



REAL ESTATE

# Bulletin

EDMUND G. BROWN, *Governor*

November-December 1959

W. A. SAVAGE, *Commissioner*

General recognition of real estate practice as a professional occupation has been for years the goal of most people in the business. But professional stature is not attained easily and cannot be reached without making available educational opportunities meeting quality standards.

In 1956 the California Legislature made significant changes in the Real Estate Law, changes designed to promote the cause of real estate education

**Real Estate Education and Research Fund**

**Reaches \$1,181,000. Financial Assistance**

**Has Been Provided for**

**Research Projects, Studies,**

**University Extension, Teacher's Guides,**

**Visual Aids and Student Workbooks**

## Commissioner Reports on Real Estate Education and Research

and research in the State. These amendments and additions to the law were sponsored by representatives of the real estate industry and received the support of the Real Estate Commissioner. Under the terms of the 1956 legislation, a part of the increase in license renewal fees was earmarked for credit to the then newly established Real Estate Education and Research Fund. At the present time, the fund's balance is approximately \$1,181,000. Each year approximately \$425,000 is expected to accrue to the fund from its 25 percent share of license fees. So far as is known, establishment of such a fund was without precedent. No business had ever urged adoption of this method of assuring financial support for elevation of its standards and operations through education and research.

### Use of the Fund

The legislation defined the use to which the Real Estate Education and

Research Fund could be put as follows:

**Section 10451.5.** All money paid into the State Treasury and credited to the Real Estate Education and Research Fund is available for appropriation by the Legislature to be used by the commissioner in carrying out the provisions of this part and Chapter 1 of Part 2 in the **advancement of education and research in real estate at the University of California, state colleges and junior colleges.** (Emphasis added.)

The first allocation from the Real Estate Education and Research Fund was made to finance A Study of Real Estate Education and Research Needs in California. While this study was in progress, the fund grew to unexpected proportions because no further allocations were made from it until fiscal 1958-59. Some of the recommendations made in the report which con-

cluded this study have been followed; others have been modified as seemed warranted.

### Commissioner's Advisory Committee

As a first step, the commissioner formed the Commissioner's Real Estate Education and Research Advisory Committee, known informally as the CREERAC. Serving on this committee are representatives of the University of California (both Los Angeles and Berkeley campuses), the state colleges, the junior colleges and the real estate industry. The individual committeemen and their alternates were nominated by appropriate action of the particular interests which they represent. Chairman of the committee is the commissioner's representative, whose official title in the Division of Real Estate is Chief, Education and Publications.

The CREERAC has met frequently

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**REAL ESTATE BULLETIN**

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**DIVISION OF REAL ESTATE**  
STATE OF CALIFORNIA  
EDMUND G. BROWN, Governor

**W. A. SAVAGE**  
Real Estate Commissioner

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**Maximum Charge Set  
For Service by Lender**

After a hearing before the State Insurance Commissioner, it has been determined that no more than a \$5 service charge may be made for the substitution of an insurance policy covering property which is the security for a loan. This ruling is set forth in Section 2108 of Title 10 of the California Administrative Code, and became effective on November 9, 1959.

The Insurance Commissioner emphasizes that \$5 is a maximum charge. Lending institutions may set a lower amount or may follow the practice adopted by many of making no charge whatsoever.

**DISCIPLINARY ACTION—AUGUST 1959 AND SEPTEMBER 1959**

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 August 1959 and September 1959**

Name	Address	Effective date	Violation
Lucky Properties..... Ted H. Schy—Member Real Estate Corporation	4061 W. Washington Blvd., Los Angeles	1/27/59	Secs. 10176(a), (i) & 10177(f)
Rideau, Earl Anthony..... Real Estate Salesman	4061 W. Washington Blvd., Los Angeles	1/27/59	Secs. 10176(a), (g), (i); 10177(d) & (f)
Rideau, Jimmy Bernard..... Member of Lucky Properties Real Estate Broker	4061 W. Washington Blvd., Los Angeles	1/27/59	Secs. 10176(a), (g), (i); 10177(d) & (f)
Schy, Ted H..... Real Estate Broker	4061 W. Washington Blvd., Los Angeles	1/27/59	Secs. 10176(a), (i) & 10177(f)
Georgeson, William Donald..... Real Estate Salesman	19965 Herriman Ave., Saratoga	8/11/59	Secs. 10177(b) & (f)
Anderson, Richard Harry..... Real Estate Salesman	19717 Sherman Way, Canoga Park	8/13/59 (Granted right to restricted license)	Secs. 10177(b) & (f)
Weintraub, Paul Joseph..... aka Joe Winters Real Estate Salesman	1632 S. Sherbourne Dr., Los Angeles	8/21/59	Sec. 10177.6
McClure, Thomas Gentry..... Real Estate Salesman	3252 Rosecrans, San Diego	8/25/59	Secs. 10177(b) & (f)
Young, Stanley Julian..... Real Estate Broker Business Opportunity Broker	1506 Solano Ave., Berkeley	8/25/59 (Granted right to restricted licenses on terms and conditions)	Secs. 10176(e), (i); 10177(f) & 10302(e)
Bell, Helen Josephine..... aka Helen Josephine Keogh Real Estate Broker	6435 El Cajon Blvd., San Diego	9/11/59 (Granted right to restricted license)	Secs. 10177(b) & (f)
Bosworth, Elena Maria..... Real Estate Salesman	1615 W. Cerritos Ave., Anaheim	9/11/59 (Granted right to restricted license)	Secs. 10177(b) & (f)
Conter, Louis Anthony..... Real Estate Broker	8242 W. 3d St., Los Angeles	9/11/59 (Granted right to restricted license on conditions)	Secs. 10176(i); 10177(d), (f) & 11020
Robertson, Marvin Porter..... Real Estate Salesman	433 7th St., Richmond	9/14/59 (Granted right to restricted license on conditions)	Secs. 10177(b) & (f)
Holloway, Marion Rex..... dba Holloway Land Co. Real Estate Broker	225 Kearny St., San Francisco	9/15/59	Secs. 10176(e), (i); 10177(f) & Sec. 2830 of R.E. Comm. Rules and Regulations
Holt, Charles James..... Real Estate Salesman	766 Homassel, Lindsay	9/15/59	Sec. 10177(b) & (f)
Hunter, Douglas Frederick..... Real Estate Broker	1506-B Russell St., Berkeley	9/15/59 (Granted right to restricted real estate salesman license on terms and conditions)	Secs. 10176(e), (i) & 10177(f)
Orr, Elmer Alexander..... Real Estate Salesman	681 Market St., San Francisco	9/15/59	Secs. 10176(a), (i); 10177(f) & (g)
Cohen, Stuart Jerome..... Real Estate Salesman	Ste. H, 9884 Santa Monica Blvd., Beverly Hills	9/18/59 (Granted right to restricted license on conditions)	Sec. 10177(b) & (f)
Kritt, Lawrence Harold..... dba Larry Kritt Investment Co. Real Estate Broker	Ste. 506, 6399 Wilshire Blvd., Los Angeles	9/26/59 (Granted right to restricted license on terms and conditions)	Secs. 10130; 10140; 10176(a), (i); 10176.1 and 10177(f)

**Licenses Suspended During August 1959 and September 1959**

Name	Address	Effective date and term	Violation
Lind, Lester Howard..... Real Estate Broker	5 S. Sacramento St., Lodi	8/ 5/59 180 days	Sec. 10176(a), (e), (i) & 10177(f)
Folberg, Solomon..... Real Estate Salesman Restricted Real Estate Broker	3474 El Camino Real, Santa Clara	8/10/59 60 days	Sec. 10177(f)
Mullennix, Albert Pleasant..... Real Estate Salesman	13974 1/2 Foothill Blvd., San Fernando	8/21/59 6 months	Secs. 10177(b) & (f)
Noyes, Lyman W. & Son, Inc..... Real Estate and Business Opportunity Corporation Lyman Wells Noyes—President	6609 Hollywood Blvd., Hollywood	8/21/59 30 days	Secs. 10176(a), (e), (i); 10177(d), (f); 10302(e); Secs. 2830 & 2831 of R.E. Comm. Rules and Regulations
Noyes, Richard Lyman..... Vice-President and Secretary of Lyman W. Noyes & Son, Inc.	6609 Hollywood Blvd., Hollywood	8/21/59 30 days	Secs. 10176(a), (e), (i); 10177(d), (f); Secs. 2830 & 2831 of R.E. Comm. Rules and Regulations
Lambert, James Henry..... dba Lambert Realty Company Real Estate Broker Business Opportunity Broker	441 O'Farrell St., San Francisco	8/22/59 90 days (Terms and conditions)	Secs. 10176(e), (i); 10177(d), (f); 10302(e); Secs. 2830, 2831 & 2832 of R.E. Comm. Rules and Regulations

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# MORE ON EDUCATION AND RESEARCH

(Cont. from page 417, Col. 3)

since its formation in June, 1958. It has developed and recommended plans for real estate education and research and made recommendations to the commissioner on proposals submitted by educational institutions for preparation of educational aids and for research studies. Its recommendations are made within the framework of the commissioner's formal Statement of Policy on Real Estate Education and Research, adopted October, 1958.

## Real Estate Education

A survey of current real estate educational opportunities revealed a considerable divergence in the scope and content of real estate courses offered throughout the State by institutions of higher learning. It was apparent there was need for some standardization of courses and for reliable teacher's guides which would be available for use by instructors at schools offering or proposing to offer real estate courses.

This year the commissioner is publishing several teacher's guides and student workbooks developed under contract by various state and junior colleges. With the co-operation of the State Department of Education, the teaching aids are distributed to college instructors throughout California. Real estate courses covered are: Real Estate Practice, Real Estate Finance, Foundations of California Real Estate, and Real Estate Law. Real Estate Principles is in preparation and a course in Real Estate Appraisal is being considered. As these course outlines become available to educational institutions

and as demand for them is communicated by students and licensees to local state and junior colleges, it is expected that a pattern of reasonable uniformity in real estate instruction throughout California will emerge.

Los Angeles State College has prepared a pilot visual aid for use by the instructor lecturing on Real Estate Finance. It is expected that considerable emphasis will be placed on the production of audio-visual aids.

## Real Estate Research Program

Important research work has been recommended and approved by the commissioner's advisory committee. Both the Berkeley and Los Angeles campuses of the University of California and several state colleges have proposed, undertaken and completed a number of research projects. Other projects investigating and analyzing the many facets of the real estate business are in progress. Projects have dealt with the real estate market; land use and land values; status of the real estate business; organization of mortgage markets; selection of sales personnel; investment returns; government support in mortgage and real estate markets—to name but a few.

The field of real estate research and the proper use of funds to support research projects is and has been the subject of much study and discussion. No attempt is made in this brief report to comment in detail on this important subject. Most research projects have been originated by the educational institutions involved and increased co-operation among them is making itself

## Paying Commission To Unlicensed Person Results in Conviction

It's not often that a seller of real property will take a chance and pay a sales commission to a person who is not licensed as a real estate broker. Such compensation is, of course, a violation of the California Real Estate Law on the part of both parties—the seller and the "acting broker."

In just such an unusual case, a deputy real estate commissioner in the Fresno district office pressed for conviction of an infraction of Section 10130 (operating as a real estate broker without a license) and Section 10138 (paying a commission to an unlicensed person) of the Business and Professions Code.

The offenses involved the operations of a person who was not a licensed real estate broker, but appeared to be acting as such in selling parcels in a subdivision tract owned by another. Both parties contended that the person handling the sales was a tract manager, and was not acting as an agent for the subdivider.

After the deputy investigated the case and complaints were filed, one defendant pled guilty to acting as a broker without benefit of license and was fined \$250 by the justice court and given a 180-day jail sentence, suspended for three years. The other defendant pled guilty to a charge of paying a commission to an unlicensed person and was fined the maximum of \$50 on each of two counts.

evident. Reports on individual projects will be carried in future issues of the *Bulletin*.

## Commissioner's Position in the Program

Generally recognized is the need for continuous statewide organization and co-ordination of a plan for education and research in real estate. The Real Estate Commissioner must inquire into needs and make recommendations to the State Legislature on actions and appropriations necessary for the development of the real estate education and research program in California.

## Suspended Licenses—Continued

(Cont. from page 418)

Name	Address	Effective date and term	Violation
Reyes, Ralph Lucio dba Reyes Realty Real Estate Broker	23915 Fairlands Rd., Hayward..	8/24/59 10 days	Secs. 10176(i) & 10177(f)
Montgomery, Muriel Rittenhouse.. Real Estate Salesman	807½ N. Brand Blvd., Glendale.	8/25/59 (Indefinitely)	Sec. 10177.6
Mason, Thomas Joe Real Estate Broker	15699 Hesperian Blvd., San Leandro	9/ 4/59 30 days	Secs. 10176(e), (i) & 10177(f)
Miller, Carl D. Real Estate Salesman	440 E. King St., Tulare.....	9/15/59 90 days (Stayed for 1 year on terms and conditions)	Sec. 10177(f)

## AMENDED REGULATION

### Loan Broker's Statement To Borrower is Changed

Section 2840 of the Commissioner's Regulations has been amended to change the approved form of loan statement required by provisions of the Real Property Loan Brokerage Law. This is the statement the broker must furnish to a borrower whenever he charges the borrower a commission for obtaining a loan. The terms of the loan, charges to be made, and other pertinent information must be set forth in the statement. The object, of course, is to make sure the borrower knows how much money he will receive.

#### Real Property Loan Broker's Statement

The new approved form, now called the "Real Property Loan Broker's Statement," is reproduced alongside, telescoped for space reasons. However, the reproduction contains the basic items which must be included. Any broker who proposes to modify the contents materially must have his proposed form approved by the commissioner prior to its use.

### World War II GI's In Last Year Of VA Eligibility

World War II veterans are now in the last year in which they may apply for a GI loan to purchase a home or farm. This announcement was made recently by the Veterans Administration, which pointed out that under existing legislation July 25, 1960, is the cutoff date. The postwar program has seen nearly five million World War II veterans take advantage of the GI Bill's loan provisions since June 23, 1944. In all, 35 percent of the eligible World War II veterans have taken advantage of the loan program through June 1, 1959. While all loan applications must be filed with the agency by July 25, 1960, another year will be allowed for the processing and actual closing of the loans.

(Sample Form)  
**JOHN DOE REAL ESTATE CO.**  
 Sacramento, California

**REAL PROPERTY LOAN BROKER'S STATEMENT**

Street number or other identification of property \_\_\_\_\_  
 Legal description of property \_\_\_\_\_  
 Closing date of sale (if any) \_\_\_\_\_  
 Identity of lender \_\_\_\_\_  
 Statement of all liens against property as disclosed by borrower:  
 \_\_\_\_\_ \$ \_\_\_\_\_

1. Description of loans to be secured:  
 Principal sum of the note \$ \_\_\_\_\_ Rate of interest per annum \_\_\_\_\_ %  
 Estimated amount of interest, if scheduled payments are made per contract, is \_\_\_\_\_ \$ \_\_\_\_\_  
 Term of note \_\_\_\_\_ Number of installments \_\_\_\_\_  
 Amount of each installment which includes interest and principal \_\_\_\_\_ \$ \_\_\_\_\_  
 Approximate balance due at maturity \_\_\_\_\_ \$ \_\_\_\_\_  
 Terms of prepayment privilege (penalty), if any \_\_\_\_\_

2. Costs, expenses, charges and funds to lien holders and creditors:  
 (a) Maximum costs and expenses estimated by broker:  
 1. Any premium or other charges for insurance, other than fire insurance \_\_\_\_\_ \$ \_\_\_\_\_  
 2. Appraisal fees \_\_\_\_\_ \$ \_\_\_\_\_  
 3. Escrow fees \_\_\_\_\_ \$ \_\_\_\_\_  
 4. Notary and recording fees \_\_\_\_\_ \$ \_\_\_\_\_  
 5. Credit investigation fees \_\_\_\_\_ \$ \_\_\_\_\_  
 6. Charges made by existing loans \_\_\_\_\_ \$ \_\_\_\_\_  
 7. Costs of investigating or guaranteeing title \_\_\_\_\_ \$ \_\_\_\_\_  
 8. Reconveyance fees \_\_\_\_\_ \$ \_\_\_\_\_  
 9. Forwarding fees \_\_\_\_\_ \$ \_\_\_\_\_  
 Give below any other costs and expenses:  
 10-12. \_\_\_\_\_ \$ \_\_\_\_\_  
 Total costs and expenses (1 to 12, inclusive) \_\_\_\_\_ \$ \_\_\_\_\_  
 (b) Total charges, other than above, including bonuses, brokerage or commissions for negotiating, procuring, arranging or servicing loan to be paid to broker \_\_\_\_\_ \$ \_\_\_\_\_  
 (c) Borrower's estimate of amount of loan funds to be paid to prior lien holders or borrower's creditors.  
 Names and addresses of persons to be so paid, with amounts:  
 \_\_\_\_\_ \$ \_\_\_\_\_

Total funds to lien holders and creditors \_\_\_\_\_ \$ \_\_\_\_\_

**TOTAL COSTS, EXPENSES, CHARGES AND FUNDS TO LIEN HOLDERS AND CREDITORS** \_\_\_\_\_ \$ \_\_\_\_\_

3. Recapitulation:  
 Principal sum of the note \_\_\_\_\_ \$ \_\_\_\_\_  
 Less: Costs, expenses, charges and funds to lien holders and creditors \_\_\_\_\_ \$ \_\_\_\_\_

4. Balance to be delivered to borrower \_\_\_\_\_ \$ \_\_\_\_\_  
 (Based upon borrower's representations as to liens and debts)

Signed at \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_  
 Street Address City State

Signed on \_\_\_\_\_  
 Date

The undersigned broker or authorized representative hereby states that the broker is not the lender, and that the above described loan is being made in compliance with Chapter 8, Title 14, Part 4, Division 3 of the Civil Code of the State of California.

Broker	License No.	Business Address
(or) Authorized Representative	License No.	Business Address

(Note to Borrower: Do not sign this statement in blank. Except for the legal description, the closing date of the sale, and the identity of the lender, it is required that all parts of this form be filled out before you sign).  
 The borrower hereby acknowledges receipt of a copy of this statement.

\_\_\_\_\_  
 Borrower

## Sale Rescinded When Agent Disclosed as Buyer

Once again an appellate court has ruled to the effect that an agent cannot purchase listed property without his principal's knowledge and consent. An unusual feature of this particular case is that the sale escrow instructions expressly stated that the broker was not acting as an agent for the seller, and the latter signed these instructions. However, the court found that the broker never disclosed to the seller the fact that he personally was purchasing the property in the name of a nominee who received title to the property in trust for the broker. Briefly, the court found the facts to be as follows:

The broker obtained a 60-day exclusive authorization to negotiate the sale of the property at \$37,500. After the 60-day period had expired, the seller orally agreed to an indefinite extension of the exclusive agency.

Thereafter, the broker told the seller he had a purchaser at a price of \$33,000; and subsequently escrow instructions were signed by the seller which contained the above-mentioned provision that the broker was not acting as agent for the seller. Immediately following the sale, the purchaser, who was a nominee of the broker, conveyed the property to the broker's wife. Upon discovery of the true purchaser, the seller moved for rescission.

### Broker's Defense

At the superior court trial, the broker contended the seller had full knowledge that he was not acting as her agent because the agency relation was denied in the escrow instructions. It was claimed that the purchaser's identity was immaterial to the seller; that the seller had extensive business experience and, in the transaction, was relying upon her own knowledge, experience, investigation and appraisal, and that the price received represented the reasonable market value of her property. Furthermore, the broker contended that any agency contract implied between seller and broker was invalid in that it completely lacked mutuality.

### Decision of the Court

The trial court found that the broker, without the knowledge or the consent of the seller, purchased the property, taking title in the name of a dummy purchaser and that there was substantial evidence that the broker never directly indicated to the seller that he was no longer acting as her

agent or was purchasing the property for himself. It was ruled that, while the agreement extending the agency was oral, this factor did not affect the validity of the contract, although it could have precluded its enforceability against the seller.

The case was taken up on appeal and the District Court of Appeals ruled that the broker, having commenced to act as a real estate broker and agent for the seller, assumed a fiduciary obligation to the seller and therefore could not thereafter purchase the property for his own account without fully disclosing to the seller that he was the purchaser. In the court's words: "*It is established in California by a long line of cases that the principal may rescind a sale of his property concluded by an agent to himself unless the agent has fully disclosed to the principal that he is the purchaser; and a showing of actual damage by the principal is not required as a condition to rescission under such circumstances.*" (Case cited is *Slusher v. Buckley*, 174 A. C. A. No. 3).

### License Revoked

The Real Estate Commissioner early this year revoked the license of the broker upon grounds of violating the Real Estate Law in these respects: Section 10176(a), making a substantial misrepresentation; Section 10176(d), acting for more than one party in a transaction without the knowledge or consent of all parties thereto; Section 10176(i), conduct constituting fraud or dishonest dealing; and Section 10177(f), acting or conducting himself in a manner which would have warranted the denial of his application for a real estate license.

## Callahan Named 1960 CREA President

Edward L. Callahan of Los Angeles was elected 1960 president of the 30,000-member California Real Estate Association at the close of its 55th annual convention in Los Angeles. He will succeed James B. Clayton, Jr., of San Jose. Callahan's election to head the association climaxed a five-day convention attended by 5,000 Realtors, representing 164 boards throughout the state.



EDWARD L. CALLAHAN  
President, CREA

Mr. Callahan is president of the Huntington Land Group of companies, a firm which has been a member of the Los Angeles Realty Board since 1909. He was president of the Los Angeles Realty Board in 1954. His company has been active in land development and subdividing since 1909, and was the principal developer of the exclusive residential city of San Marino.

The new president is a director and former regional vice president of the California Real Estate Association. For two years he was chairman of the association's important legislative committee and also served on its executive committee. In 1958 Callahan was chairman of the Los Angeles County Council of Real Estate Boards. With the National Association of Real Estate Boards, Callahan has served as director for many years and is a former vice president of that 65,000-member organization. In 1953 he acted as chairman of the national real estate convention held in Los Angeles.

## *What Not to Do—*

If every licensee could avoid all semblance of trouble and misunderstanding with clients and customers, real estate would be the paragon of the professions. Although such a utopian condition is probably too much to expect, the unknown author of the following admonitions certainly provides worthwhile guidelines for the thoughtful licensee to consider.

Upon request, these "What Not to Do's" are reprinted here:

### **REVISED PUBLICATIONS ARE AVAILABLE**

A new edition of the California Real Estate Law pamphlet, which incorporates changes made by the 1959 Session of the State Legislature, has been printed. The pamphlet consists of three parts: the California Real Estate Law, the Regulations of the Real Estate Commissioner, and the Real Property Loan Brokerage Law.

Recent additions and changes in the Regulations along with amendments to the Real Estate Law and Real Property Loan Brokerage Law have been included. New annotations which include recent court case decisions and histories of the sections have been added, improving the usefulness of the publication.

#### **Revised Reference Book Available**

A revised 1960 edition of the real estate Reference Book has been published to meet the continuing need for examination study material and an up-to-date reference guide for practicing real estate brokers and salesmen. Changes in the law affecting real property, mechanic's liens, homesteads, financing, assessments, subdivision controls, real property loan agents and the license law have been incorporated in the book.

Both the Reference Book (\$2.60) and the law pamphlet (\$0.52) may be purchased at any of the division offices or ordered by mail from the Sacramento office at 1015 L Street.

- (1) Never buy a piece of real estate from a client. If you lose money, he generally thinks you are crazy; if you make money, he generally thinks you are crooked.
- (2) Never advise a client to buy a piece of real estate you would not buy yourself if you were in his position.
- (3) Never recommend a loan you would not take yourself if you had the money to invest.
- (4) Never try to sell a man a house his wife does not like. Your judgment may be good, but you don't have to live with her; he does.
- (5) Never advise a customer to buy a home beyond his known means; if you keep him within his income, you may sell him later; if you overload him, you have lost good will and gained ill will.
- (6) Never lose your conscience to make a commission; you may lose many commissions; you have only one conscience.
- (7) Don't try to represent both parties in a real estate transaction; you may be able to give a square deal, but one of them may think differently some day.
- (8) When you are called upon to appraise a piece of real estate, be sure you are giving your own opinion, not confirming your client's.
- (9) Never appraise a property at more than you think it is worth because the appraisal is for a mortgage only and the loan asked is perfectly safe. The average mortgagee can figure; he wants your judgment of the value of the property on which he judges the safety of the loan.

## **Escrow or Title Experience Should be Supplemented in Claim for Broker License**

The Real Estate Law provides that an applicant for original real estate broker license must have had two years of full-time active experience as a real estate salesman, or equivalent general real estate experience, or specialized real estate education as part of a four-year college or university course.

Quite frequently, a person will claim qualification on the basis of several years of experience as an escrow clerk or in the plant of a title insurance company.

Unless this experience is supplemented by substantial real estate education or operating experience in the real estate market or work as a real estate salesman, the State Real Estate Commission has not been considering it as qualifying for real estate broker license examination.

The State Real Estate Commission evaluates each claim of qualification for real estate broker license except those claims based upon two years of full-time experience as a licensed salesman. Anyone contemplating making application for an original real estate broker license, basing claim of qualification on anything other than experience as a salesman, should understand that such claims usually take from six to eight weeks to process and that the application fee is not refundable, should the claim of qualification be rejected. However, the fee does remain to the applicant's credit for three years.

- (10) Never try to negotiate a sale or a loan without disclosing all you know about the property. You may temporarily increase your business by concealing latent disturbing elements, but you never increase your reputation.
- (11) Never average your appraisal on honest differences of opinion. An opinion may be honest, but if not intelligent, it has no value.

## SURVEY OF LICENSES

A license survey completed for the 1958-59 Fiscal Year shows a total of 125,369 licenses of all types were issued by the Real Estate Commissioner and in effect as of June 30, 1959. This represents an increase of 4.8 percent over the 119,262 licenses issued and in effect a year ago. Percentage-wise, the number of licenses increased at a faster rate than did California's population which is up 3.6 percent.

The number of salesman licenses outstanding jumped from 59,071 to 64,777 in one year; broker licenses increased moderately from 54,877 to 55,170; while limited real estate sales-

man licenses declined from 1,139 to 878.

About 22.5 percent of the licenses issued are on "inactive" status. This percentage has remained fairly static over the last few years. "Active" licenses totaled 97,069 as of June 30, 1959, but this figure undoubtedly overstates the actual number of people in the business. It includes about 7,600 business opportunity licensees, the majority of whom also hold real estate licenses. Corporations, partnerships and mineral, oil and gas licenses are other examples of dual licensing.

## Promotions Earned By Deputy Commissioners

Recently, promotions within the Division of Real Estate were earned by some deputy real estate commissioners. Also, several new deputy appointments were made from the top of a civil service list drawn up after competitive written and oral examinations.

### Supervising Deputy

Appointed as supervising deputy-in-charge of the Los Angeles district office was Henry H. Block. Joining the division in 1952, Block rose to the position of senior examination deputy in the Sacramento headquarters office before his new appointment. He is a graduate of the University of San Francisco, a former credit manager and special investigator, and was a naval officer in World War II.

### Senior Deputy Promotions

Promoted to the position of senior examination deputy in Sacramento was Thomas J. Nolan, who had worked in the Sacramento district office as a deputy commissioner for four years. Mr. Nolan has an LL.B. degree, and is well known as a deputy in northeastern California.

Prior promotions to senior deputy positions were given to Herman F. Roth and Frederick Zuhlke in Los Angeles and Paul Pope in Sacramento. Zuhlke and Pope now work on examinations and Roth works in the Los Angeles district office.

In addition to the promotions within the division, a number of new deputies have been appointed: Elmus "Coy" Sanders in Sacramento, William E. Thacker in Oakland, and Lynn Freet, Harry B. Workman and Raymond M. Dabler in Los Angeles.

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		77		39	792	11,825	60	2,071	69	809	280	921	14,821
Real estate renewals	25	2,288	52	1,658	17,855	32,947	8,426	38,854			7,686	26,168	75,747
Business opportunity originals		4		4	10	216	1	145			10	11	369
Business opportunity Renewals	3	207	3	179	575	757	605	4,902			510	1,186	6,045
Mineral, oil and gas originals								3			1		3
Mineral, oil and gas Renewals		4		1			24	79			7	24	84
Total	28	2,580	55	1,881	19,032	45,745	9,116	46,054	69	809	8,504	28,300	97,069
GRAND TOTAL	2,608		1,936		64,777		55,170		878		125,369		

## New Guide to Real Estate Reading Published by U. C.

*California Real Estate Bookshelf* is the title of an annotated bibliography just published by the Real Estate Research Program of the University of California at Berkeley. The new publication updates and greatly expands the material offered in *A Key to Readings in Real Estate*, published by the Real Estate Research Program in 1952. Designed primarily as an aid to practicing brokers and salesmen, it should also be of assistance to persons in related professions and those engaged in real estate study, research, and teaching.

To facilitate use of this bibliography, the 257 references are classified under the following subject headings:

The Real Estate Business; Legal Aspects; Property Valuation and Appraisal; Housing; Building; Urban Planning, Development and Land Use; and Land Economics.

For each publication, the bibliography gives title, author, publisher, address of publisher, date of publication, number of pages, price, and a short description of the contents.

This is one of a group of special studies in the field of Real Estate and Urban Land Economics published by the Real Estate Research Program of the University of California at Berkeley. The principal financial support for this program is received from the Real Estate Education and Research Fund established in 1956 by the California Legislature for the advance-

ment of education and research in real estate at the University of California, state colleges, and junior colleges.

The book sells for \$1. Address orders to the Real Estate Research Program, University of California, Berkeley, and make checks payable to the University Board of Regents.

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## San Jose State College Offers Broad Real Estate Program

Brokers and salesmen residing in the San Jose area have ample opportunity to take courses in a variety of real estate subjects.

San Jose State College features a strong real estate program, developed with the support and co-operation of the local real estate organizations. Not only is the college equipped to meet the needs of full-time students specializing in real estate, but it also offers its own real estate certificate program for the part-time student who, in most instances, is a practicing real estate broker or salesman.

The college can boast of an unusually large and well-qualified real estate staff consisting of three regular full-time teaching members, each of whom has a doctor's degree. The real estate specialists include Dr. Charles L. Sufield (M.A.I.), Dr. Robert W. Travis, and Dr. George A. Stauss. These staff members also devote time to direction and co-ordination of real estate research projects, primarily regional in nature, but having statewide significance as well. Also on the campus audio-visual aids for teaching various phases of real estate practice and theory are being developed under expert supervision.

The San Jose State College real estate program offers a striking example of how the regional or local

## California's 1959 Population

California's population on July 1, 1959, is estimated at 15,280,000, up 528,000 or 3.6 percent from the July 1, 1958, estimate of 14,752,000. These estimates are made by the State Department of Finance in a population report.

This is the second year of decline in annual gain since the last peak was reached in 1956-57. The slight slowdown in growth is believed attributable to the economic recession of 1957-58. Civilian in-migration declined in volume for the second year, but indications are that the low point in the rate of in-migration was reached in the first quarter of calendar 1959. It is anticipated that the volume of civilian in-migration will rise during the next two fiscal years.

California's natural increase (the excess of births over deaths) was 223,626 in 1958, compared with 226,619 in 1957. This is the first decline in natural increase since 1948, and is a reflection of a drop in the birth rate from 24.7 births per thousand in 1957 to 23.7 births in 1958. Projected birth and death rates reverse this trend and point to a growing number of persons added to the population through natural increase in the next two years.

college can build a strong and balanced real estate curriculum when the college administration is convinced of local need and support.

## Regulations of Structural Pest Control Board To Be Clarified at Meeting

The Structural Pest Control Board of the State of California has announced a meeting to clarify recent changes in regulations relating to reports on conditions and recommendations for corrective measures.

The meeting is scheduled for 10 a.m., January 6, 1960, at State Department of Public Health, 2151 Berkeley Way, Berkeley. Invited to attend are representatives from the Department of Professional and Vocational Standards, Attorney General's office, Real Estate Commissioner's office, and members of realty boards.

Copies of the regulations in question may be obtained from the Structural Pest Control Board, Business and Professions Building, 1020 N Street, Sacramento 14, California.

### FHA DOWN PAYMENTS

The last issue of the *Bulletin* noted FHA down payment changes according to the 1959 housing bill. To date, FHA has not put the new lower (Section 203) down payments into effect because "the current high level of housing activity does not need further stimulus."

The 1959 housing law allows, but does not require, FHA to adopt a minimum down payment of 3 percent on the first \$13,500 of a home value, 10 percent between \$13,500 and \$18,000, and 30 percent on all over \$18,000.