

EDMUND G. BROWN, *Governor*

November-December, 1960

W. A. SAVAGE, *Commissioner*

Assistant Commissioner McClure Receives National Recognition

Donald McClure, veteran California Assistant Commissioner of Real Estate, was accorded additional honors at the 32nd annual conference of the National Association of License Law Officials (NALLO) meeting November 8-11 in Dallas, Texas, when that body of license law administrators, representing the 50 states and Canada, elected him its president.

Robert W. Semenow, Executive Vice President of the international organization, in a letter to the editor of the *Bulletin* expresses the feelings of the assembled delegates. "Colonel McClure," he says, "received a standing ovation upon his election to the Presidency of NALLO, which he so richly deserves. The membership is well aware of the outstanding contributions which the new president has made in recent years and we all look forward to the finest year of accomplishment in NALLO history."

Joining the California State Division of Real Estate as a legal counsel in 1953, Donald McClure quickly advanced to his present administrative post. He has practiced law in San Francisco, Oakland, and Los Angeles, and is a member of the California Bar Association, the American Bar Association, and of the American Society of the International Law. He saw service in both world wars, on the fighting fronts and in administrative, personnel, and legal capacities, retiring in 1952 as a colonel, U.S. Air Force.

Colonel McClure has represented this State in the National Association of License Law Officials for the past six years, during which time he has served as a member of the board of directors and as vice president.



A candid camera shot of Assistant Commissioner Donald McClure preparing to cut the cake at a reception given by coworkers in honor of his election as President of NALLO.

In 1958, he represented the State of California and NALLO before the U.S. Senate (McClellan) Subcommittee on Rackets, where his report on the advance fee racket in the field of real estate touched off a nationwide effort which has practically stamped out this fraudulent practice.

"The highlight of this conference," said Colonel McClure in discussing the Dallas meeting, "was consideration of the advertising and sale of out-of-state subdivisions, leading to the realization that this is a national and international, as well as a state problem, and that either new federal legislation must be enacted or existing legislation amended to provide for nationwide regulation and control of interstate subdivision activities."

Broker Co-operation Urged In Personnel Testing Project

The progress of the research project being conducted by Los Angeles State College, with the object of developing effective means for screening and selecting real estate sales personnel, has aroused considerable interest which is shared by the Real Estate Commissioner.

Should this project prove successful, as present indications are that it may, in creating aptitude evaluating devices which work as effectively in real estate as similar ones have in other major industries, notably insurance, these materials will be made available to brokers throughout the State who are interested in eliminating the present costly "trial and error" selection of sales people.

Tests Under Way

During the past year, Los Angeles State College, with the co-operation of Sacramento, San Francisco, Fresno, and San Diego State Colleges, has administered special tests on a voluntary basis in conjunction with the original real estate examinations in the various division district offices. (The results of these tests are not related in any way to the regular license examinations and have no bearing upon their outcome).

Volunteers Needed

There is an urgent need for more volunteers to speed the project's completion. Progress is so promising and the results, if successful, so potentially rewarding that the Commissioner hopes sponsoring brokers may urge their prospective salesmen to take the special test, either at the conclusion of their original real estate examination or by appointment at the Los Angeles State College campus.

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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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**Law Improvement A
Co-operative Product!**

Roy E. Hays, Secretary-Counsel of the Wisconsin Real Estate Broker's Board, a position comparable to that of California's Real Estate Commissioner, salutes this State's leadership in a recent communication.

"I am very interested in California's law inasmuch as you appear to be improving your law constantly and it is consulted to help improve our law in Wisconsin."

The California Division of Real Estate maintains for constant study and analysis an up-to-date file of the real estate laws and implementing rules and regulations of our several states and the provinces of Canada.

Disciplinary Action—August, 1960, and September, 1960

NOTE: Any person whose license has been suspended or revoked, or whose license application has been denied, has the right to seek a court review. This must usually be done within 30 days after the effective date of the commissioner's decision.

Therefore a list of actions is not published in this Bulletin until the period allowed for court appeal has expired; or, if an appeal is taken, until a final determination of the court action. Names of persons to whom licenses are denied upon application are not published.

Licenses Revoked During August, 1960, and September, 1960

Name	Address	Effective date	Violation
Pereira, John Edward, Jr. Real Estate Salesman	1744 I St., Merced	8/ 1/60	Secs. 10177(b) & (f)
Hall, Donald Harris Real Estate Salesman	3516 Highland Ave., Manhattan Beach	8/11/60	Secs. 10130; 10176(a), (i); 10177(c) & (g)
Harvey, Hurlen G. dba Harvey Realty Real Estate Broker Real Property Loan Broker	1135 F St., Fresno	8/11/60 (Granted right to restricted license on terms and conditions)	Secs. 10176(c), (i); 10177(d), (f); Sec. 2830 2831, 2832 & 2833 of R.E. Comm. Rules and Regulations
Harris, Arthur Leonard Real Estate Broker	4533 Cokerham Dr., Los Angeles	8/11/60	Sec. 10177(b)
Harris, Arthur Leonard, Jr. Real Estate Broker	4591 Mt. Vernon Dr., Los Angeles	8/11/60	Sec. 10177(b)
Marshall, Charles Wendt Real Estate Broker	3807-B Chandler Blvd., Burbank dba Hesperia Plaza	8/11/60 (Granted right to restricted real estate salesman license on terms and conditions)	Sec. 10177(b)
Lea Ernest Floyd Real Estate Salesman	Apt. 1, 6011 N. Figueroa, Los Angeles	8/11/60 (Granted right to restricted license on terms and conditions)	Sec. 10177(b)
Letson, Harold Edgar Real Estate Salesman	1018½ Loring, San Diego	8/12/60 (Granted right to restricted license on terms and conditions)	Secs. 10176(a), (g), (i) & 10177(f)
Goss, Charles Harold Real Estate Broker	7225 El Cajon Blvd., San Diego	8/12/60	Sec. 10177(b)
Talbot, Warren Joseph Real Estate Broker Business Opportunity Broker	P.O. Box 4307, Tucson, Arizona	8/25/60	Secs. 10177(b), (f); 10302(b) & (e)
Evans, Benzell Real Estate Broker Real Estate Salesman	5721 Grove St., Oakland Apt. C, 5757 Adeline St., Oakland	8/25/60	Secs. 10177(b) & (f)
Stewart, Paul Alexander Real Estate Salesman	9640 Haines Canyon, Tujunga	8/26/60	Secs. 10177(b) & (f)
Marshall, Marion Wall Real Estate Broker	15062 Wyandotte St., Van Nuys	8/26/60	Secs. 10176(a), (i) & 10177(f)
Maher, William Joseph Real Estate Salesman—Business Opportunity Salesman	18 0 N. LaBrea, Los Angeles	8/26/60	Secs. 10177(b), (f) & 10302(e)

(Revocations continued p. 467)

Licenses Suspended During August, 1960, and September, 1960

Name	Address	Effective date and term	Violation
Hill, Paul Henry Real Estate Broker President, Dependable Realty, Inc.	23252 Robert Rd., Torrance	8/ 2/60 30 days	Secs. 10176(a), (d), (g), (i) & 10177(f)
Gray, Herman Real Estate Broker Real Estate Salesman	2507 Torrance Blvd., Torrance; 6527 W. 81st St., Los Angeles	8/ 2/60 30 days	Secs. 10176(a), (d), (g), (i) & 10177(f)
Chohon, Alexander Theodore President, California Pacific Mortgage Co. Restricted Real Estate Officer	4661 Sunset Blvd., Los Angeles	8/ 9/60 (indefinitely)	Sec. 10156.7
Ellis, Hal Grover Real Estate Broker Real Estate Salesman	1741 Trancas Ave., Napa	8/11/60 45 days (Last 40 days stayed on terms and conditions)	Secs. 10176(a), (b), (i); 10177(d) & (f)
Letson, Fred Joseph Real Estate Salesman	4233 Arguello St., San Diego	8/12/60 90 days	Secs. 10176(a), (g), (i) & 10177(f)
Parker, Alton Brooks Real Estate Broker Real Property Loan Broker	616 N. Fulton, Fresno	8/25/60 60 days	Secs. 10, 76.1; 10177(f) & (i)
Goettmann, Paul Leroy Restricted Real Estate Salesman	10810 Washington Blvd., Culver City	8/26/60 30 days	Secs. 10177(d) & (f)
Wade, James Robert Restricted Real Estate Salesman	6397 Lake Arago Ave., San Diego	8/26/60 30 days	Secs. 10177(b) & (f)
Fardin, Gene Francis dba Fardin Realty Real Estate Broker Business Opportunity Broker dba Empire Mortgage Real Estate Broker Real Property Loan Broker	340 Sir Francis Drake Blvd., San Anselmo	8/30/60 10 days	Secs. 10177(h) & 10302(e)
Bloch, Robert Sobel Real Estate Broker Real Estate Salesman	2168 Market St., San Francisco; 54 Collins St., San Francisco	8/30/60 30 days	Secs. 10176(a), (i) & 10177(f)

The Case of the Necessary Dollar's Worth

An Arlington salesman recently sent in his application for a transfer of license to a new employing broker and, moved by the poetic urge, appended the following inspired lines to his dollar fee:

“Roses are red
Violets are blue,
We're being dollared to death
By folks like you.”

We appreciate the poignantly facetious note of our salesman's verse, not because of its accuracy, but rather because it presents an opportunity to explain that the transfer of a license involves much more than dropping a dollar in a cash register and mailing out a replacement. License records may be subject to subpoena and must be

unquestionably accurate. An employing broker may be improperly licensed and the salesman penalized through no fault of his own. **A license is a valuable asset to the salesman who possesses it and of vital concern to the State which issues it and, for this reason, every step of the following process is essential to insure that the license when received is valid in every possible respect.**

- (1) The letter is opened and the money and application blank sorted as to type by a clerk assigned to this specific task.
- (2) The contents are passed to another desk where the money is accounted for and readied for deposit.

(3) Money and application are then separated, with the transfer application being sent to the Processing Section where

- (a) The salesman's master file is carefully checked for complete verification of facts;
- (b) The past broker's file checked as to accuracy of address, current status of license, etc.;
- (c) The fact sheet is pulled, a new one typed and, after a careful check of the new employing broker's record as to valid current license status, placed in the new file.

From here the application form goes to the tabulation room where:

- (1) It is sorted and categorized as to type of license;
- (2) The current salesman's card is run through a machine which reproduces all continuing information;
- (3) It is then run through a key punch where all new information is entered;
- (4) It is interpreted, proofread, and corrections—if any—made.

At this point the new license is run off in quadruplicate for three-way distribution: one copy to the new employing broker for display in his office; one pocket card edition for the salesman; one for our branch office files and one for the state auditor. These are then forwarded to the mail room, where envelopes are stuffed, stamped and mailed, following which the application blank is returned to the fileroom for placement in the salesman's master file.

Thus our salesman's application has passed through some 15 separate and necessary operations involving a like number of people. This is for a simple problem - free situation. Whenever complications arise — as they frequently do—the operations and the handlers are multiplied.

To our poet, then, and to all of like mind, let us say, **“While it should be interesting to note how much service a depreciated dollar will still buy, it is far more significant to understand the meticulous care essential to the protection of his and the public's interest with respect to his real estate license.”**

License Revocations—Continued

Pilegard, James Lawrence Real Estate Salesman Business Opportunity Broker	21 Fisher Dr., Carmel 443 Webster St., Monterey	8/29/60	Secs. 10177(b), (f); 10302(b) & (e)
Bell, Alexander Real Estate Broker Business Opportunity Broker	622 W. Regent St., Inglewood	8/31/60	Secs. 10176(a), (e), (i); 10177(d), (f) & 10302(e)
Dahlman, Lorraine Emma Real Estate Salesman	4822 W. 113th St., Inglewood	8/31/60	Secs. 10176(a), (e), (i); 10177(d) & (f)
Watkins, Robert Lee Real Estate Broker	1901 Tribune Tower, Oakland	9/ 6/60	Secs. 10177(b) & (f)
Starks, Samuel Boyd Real Estate Salesman	1466 W. 50th St., Los Angeles	9/ 9/60	Secs. 10130; 10131; 10132; 10176(i) & 10177(d)
Jones, Edward Rexter Real Estate Broker	2920 S. Western, Los Angeles	9/ 9/60	Secs. 10176(a), (i) & 10177(f)
Morgan, William Real Estate Broker	6609 S. Figueroa St., Los Angeles	9/ 9/60	Secs. 10176(a), (i), (g); 10177(f) & (l)
Wigginton, Charles Edward Real Estate Broker	743 Mt. Vernon Ave., San Bernardino	9/12/60	Secs. 10160; 10162; 10164; 10165; 10176(e), (i); 10177(d), & (f); Secs. 2771, 2772 & 2830 of R.E. Comm. Rules and Regulations
Webb, Richard Edward Real Estate Salesman	1411 E. Melody Lane, Fullerton	9/12/60	Secs. 10177(b) & (f)
Tofft, Le Roy Edward Real Estate Salesman	3207 Grand Ave., Oakland	9/16/60	Secs. 10177(b) & (f)
Salot, Alexander dba Alexander Realty Company Real Estate Broker	1820 Riverside Dr., Glendale	9/24/60	Secs. 10137; 10176(a), (b), (i); 10177(d) & (f)
Nowlin, Verne Francis Real Estate Broker	5859 Crenshaw Blvd., Los Angeles	9/30/60 (Granted right to restricted license)	Secs. 10177(b) & (f)
Moss, Fred Real Estate Salesman	9717 Cisco St., Los Angeles	9/30/60 (Granted right to restricted license)	Secs. 10177(b) & (f)

License Suspensions—Continued

Rosager, Fred K. dba Mutual Realty of Redwood City Real Estate Broker Business Opportunity Broker Real Property Loan Broker dba Redwood Mortgage Company	1060 El Camino Real, Redwood City	9/ 1/60 30 days (Stayed permanently on conditions)	Secs. 10177(d), (f), (g), (h); 10302(d), (h) & (l)
Cook, Raymond Alfred Real Estate Salesman	1060 El Camino Real, Redwood City	9/ 1/60 30 days (Stayed permanently on conditions)	Secs. 10176(a), (i); 10177(f) & (l)
Menzoian, George Simon Real Estate Broker Real Estate Salesman	2920 N. Blackstone, Fresno; 2824 E. Santa Ana, Fresno	9/ 7/60 90 days	Secs. 10176(i); 10177(d), (f) & 10250
Collins, James Franklin Business Opportunity Broker Real Estate Salesman	1717 Belmont Ave., Fresno	9/ 7/60 90 days	Secs. 10258 & 10302(d)
Rankin, Floyd Craig dba Rankin Realty & Investment Real Estate Broker	44306 N. Sierra Hwy., P.O. Box 484, Lancaster	9/ 9/60 5 days	Secs. 10176.1 & 10177(j)
Nelson, Rodney Sigfred Real Estate Salesman	4529 Sepulveda Blvd., Sherman Oaks	9/ 9/60 10 days	Secs. 10177(b) & (f)

Out-of-state Subdivisions Continuing Problem

Ever since John Law exploded his Mississippi Bubble in 1720, leaving investors throughout Europe holding the bag for some \$340,000,000, the marketing of land and securities across state and national boundaries has presented a challenge to those charged with the responsibility of protecting the buying public.

To the Division of Real Estate this challenge comes in the form of the present high level of California offerings of out-of-state subdivisions. Cumulative figures for July 1, 1959, to October 31, 1960, show 89 Public Reports * issued, covering 24,091 lots, comprising 89,623 acres located in four states and one foreign country.

While these figures indicate continuous and extensive activity in this type of long-distance land marketing, they do not define the extent of investigative and regulatory problems involved. These are more clearly suggested by a report from the Los Angeles office which indicates that between January 1, 1959, and October 31, 1960, some 132 applications for reports were received but, of these, 67 were either not issued or were pending for a variety of reasons, chief of which were: (1) subdivider filed numerous units as part of one projected large-scale promotion, but reliable information has not been available concerning all units; (2) higher California requirements with respect to supporting evidence regarding proposed improvements, title, etc.; (3) foreign country subdivisions require clarification of conditions of title, the right of U.S. citizens to take and retain title and other complexities; (4) subdivider delays in advancing cost of inspection.

Speculative Offerings

The essence of the problem, however, lies in the nature of the bulk of these offerings, which are "speculative" or so-called "recreational" raw land developments with few, if any, improvements.

* When parcels in a new out-of-state subdivision are to be offered for sale to California residents, the developer, owner or agent is required by law to make a subdivision filing with the California Real Estate Commissioner just as if the land were located in this State.

The following staff memorandum regarding one such lavishly advertised out-of-state land project brings the picture into sharper focus. "The advertising put out . . . is typical of the slant some promoters are trying to give to the sale of undeveloped lots which are only lots from a legal standpoint, but not from a practical standpoint. **Past experience indicates that these lots will eventually revert back to the respective states for delinquent taxes and to the raw prairie land, or desert land, or volcanic land, whichever the case may be.**"

National Attention to Problem

A discussion by national and international license law authorities of this problem at their recent Dallas conference led to the conclusion that the regulation and control of the advertising and sale of out-of-state subdivisions is a complex enterprise demanding simultaneous study and action at the state, national, and international level; that, while there are certainly improvements to be sought—both as to legislation and enforcement techniques—within the individual states, **the most urgent immediate need is for either new federal legislation or amended existing legislation to eliminate the legal vacuum within which too many of these subdividers are now permitted to operate.**

Our Apology and Our Thanks

Some months back Ken Stuart, dynamic executive vice president of the Sacramento Real Estate Board wrote an informative article entitled, "Decisions—What Does the Professional Man Say?" The South Bay Board of Realtors saw its merit and republished it. The *Real Estate Bulletin* also recognized its excellence and reprinted it in the July-August issue but, unfortunately, credited the South Bay Board for Mr. Stuart's creative effort. We combine our apology to Mr. Stuart with our commendation for his article and our thanks to the South Bay Board of Realtors for bringing it to our attention.

Findings of Loan Broker Survey

In an effort to determine the extent and distribution of the discount mortgage brokerage business, the Commissioner distributed detailed questionnaires to the 18,626 real estate brokers registered as real property loan brokers.

At the last count, 12,941 brokers have returned the questionnaires. Answers indicate that the majority of registered real property loan brokers are not actually engaged in mortgage loan activity. Only 3,777 or 29% of those returning the questionnaire ostensibly function to some degree as loan brokers; and, of these, the bulk of the business was confined to a few hands.

Questionnaire returns showed a wide range of discounts, but the statewide average on notes purchased by brokers for resale or client account was 26% according to questionnaire results.

In Southern California a further check was made on 991 real property mortgage loan brokers inquiring as to the specific number of notes secured by trust deeds these brokers have handled; 809 brokers had sold less than 10 notes per year; 115 sold between 10 and 25; 28 sold between 25 and 50, and only 13 sold over 100 notes during the year. The recheck has not yet been completed in the northern part of the state, but there is good reason to believe this general pattern will hold.

It would appear that no more than 30 firms in the state may be considered major operators in the real estate loan brokerage field.

TECHNIQUE OF FAILURE

It would be difficult to imagine a better picture of complete frustration than that license applicant who, having memorized a list of allegedly fool proof answers, spends three hours of examination time searching in vain for questions to match.

Antidote: Master real estate principles, not set ways of stating them.

WITH 10 PERCENTERS New Team Technique Produces Results

The unit type of investigative procedure, which has proved so effective in the Los Angeles area during the past several months, has been made operative in the San Francisco area with equally satisfying results.

This method consists of a compact group of specialists devoting full time to problem areas of particular current concern. At the present time their concentration, in both southern and northern areas, on the discount broker problem has resulted in inactivating the Pacific Trust Deed Association, a Los Angeles headquartered 10 percenter firm with offices throughout the State; the Porter Trust Deed Investment Corporation, a Bay Area second mortgage firm, with offices in San Jose, San Francisco, Oakland, and Sacramento; the Pickman Trust Deed Corporation, another multiofficed Bay Area firm and the Guardian Trust Deed Corporation.

Court restraining orders were secured against Pacific and Porter and administrative hearings are pending at this time. License revocations were secured against Pickman and its officers and a court-appointed receiver is now seeking an acceptable plan for dispersal of remaining assets; while Guardian has also sought voluntary receivership under the Federal Bankruptcy Act.

In addition to these major concerns, Los Angeles Trust Deed Corporation was subject to injunctive proceedings, but federal action forced the firm into involuntary bankruptcy and further state action pends a determination of the federal cases. **These significant moves are indicative not only of the effectiveness of a specific investigative technique, but also of the commissioner's determination to press forward without letup on the discount broker front.**

EXAMINATIONS SOAR

19,644 examinations given between June 30 and Nov. 30, '60 represent increase over same period in '59 of 2,799.

QUESTIONS ANSWERED—

Mortgage Loan Broker Definition Clarified

A multitude of questions from the field as to the precise definition of a real property loan broker has caused the Commissioner to call for a careful study of Section 3081.02 of the Real Property Loan Brokerage Law, as well as Section 2849 of the Commissioner's Regulations, applying to discount brokerage in order that all possible doubt may be removed as to the scope of their application.

Pending this study's outcome, all division district offices have been advised that when a mortgage loan broker is referred to as one "who engages in such (listed) activities as a main or principal business," volume (or percentage of business) in this area is not to be the primary criterion. If he represents or advertises himself to be in such business, regardless of whether his transactions are many or few, he is subject to the law.

On the other hand, volume is not eliminated as a measure, but merely relegated to a secondary position. A broker whose loan business stands in a major ratio to other phases of brokerage is clearly a mortgage loan broker within the meaning of the law.

NEW OFFICE LOCATIONS AND PHONE NUMBERS

Staff and personnel of the Division's Los Angeles office are now in their new quarters in the Los Angeles State Building, 107 South Broadway, Room 8003.

The Fresno area is being serviced from the new State Building at 2550 Mariposa Street, Room 3084.

The Sacramento District Office, 1228½ H Street, announces that sometime between January 1 and January 15 their phone extension numbers will be changed. Dial Hickory 5-4711 and ask for locals 6776, 6777, or 6778. The main office at 1015 L Street will not be affected by this changeover.

Complete Communication of Facts A Professional Must!

Although it may well be assumed that every broker or salesman knows that the responsibility for quoting all facts with accuracy is inherent in his fiduciary relationship, it does not follow that this responsibility is easily lived up to. The better an agent's training, the broader his experience, the clearer is his understanding that the first step in this process is the determination of all positive and negative aspects of a property at the time it is listed, followed by constant scrutiny during the course of its showing. He will also understand that he must be just as concerned as to facts surrounding the buyer and/or seller of the property.

The day is past when an agent whose services are sought and paid for because of his specialized training and experience may plead ignorance as an excuse for either misinformation or failure to give adequate information affecting a transaction. To determine the facts whether minus or plus, to present these facts with accuracy marks the licensee, not only as a practitioner of good ethics and circumspection, but as a good businessman also. The favorable balance in his books will usually prove this.

Men Who Thought Big And Far Ahead

The sturdiest building imaginable must crumble if its foundation is weak. The tallest tree must fall before the wind if its supporting roots do not go deep and wide.

This month we pay our respects to the following old-timers who laid foundations and watered roots for California's real estate industry.

Arthur H. Laack
3757 Wilshire Blvd.
Los Angeles

G. C. Highbie
6351 Wilshire Blvd.
Suite 218
Los Angeles

Edward M. Loftus
11725 S. Carmenita Rd.
Whittier

Walter M. Lenz
3846 Wilshire Blvd.
Los Angeles

Henry B. Learned
1037 N. Laurel Ave.
Los Angeles

E. J. La Fon
1217 E. Seventh St.
Los Angeles

James A. Griffith
4934 N. Ardsley Dr.
Temple City

Fred M. Cox
1655 Mission Cliffs Dr.
San Diego

Thomas M. Coughlin
4448 Tourmaline St.
Los Angeles

F. L. Cline
8222 Beverly Blvd.
Los Angeles

James J. Donahue
8145 Rindge Ave.
Playa Del Rey

G. T. Dolan
301 S. Citrus Ave.
Los Angeles

LICENSES UP 8.2 PERCENT

A total of 135,641 licenses of all types issued by the Real Estate Commissioner were in effect as of June 30, 1960. This is an increase of 10,272 or 8.2 per cent over the 125,369 licenses in effect on June 30, 1959. Licenses increased at a rate well over double the 3.6 percentage rate of population growth during the same period. The increase in licenses in 1958-59 was also markedly greater than the 5.2 per cent increase recorded in the previous fiscal year.

It should be emphasized that the totals quoted here refer to the number of licenses and not to the number of licensees. This variance is due both to the fact that corporations and individuals within corporations may be simultaneously licensed and to the further fact that individuals may possess more than one type of license.

The following chart breaks the figures down into separate categories and presents a detailed license picture.

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	2	123	---	47	1,776	15,705	73	2,617	---	713	318	1,851	19,205
Real estate renewals	57	2,734	47	1,659	19,460	34,915	7,956	39,966	---	---	8,607	27,520	79,274
Business opportunity originals	---	12	---	4	33	249	2	207	---	---	31	35	472
Business opportunity Renewals	9	225	5	171	604	744	563	4,864	---	---	522	1,181	6,004
Mineral, oil and gas originals	---	---	---	---	---	---	---	4	---	---	1	---	4
Mineral, oil and gas Renewals	1	3	---	1	---	---	29	61	---	---	6	30	65
Total	69	3,097	52	1,882	21,873	51,613	8,623	47,719	---	713	9,485	30,617	105,024
GRAND TOTAL (1959-60)	3,166	1,934	73,486	56,342	713	9,485	135,641						
GRAND TOTAL (1958-59)	-2,608	-1,936	-64,777	-55,170	-878	-8,504	-125,369						
Numerical change	+558	-2	+8,709	+1,172	-165	+981	+10,272						
Percentage change	+21.3%	-0.1%	+13.4%	-2.1%	-18.8%	+11.6%	+8.2%						

Have You Checked Statistics Lately?

That person who makes up his mind in terms of a seemingly encouraging statistical report and subsequently finds himself to have been in error, too often has only himself to blame. He saw a single encouraging figure and jumped to a conclusion unjustified by the total presentation.

This process may be easily illustrated by the friend in real estate who pointed to the following statement in the October, 1960, report of the State Department of Veteran's Affairs.

"Cal-Vet loans number 1,423 in October at an investment of \$19,125,939 and a working-day average of \$956,-297. All totals were up substantially from those of the preceding month,

and the more than \$19 million loaned to California veterans represented the busiest month since December of 1959, when the total exceeded \$20 million."

"There," said our exuberant friend, "is an antidote to the calamity howlers. There is certain proof that business is picking up!"

Actually, the only proof of certainty was the fact that in this particular month more Cal-Vet loans were consummated—nothing more.

Our friend had found a figure which told him what he wished for and stopped reading at that point. The next line of the report said, "However, the October total does not actu-

Real Estate Look Into the Mirror

Psychological writing these days is full of references to "the public image" of a cause, institution, or person as a separate and distinct entity from the one so reflected.

H. K. Negbauer and Company of New York, office and leasing specialists, recently polled real estate board presidents in 38 of the nation's 100 largest cities as to what they thought the generally accepted public concept the real estate profession might be; and, as reported in the *New York Times*, 85 percent of them expressed the view that although public confidence in the profession appears to be steadily increasing, the public still generally exhibits some distrust of real estate brokers.

The reason for this, according to these brokers, must be attributed to three basic causes: (1) cutthroat competition among realty men; (2) lack of knowledge of the broker's function; (3) promises made and not kept by brokers.

While there are unquestionably those who will say that this picture needs retouching, there are also those thoughtful professionals who insist that the best way to improve a portrait is to improve the subject.

ally represent a step-up from the general average of about 1,350 loans per month," and goes on to spell out why.

The statistical criticism that "figures do not lie but liars figure" is hardly applicable here. The figures are completely accurate and are accurately presented. The measure of error lay in the wish-focused vision of the reader.

The late Scotch singer and comedian, Harry Lauder, had a word for it. "The only thing you get," said he, "from jumping to conclusions is flat feet." He was right but too exclusive. Agents also get flat bank accounts and flatter professional reputations by choosing to accept the implications of a provocative digit rather than to pursue the more rugged pathway of careful analysis to its final summation.

A DEPUTY COMMISSIONER, THE IMAGE AND THE FACT

A newly-appointed deputy whose assignment involved moving his family to another community, walked into the office of a well-known real estate broker for professional assistance in purchasing a home. His self-introduction to the girl at the front counter elicited the prompt, though smiling, reply, "I haven't done a thing Mr. Deputy, not a thing!"

Returning to his home town, he telephoned the head of a local real estate firm to list his property for sale and received the reply, "Well hi ya Joe old boy, when are you coming over to investigate me?"

Later he dropped into the office of another friend with whom he had cooperated on numerous transactions as a licensee before coming with the Division of Real Estate, and received the facetious greeting, "Now look here Joe, before you start checking my books, remember we're old friends and, besides, I'm clean!"

Public Reflection Proves Surprising

All three reactions were obviously made in fun, but remarks made in fun

often describe the speaker's real mental image of the subject. Recognizing this fact, the deputy became painfully aware that he must adjust himself to being thought of as a policeman interested only in legal infractions and possible penalties therefor.

The Real Picture Presented

Actually the Commissioner and the deputies who represent him are interested in helping to make real estate a profession, commanding the public respect a profession is entitled to. Regulation and control there must be, but preventive measures are preferable to disciplinary measures. A deputy may be assigned to the preparation or grading of examinations; his duties may relate exclusively to the technical aspects of licensing; he may be a field deputy, acting primarily in a liaison capacity, more concerned with explaining the right practices of agency than in uncovering deviations therefrom; he may be a specialist in real estate education, working with college and university people in furthering research and teaching projects in real

estate; he may be a writer whose major concern is communication between these various areas of division activity and thousands of licensees; or, to be sure, he may be a real estate "Inspector Friday" following through on citizen complaints and dedicated to getting the truth, the whole truth, and nothing but the truth, in the interest of all concerned.

A Deputy's Double Duty

Even in this latter capacity, however, a deputy is conscious of this twofold responsibility of protecting the general public from the dishonest or incompetent agent and, at the same time, protecting the reputation of the honest and competent agent, dedicated to professional levels of conduct, from being stigmatized in the public mind through guilt by association.

Wherever our newly-appointed deputy may find himself functioning within this range of positive effort, it is to be hoped that the well-informed licensee may greet him henceforth as friend and ally in a mutual drive toward professional progress.

TO BE A "BROKEOR" OR A "BROKER;" THAT'S THE QUESTION

Etymologically speaking, the word "brokier" derived from Old North French "Brokeor," which in turn derived from the verb brokier "to broach"; hence the Old French noun meant, "one who broaches or taps a cask to draw off the liquor." Broker was first used in English to designate a petty dealer in secondhand goods or a pawn broker. Petty is defined as small in nature, mean and ungenerous, inferior; so a broker could be said to have been a small, mean and ungenerous dealer in secondhand goods.

This might get the ethical, professionally oriented real estate broker of today somewhat perturbed, did he not know that the doctors and the lawyers have some odd ancestors in the earlier history of their respective professions. His concern is not so much what word study shows a broker to have once been as what an analysis of present practices will show the average broker now to be.

The overall high level of complaints being received by the Commissioner's office, the monthly reports

of disciplinary actions taken, are evidence enough that too many still operate at the old "brokeor" and not the new broker level.

Evidently there are still commission merchants tapping the market (the cask) and trying for a swig.

A recent issue of the *Florida Realty News* contains this comment. "The mere selling of real estate by real estate brokers and salesmen will never constitute the real estate brokerage business a profession . . . the first man who found a purchaser ready, willing, and able to buy on terms acceptable to a seller who was ready, willing, and able to sell for a commission was a mere 'Commission Merchant' in law as in fact."

The answer would seem to be the development of broader and better educational opportunities, more effective in-service training, closer broker-salesman regulatory ties, improved screening at the licensing level; in short, a raising of the sights of every practitioner through the co-operative efforts of government and the industry.

NO SPARE TIME HERE

In response to a query as to what our licensing section personnel did with their spare time, the answer came back, "What spare time?"

The number of license transactions handled in Sacramento during the 1959-60 fiscal year as compared to the previous year shows an increase of approximately 4,400 items. This figure, added to the work of reregistering 19,000 loan brokers during the same period, indicates an increased workload of approximately 24,000 items, or an average 1959-60 monthly increase of 2,000 items over the previous year.

GROUNDS FOR COMPLAINT

By Coy Sanders

The termite's a voracious bug
Whose ever masticating mug
Chomps, grinds, consumes, effaces
The homes of men in vital places;
Leaves agents irked and out of sorts
When clients clash about reports!

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

Successful Agency Often A Matter of Form

By COY SANDERS

As builder's forms, preshaped to hold
The fresh cement, foretell the mold;
So forms miss-filled by careless zeal
Are sure to set a shaky deal!

Subsequent to publication in the March-April *Bulletin* of a light hearted treatment of a deeply serious problem in an article captioned, "Have You Checked Your Forms Lately?", correspondence has been accumulating with respect to it.

A careful analysis of comments finds their gist to be "tell us more but be specific;" or, as one salesman so succinctly put it, "in your follow-up eliminate the negative and accentuate the positive!" This we propose to do.

Form Simplicity Causes Abuse

Years of experience as salesman and broker, followed by months spent in careful scrutiny of examination papers of license seekers, convince me that basic forms used in real estate practice are botched because of their very simplicity; are bothersome precisely because of the meager demands they make upon the creative intelligence of their users.

If they were complex, if they were difficult, I dare say they would stand forth when completed as prim, precise, and proper as Whistler's Mother on Communion Sunday.

A Foolproof Formula

Actually, only three factors are prerequisite to the proper execution of the most complex real estate form:

(1) A sufficient knowledge of the English language to read, understand, and obey a simple declaratory sentence; (2) A willingness to take the necessary time and care involved in writing what the form tells you to write in the space provided for that specific purpose; (3) A clear picture in the licensee's mind of the matters about which he has negotiated a meeting of the minds.

Let us take these prerequisites up in inverse order: It should be clear, but apparently in many cases is not, that before a deal may be spelled out on paper with clarity it must be recorded in the mind with clarity.

Wise then is that licensee who notes all salient facts as they are determined—and with exactitude: The selling price, the down payment, the existing and/or financing to be obtained, contingencies—if any, exceptions—if any, possession agreement, prorations, etc. That agent who knows precisely the terms of his deal is prepared to record them with undebatable accuracy. He is ready to write!

Here's How You Do It

The rest is easy: Start at the top; read the printed text; complete the vacant spaces in your form as the text indicates. Wherever figures are involved there is always space provided for both the numerical and written amount, as there is in one's check book, and for the same reason: fill them in! If there are optional squares to be checked, check them. If there is an existing trust deed, indicate the current balance, payments, interest rate, due date, and whether it is to be assumed or whether the property is

being transferred subject to this obligation. In other words, be definitive as to every point of agreement and enter those points where your form instructs you to enter them.

When this has been done—and only when this has been done—you are ready for the signatures of your clients; and, even here, things can not be left to chance.

Legion are those problem situations arising from improper signatures. The name must be the same in every place it appears in the document, and it should be the legally established or acceptable manner of signing.

This, my good friends in real estate, is the positive approach to the proper use of forms. Consider it well and remember, as we said in the March-April article:

"Whether you want to maintain status in your chosen profession or whether you stand at the bottom of the ladder looking hopefully upward, check well your forms. Your slips may be showing; and these slips can not only be embarrassing, they can be disastrous."

OPPORTUNITY CALLS

Brochures outlining facts pertaining to University of California real estate certificate courses to be offered throughout the State beginning February 1 are being readied for mailing to all licensees. Further information may be had by visiting, writing, or phoning University Extension, 2441 Bancroft Way, Berkeley 4, California, or 813 South Hill Street, Los Angeles 14, California. To know is to grow!