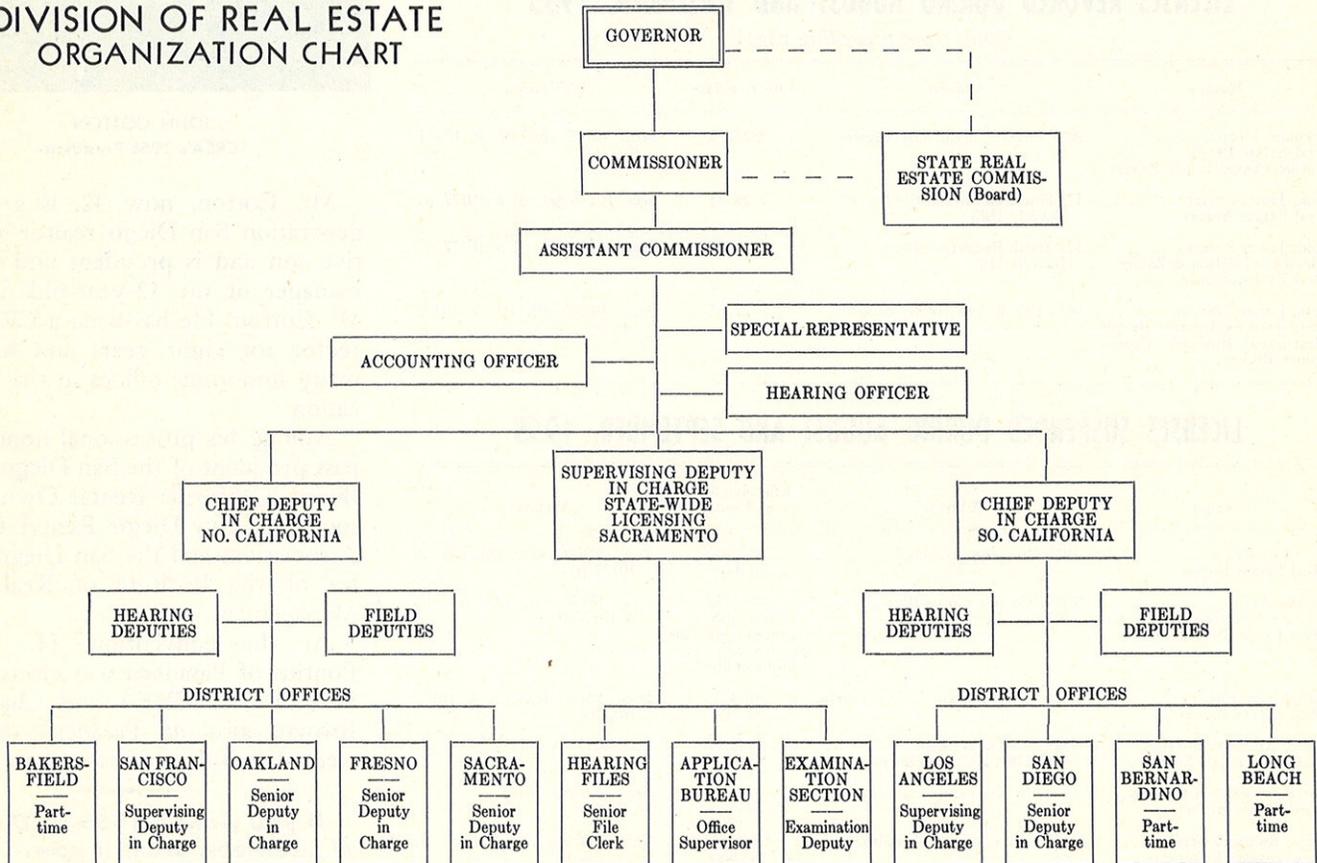
Office callers are usually referred to a deputy when the subject of the call is of more than routine importance. Conferences with the deputy-in-charge can always be arranged if the matter is out of the ordinary and, if it becomes one of policy, it will go up through the chief deputy concerned to the Real Estate Commissioner.

Questions Over the Phone

Answers to important questions should not be requested by phone. Complicated and important questions should be reduced to writing, giving pertinent details so that a proper answer covering all contingencies can be made. This avoids misunderstandings. Routine or general questions can be handled satisfactorily by phone.

(Cont. next page, Col. 1)

DIVISION OF REAL ESTATE ORGANIZATION CHART



ADVANCE FEE ADVERTISING

Questionable Promotion Practices Are Investigated; Cooperation Asked

The Division of Real Estate is currently conducting an investigation to determine whether the Real Estate Law is being violated by unlicensed salesmen who solicit advertising for catalogs listing real estate and business opportunity offerings. Some of these publications are represented as specialized monthly magazines.

Numerous complaints have been received from brokers and property owners to the effect that unlicensed persons have offered services for a fee in connection with the proposed sale of real estate and business opportunities. **The division suggests licensees, hearing of such propositions, report the details to the division.**

The Opening

Salesmen for some of these magazines will, more or less at random, mail postcards containing substantially the following message:

"Dear Sir:

"Do you want to sell your farm? If you do, please get in touch with me right away as I am in contact with folks through our who want to locate in your area.

"Sincerely

"John Doe, Authorized Representative."

Or the postcard may take a form such as this:

"Dear Sir:

"I would like to stop and visit with you about selling your ranch. I have many requests from eastern buyers for ranch property through I am not a

Organizational Structure

(Cont. from preceding page)

Written opinions or instructions on subdivision matters are particularly important because large amounts of money may be involved. The commissioner is given certain jurisdiction and responsibilities in connection with new subdivisions to the end that the public be protected from the dangers of fraudulent or ill-advised promotions. At the same time, the commissioner by policy has endeavored to make sure that legitimate operations are not hampered. **In this respect, new procedures which might further streamline action on new subdivisions are constantly being examined, and adopted if feasible.**

All should realize that many different types of subdivision promotions

broker; ask for no money in advance. If you want to sell, contact me right away."

Under a new provision of the Real Estate Law, persons who solicit advertising for publications devoted primarily to this purpose are required to be licensed as business opportunity agents, provided they contract or collect a fee in advance of the publication of the advertisement. The law does not apply to newspapers or magazines of general circulation, but primarily to these "catalogs" which list real estate or business opportunities for sale.

Sales Results Reported Negative

Despite the efforts of the California Division of Real Estate and the real estate commissions of other states to find out what results, if any, are obtained from this type of operation, these operators have been reluctant to give any information. It is suspected that the results are very meager, and this is borne out by reports secured from independent sources.

The salesmen for the advertising schemes in question often examine the

and new problems in this connection constantly appear. With this in mind, it is apparent that one cannot pick up the phone and expect a "Yes" or "No" answer from the information clerk or even a deputy to an involved and important question.

It is advisable to get the facts on paper and receive an answer from someone with proper authority to give it.

General Policy

It is the commissioner's policy, carefully impressed upon his staff, that there is to be no favoritism shown in qualifying an applicant for license. Nor is there to be deviation in the handling of complaints and disciplinary functions—big or small operator, member of organized real estate or not—all must be treated alike.

property or business to be advertised, and give the owner a statement or statements somewhat as follows:

1. The property is desirable. Prospects are available and a higher price is suggested.
2. Very likely a sale will be made within 60 days as national advertising will be used.
3. Confidential lists of screened prospects will be furnished to the owner so that he may contact them himself and sell without payment of a commission.
4. The contract signed by the owner to pay fees for advertising ranging from \$100 upward will not be effective until the offering is examined and accepted at the head office.

Representations Not in Contract

Actually, the contract itself carries none of these representations, or at least not all of them, but does carry the usual language that representations not set forth in the contract shall not be binding upon the company. Upon acceptance, or at some specified later date, the fee becomes due and, if not paid, may be basis for a collection suit.

The Real Estate Commissioner, in an article in the *Bulletin* dated September, 1954, commented: "It is not difficult to distinguish between the methods of the legitimate brokers and the schemes of the racketeers who solicit advance listing and 'advertising' fees and then make no real effort to sell the property. The latter prey mostly upon the small businessman. The activities of some are a fraud upon the public and undermine public confidence in the real estate profession which renders valuable services to those who desire to buy or sell property."

The Reputable Firms

Certain real estate firms of good reputation and long standing have published catalogs listing properties, which have been of distinct value to buyers and sellers alike. However, the publishers of such catalogs do not secure their advertising through misrepresentation or the solicitation of contracts whereby the property owner obligates himself to pay a large fee, regardless of the results obtained.

REAL ESTATE CONVEYANCING

Transfers May Be Affected by Various 1955 Statutes

In the last two issues of the *Bulletin*, the new laws which are to be administered by the Real Estate Commissioner have been discussed. Covered were the various amendments to the license law, subdivision law, and the new sections of the Civil Code regulating the charges of loan brokers.

However, there are amendments to the Civil Code, Code of Civil Procedure, Business and Professions Code, etc., which possibly may affect the handling of some real estate transactions by real estate brokers. Some of them which may be of interest and of value are described briefly below.

Minors

Any person lawfully married who is 18 years or over is now an adult person for the purpose of entering into any transaction respecting property. This now gives the privilege to married males 18 years or over, whereas formerly this applied only to married women in this age group. Therefore, the married man can now take title to property, convey it, etc., without being 21 years of age.

Judgments

Execution may now issue within 10 years after entry of judgment and after 10 years from entry of judgment by consent of the court. Heretofore and prior to September 7, 1955, the period was five years.

Lease Subdivisions

The Map Act definition of a subdivision has been changed to include lease subdivisions. Since September 7, 1955, it is unlawful for anyone to offer to sell or lease, to contract to sell or lease, or to sell or lease any subdivision until a final map has been recorded. The law administered by the Real Estate Commissioner has provided for lease subdivisions since 1933. This amendment tends to make the two definitions more uniform.

Joint Tenancy

Some change has been made in the Civil Code definition of a joint interest, with respect to creation of a joint tenancy. It is contained in Section 683

of the Civil Code, as amended September 7, 1955. It provides:

A joint interest is one owned by two or more persons in equal shares, by a title created by a single will or transfer, when expressly declared in the will or transfer to be a joint tenancy, or by transfer from a sole owner to himself and others, or from tenants in common or joint tenants to themselves or some of them, or to themselves or any of them and others, or from a husband and wife when holding title as community property or otherwise to themselves or to themselves and others or to one of them and to another or others, when expressly declared in the transfer to be a joint tenancy, or when granted or devised to executors or trustees as joint tenants. A joint tenancy in personal property may be created by a written transfer, instrument or agreement. Provisions of this section shall not restrict the creation of a joint tenancy in a bank deposit as provided for in the Bank Act.

It will be seen that the law is very flexible insofar as the ability of persons to create a joint tenancy. Note that a man and wife owning community property may deed same to themselves as joint tenants. Owners having property as tenants in common may do the same. A will may provide for inheritance as joint tenants. A joint tenancy can be created only by a single will or deed, which must specify that the devisees or grantees shall be joint tenants.

Attachments

Under a new amendment to Section 560 of the Code of Civil Procedure, attachments can no longer be released by an entry on the margin of the record of the attachment.

Chattel Mortgages

In order to be valid, a chattel mortgage must be recorded in the office of the recorder of each of the counties where the property mortgaged is located and where the mortgagor resides at the time the mortgage is executed. If the mortgagor is not a resident of the State, it is not necessary to record

the mortgage in the county of his residence. Should the mortgaged property be removed to another county of the State, the mortgage must be recorded in that county or a statement of recordation filed as prescribed by law. The recording requirements do not apply to growing crops or to animate personal property.

Notices of Completion

After September 7, 1955, notices of completion shall be signed and verified by the owner or his agent. This is an amendment to Section 1193.1 of the Code of Civil Procedure.

Segregating Taxes

Anyone who applies for a segregation of taxes on a portion of any land appearing on the tax rolls must make such application between the first Monday in July and before December 1st. This is an amendment to Section 2804 of the Revenue and Taxation Code.

Paying Another's Taxes

Many types of mortgages and trust deeds, particularly FHA and VA, provide that the lender shall pay the taxes on the property from impounds collected from the borrowers. An amendment to the law now provides that when such taxes have been paid in full by the lender, and within 30 days of the receipt of the written request of the assessee, the original or a copy of the tax bill must be mailed to the last known address of the assessee as shown on the tax bill, postpaid, or otherwise delivered to him within the 30-day period.

Change in Law Brings Rush of Applications

Licenses issued as of September 30, 1955, showed an abnormal increase over the same date one year ago—116,696 as against 104,653, or a rise of 11.5 percent. These figures include all types of licenses issued by the Real Estate Commissioner.

The primary cause of the jump was the rush to obtain permanent, renewable licenses prior to the October 1st effective date of changes in the license law. The volume of applications received by the division swelled tremendously over normal figures after the legislation's passage was assured.

Supervising Salesmen

Law Emphasizes Brokers' Responsibility

The broker who fails to exercise "reasonable supervision" over the activities of his salesmen is risking suspension or revocation of his license (Sec. 10177(h) added to Real Estate Law, Stats. 1955). Most brokers have consistently accepted their responsibilities in this respect, realizing the actions of the irresponsible, unethical, or incompetent salesman reflect unfavorably upon the reputation of the employing broker, hurting him and his business.

But the lack of regard on the part of a few brokers for their responsibilities in the matter of employing and supervising salesmen led the Legislature to put "teeth in the law" by adding Section 10177(h). **It emphasizes the broker's responsibility and should discourage any broker from employing salesmen indiscriminately or allowing them to operate independently with practically no supervision.**

Some brokers have gone so far as to lend their names to operations conducted by salesmen in cities distant from the broker's main office. In some cases this was obviously a subterfuge to evade the principle that the client or customer can expect to rely upon the guidance and service of a seasoned and experienced broker even when the primary contact is the salesman.

Advertisements in Salesman's Name

The new provision of the law also strengthens Section 2770 of the Real Estate Commissioner's Regulations which reads: "*Advertising of any service for which a license issued under the provisions of the Real Estate Law is required shall not be under the name of a salesman unless the name of the employing broker is set forth.*"

Some licensees have not been complying with this regulation. With the new law, it would be very difficult for a broker to sustain a plea of ignorance of his salesman's advertising which might violate the above-quoted rule. The final responsibility for compliance rests with the employing broker, and both he and the salesman violating the regulation may face disciplinary action against their licenses.

There are sound reasons for this regulation, and it would seem in the best interests of all concerned to enforce it rigorously—first in the broker's own office.

Real Estate Employees Win Suggestion Awards

The State Merit Award Board recently announced that Lila B. Shafer, hearing reporter in the division's San Francisco office, by winning three cash awards in the last two months, has established a new record in the state employees' suggestion plan. The board also announced that Division of Real Estate employees were leading other state agencies over a period of several months in suggestions offered per employee.

The merit award program, designed to stimulate state employee suggestions for improvements in operations and procedures, was adopted some time ago, such programs having proved their worth in private industry. The amount of cash award made upon adoption of an employee's proposal is based upon the estimated resulting annual saving. One of Mrs. Shafer's awards amounted to \$150, an amount based on an estimated annual saving of over \$5,000 by using a revised procedure in typing of subdivision reports.

Other employees, who have been awarded varying amounts in cash for their money saving suggestions, include Arvine Schmidt, senior file clerk, Sacramento office; Constance Silverman and Dora E. Boon, respectively senior stenographer and senior legal stenographer in the Los Angeles office; Paul R. Pope, field deputy, Los Angeles office; Anne Williams, senior stenographer, and Michael J. Maslach, deputy, both in the San Francisco office; Roy Hollingshead, deputy, and Rosalind Calland, intermediate stenographer, in the Oakland office.

Mercedes Poole, secretary stenographer, San Francisco, was awarded a certificate of commendation.

Interim Committee Continues Constructive Subdivision Legislation Results From Committee's Studies

The State Senate Interim Committee on Subdivision Development and Planning, headed by Senator Arthur H. Breed, Jr., of Alameda County, will continue its studies during the next two years.

The committee's work prior to the last session was recognized by the Legislature, which adopted its constructive recommendations for new legislation affecting subdivisions. However, that is only one phase of the committee's activities. Whenever possible, it attempts to arrive at a solution of subdivision problems without the necessity of legislation. **A third part of its program is to undertake work of an educational nature in connection with subdivision development.**

Committee Plans Manual

In connection with the latter activity, which is under way at the present time, the committee, with the aid of the many experts in its ranks, plans to develop a manual of instruction for subdividers. This manual will be designed to inform the subdivider of the various steps necessary in developing the land, from the time purchase is contemplated through the various steps necessary to develop and market it. Methods of dealing with drainage, water and road, filled ground, sanitation, and many other problems will be discussed.

Then the important steps of properly clearing with the local authorities in connection with the filing of maps, and also the necessary filing with the State Real Estate Commissioner will be reviewed.

As the work of the committee proceeds during the next biennium, its efforts will largely be devoted to the educational phase of its activities. Knotty problems which arise will be considered in the light of existing law. However, it is possible that, as time goes on, certain suggestions for further legislation may be considered.

For the first time in the history of California, the subject of land development has attained sufficient importance to prompt continuing special study by the Legislature.

License Law Officials Convene in New York With Watson Presiding

The National Association of License Law Officials (NALLO), comprised of Real Estate Commissioners and Administrative Officers throughout the country, gathered for its annual convention in New York City late in October. D. D. Watson, California Commissioner, and president of the national organization, presided at the six-day meeting.

Among matters considered by the license officials were license reciprocity—a particularly perplexing problem in the East and Middle West, real estate education for licensees, problems of law enforcement, uniform laws and regulations, standard forms, examination problems and procedures, legislative progress, etc. Officials of NAREB participated in many of these discussions.

Organized in 1930

NALLO was organized in 1930 to form a federation of real estate license law officials for the better administration and enforcement of license laws. It serves as a central clearing house for information and data pertinent to the administration of licensing measures. It has coordinated action to eliminate certain real estate rackets which spread from state to state and which were a fraud upon the public and a real detriment to the legitimate broker.

Today 43 states have real estate licensing laws, as have the District of Columbia, the Territories of Alaska

REAL ESTATE LAW AVAILABLE IN NEW PAMPHLET FORM

A pamphlet containing the full text of the Real Estate Law and the commissioner's Rules and Regulations, as in effect October 1, 1955, is now available at all offices of the Division of Real Estate. You can order it mailed postpaid from the Sacramento office, 1021 O Street. The price is 25 cents, plus sales tax.

Many important amendments and additions to the Real Estate Law were enacted during the 1955 legislative session. The commissioner's Rules and Regulations have been revised to take into account changes in subdivision law and the statutes pertaining to real estate loan brokerage.

All of these changes are covered in the new pamphlet. In addition, it contains a reprint of the Civil Code sections relating to real estate loan brokerage.

Commissioner's Note: I believe every active broker and salesman should have a copy of this pamphlet at hand. All licensees should be thoroughly familiar with the license law and regulations under which we operate.

and Hawaii, and the five Canadian provinces of Alberta, British Columbia, Manitoba, Ontario, and Saskatchewan. In the United States, only Massachusetts, Rhode Island, North Carolina, South Carolina, and South Dakota are without license laws at the present time.

Mortgage Loan Form; Suggestions for Revision

The last issue of the *Bulletin* contained an outline of a mortgage loan broker's statement form which had been approved by the commissioner after consultation with members of the Attorney General's staff.

This form was devised in an attempt to be of service to the industry in the early stage of our operations under new legislation. Since the form has been in actual use, many suggestions for its improvement are being received from those engaged in the business. The suggestions are being carefully analyzed and the division, with the assistance of the Attorney General's staff, is now considering certain revisions of the form. Valuable assistance and cooperation are being given by individual mortgage loan brokers and organizations.

Industry's Suggestions Considered In Revamping Form

The commissioner plans to adopt a revised form at the earliest possible date, taking into consideration the industry's workable suggestions. In the meanwhile the commissioner welcomes the comments and suggestions, and wants it known they are very much appreciated. They are invaluable in drafting a form which should meet the standards of clarity and brevity, at the same time complying with all the provisions of the law.

If you want a 1955-56 Directory of Licensees, ORDER IT NOW.

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