



REAL ESTATE BULLETIN

Official Publication of the California Department of Real Estate



EDMUND G. BROWN JR., Governor

Winter 1982

E. LEE BRAZIL, Commissioner

CONTINUING EDUCATION

Nearing a Crossroads

by
Real Estate Commissioner E. Lee Brazil

On January 1, 1981, the provisions of Section 10170 of the California Business and Professions Code became effective. Since its inception, the Continuing Education Statute (CES) has generated continuing comment and controversy among real estate licensees regarding its merits, results and, most especially, its implementation. The CES is due to "sunset" or automatically self-destruct in two years, a fact which has greatly exacerbated the controversy. In an attempt to develop a rational approach to the issues of whether to continue, terminate or modify the Continuing Education (CE) program, the Department of Real Estate has undertaken a careful study of the problems and successes of the CE program and the motivations that gave rise to it.



On its face the CES clearly states that its purpose, as determined by the Legislature, is "consumer protection and consumer service." These are certainly noble motives with which few have found fault. Moreover, implicit in this law is the strong desire of real estate licensees to improve the image and reputation of the industry in the public eye. Whether either objective can be obtained through the implementation of the present law has become the major question.

A comparison of the costs related to the CE program with its results or beneficial effects is probably the best starting point for analysis. Such comparison should, if possible, include indirect costs such as quality control, evaluation and monitoring. The analysis would then turn on the determination of whether the total costs and problems associated with the CE program are outweighed by its benefits.

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PRISON AND LICENSE REVOCATION FOR AGENT

prepared by
Stephen W. Thomas, Counsel
San Francisco District Office

A real estate salesperson's dishonest and fraudulent conduct in connection with trust deed investments recently resulted in the revocation of his license. Much to the dismay of the former licensee, he also found himself facing criminal charges filed by the District Attorney, based upon substantially the same acts for which he received license discipline. After jury trial, he was convicted and sentenced to four years in state prison.

The facts that developed at the administrative hearing indicated that the licensee had built up a substantial clientele over a period of several years. The licensee represented to many of these clients that he could obtain for them excellent returns on investments in fully secure "seconds" (trust deeds) on real property. Based upon these representations, he obtained over \$100,000 from his clients, which he "secured" with deeds of trust on property he himself owned. Eventually, however, he became unable to make the monthly interest payments to the investors.

A Department of Real Estate team consisting of an investigator (Specialist), auditor and appraiser were assigned to the investigation. Thorough title searches disclosed that the "seconds" were in actuality thirds, fourths, fifths, sixths, and, in one instance, a seventh deed of trust against various properties owned by the licensee. Funds were traced into his bank accounts. Appraisals determined that the properties were hopelessly overencumbered. Many investors were wiped out by senior lienholders.

The Department of Real Estate team provided substantial investigative assistance to the District Attorney as well as expert testimony for the criminal trial proceedings. The licensee was convicted of several counts of grand theft (Section 484/487 of the Penal Code) and sentenced to four years in state

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LEGISLATIVE SUMMARY

Here is the DRE summary of 1982 Statutes passed by the California Legislature which should be of particular interest to real estate licensees.

Unless otherwise noted, all section references are to the Business and Professions Code, and all statutes will become effective January 1, 1983. A copy of any bill may be obtained by writing the Legislative Bill Room, State Capitol, Sacramento, CA 95814.

DEPARTMENT SPONSORED

AB 2921 (Statham), Chapter 711. Loan Servicing Agents. Amends Section 10133.1 and repeals Sections 10133.25 and 10133.35. Adds Section 2924.3 to the Civil Code. Requires loan servicing agents to give written notice to a lender of foreclosure proceedings involving either the lender's own loan or senior liens. Eliminates the real estate license exemption and bond requirements for loan servicing agents, except for escrow companies and small volume servicing agents, which remain exempt and without bond requirements.

AB 3030 (Vicencia), Chapter 315. License Fees. Amends Sections 10201, 10209.5, 10210, 10214.5, 10215, and 10224. Increases fees for four-year real estate licenses to \$165 for brokers, \$120 for salespersons, and increases the fee for real property securities dealer endorsements to \$100. Increases late renewal fees for licenses to 1 1/3 times the regular renewal fee. Reallocates monies from the education and research account to the Real Estate Fund for the 1982-83 fiscal year. Urgency legislation effective August 1, 1982.

AB 3478 (Sher), Chapter 769. Real Property Securities. Amends Section 10237.25. Provides that the sale of a real property security to a self employed individual retirement plan or individual retirement account (IRA and Keogh accounts) shall be considered a sale to the public for purposes of the Real Property Securities Dealers Law, unless the beneficiary of the plan or account is

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Happy Holidays

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California Department of Real Estate

Vol. 42, No. 4

Winter 1982

STATE OF CALIFORNIA
EDMUND G. BROWN JR., Governor

E. LEE BRAZIL
Real Estate Commissioner

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The Real Estate Bulletin (USPS 456600) is a quarterly published by the State of California, Department of Real Estate, as an educational service to all real estate licensees in the state under the provisions of Section 10083 of the California Business and Professions Code.

From the license renewal fee, \$1 is allocated to cover subscription to the Bulletin. Second Class Postage paid at Sacramento, California. Postmaster, send address changes to Real Estate Bulletin, 1719-24th Street, Sacramento 95816.

Disciplinary Action—October–December 1982

REB—Real estate broker
RREB—Restricted real-estate broker
RES—Real estate salesperson
RRES—Restricted real estate salesperson
REO—Real estate officer
REC—Real estate corporation

NOTE: A list of actions is not published in this Bulletin until the 30-day period allowed for court appeal has expired; or if an appeal is taken on the disciplinary action stayed, until the stay is dissolved. Names of persons to whom licenses are denied upon application are not published.
* Not previously published

FOR YOUR INFORMATION

The following are brief summaries of the numerical code sections listed after each licensee's name. The full context of the various sections is found in the Business and Professions Code and the Regulations of the Real Estate Commissioner, both of which are printed in the Real Estate Law book available for purchase from the Department of Real Estate at \$5.00 plus tax. Code sections summarized will vary from issue to issue as they will correspond with the particular disciplinary listings.

Business and Professions Code

490 relationship of conviction to licensed activity
10085 failure to submit to Commissioner prior to use advance fee agreements or advertising
10130 performing acts for which a license is required without the appropriate license
10137 unlawful payment of compensation
10145 trust fund handling
10146 failure to handle advance fees as trust funds or to furnish verified accounting to principal
10148 retention and availability of real estate broker records
10162 office abandonment
10176(a) making any substantial misrepresentation
10176(b) making false promise
10176(c) commingling trust funds
10176(i) fraud or dishonest dealing in licensed capacity

10177(b) conviction of crime
10177(d) violation of real estate law or regulations
10177(f) conduct that would have warranted denial of a license
10177(g) negligence or incompetence as licensee
10177(h) failure to supervise salespersons
10177(j) fraud or dishonest dealing not in licensed capacity
10177(k) violation of restricted license condition
10177(n) violation of real estate syndicate provisions of corporate securities law
10177.5 civil fraud judgment based on licensed acts
10231 accepting loan funds for pooling
11010 failure to file notice of intention to sell or lease subdivision
11012 material change in subdivision without notice

Regulations

2715 brokers failure to maintain current address with DRE

2725 failure of broker to review agreements
2726 broker-salesperson agreements
2742 failure of corporate broker to file articles of incorporation
2785(a)3 failure by agent to disclose material facts to principal
2830 failure to maintain trust fund account
2831 inadequate trust fund records
2831.1 inadequate trust fund records
2832 improper handling of earnest money deposit
2832.1 trust fund accountability
2835 relinquishing control of trust funds
2902 failure to furnish copy of instrument
2950(d) broker conducted escrow violation
2950(f) broker conducted escrow violation
2950(g) broker controlled escrow violation
2970 misleading advance fee advertising material
2971 use of unapproved advance fee agreements
2972 advance fee accountings
2973 failure to retain advance fee records

LICENSES REVOKED

Name	Address	Effective Date	Violation Business and Professions Code/Commissioner's Regulations
*Lanzarone, Charles Joseph (RES)	4849 Van Nuys Blvd., Sherman Oaks	5/18/82	490, 10177(b)
*Spittler, Patsy Alice (RES)	1365 Chestnut Ave., Rialto	5/18/82	490, 10177(b)
*Blanda, Mitchell (RES)	233 Lobeiro, San Clemente	5/18/82	490, 10177(b)
*Fant, Charles Walter (RES)	4929 W. Adams Ave., Los Angeles	5/19/82	490, 10177(b)
*Harrah, William Scott (RES)	239 Horizon, Venice	5/19/82	490, 10177(b)
*Bergh, Harold Arthur (REB)	18010 Crenshaw Blvd., Torrance	5/19/82	490, 10177(b)
*Freels, Michael Jerome (RES)	1026 N. Western Ave., San Pedro	5/19/82	490, 10177(b)
*Witt, Walter Neel (REB)	896 North 4th Ave., #F, Upland	5/19/82	490, 10177(b)
Sullivan, Thomas J. (RES)	21835 Ticondaroga, Lake Forest	6/8/82	10176(i), 10177(j)
Jarone, Betty J. (RES)	Route 1, Box 49R, Westwood	6/8/82	10177(j)
Batt, Terrence Paul (REB) (REO)	20431 Stevens Creek Blvd., Cupertino	6/8/82	2830, 2832.1, 10145, 10176(a)(e)(f), 10177(d)(f)(g)
American Oak Companies, Inc. (REC)	4250 Williams Rd., San Jose	6/8/82	2830, 2832.1, 10145, 10176(a)(e)(f), 10177(d)(f)(g)
Fuller, James (RES)	6356 Van Nuys Blvd., Van Nuys	6/10/82	490, 10177(b)(k)
Scott, Pearlina (RES)	8909 Seneca St., Oakland	6/15/82	490, 10177(b)
Breit, Miles Joseph (RES)	10514 National Blvd., Apt. 311, Los Angeles	6/15/82	490, 10177(b)
Barker, David Roy (RES)	9550 Santa Monica Blvd., Beverly Hills	6/22/82	490, 10177(b)
Martinez, Gregoria Garcia (RES)	544 South C. St., Oxnard	6/22/82	490, 10177(b)
Eugenio, Gregorio Pascua Jr. (REB)	674 Morse St., #3, San Francisco	6/24/82	2832, 10145, 10176(a)(i), 10177(d)(j)
De Marco, Richard Francis (RES)	160 Laurei Dr., Fairfax	6/24/82	10177(b)(f)
Burkhardt, Cecil Ray (RES)	4489 N. Armstrong, Clovis	6/29/82	490, 10177(b)
Miller, Charles Dean (RES)	P.O. Box 33142, San Diego	6/29/82	490, 10177(b)
Giffis, Norton Jeffrey (RES)	2921 Beverwil Dr., Los Angeles	6/29/82	490, 10177(b)
Brooks, Lauren Carey David (RES)	2264 Market St., San Francisco	7/5/82	490, 10177(b)
Tri Continental Enterprises, Inc. (REC)	3662 Katella Ave., Ste. 207, Los Alamitos	7/7/82	10137, 10176(a)(e), 10177(d)(g)(h)
Off—Brown, Ronald Eugene			
Fogelbach, Kenneth Robert (RES)	6501 Crown Blvd., #100 & 106, San Jose	7/7/82	490, 10177(b)
Sponset, Betty Jo Ann (RES)	35249 Lido Blvd., Newark	7/7/82	490, 10177(b)(f)
Avitia, Pauline Yolanda (RES)	4305 32nd Street, Sacramento	7/12/82	490, 10177(b)
Brockman, Gloria Ann (REB)	8375 Paradise Valley Rd., #6, Spring Valley	7/13/82	10176(a)(i), 10177(j)
Thomas, Harold Fredrick (RES)	4324 Engle Road, Sacramento	7/19/82	490, 10177(b)
Smith, Gerri Lynn (RES)	10375 Ave. 128, Tipton	7/19/82	490, 10177(b)
Cooksey, David Bryan (RES)	120 Valencia Ave., Aptos	7/22/82	490, 10177(b)
Webb, Eugene Dent (RES)	13941 Whiterock Dr., La Mirada	7/22/82	490, 10177(b)
Hollander, Helen Sokol (RES)	8763 Byrd Street, San Diego	7/27/82	490, 10177(b)
Whitney, Earl Raymond (REB)	P.O. Box 81252, San Diego	7/27/82	490, 10177(b)
Collins, Luther James (RES)	9571 Mission Gorge Rd., San Diego	7/27/82	490, 10177(b)
Jones, Stella L. (RES)	1494 San Pablo Ave., Seaside	7/27/82	490, 10177(b)
Rademackers, Thomas Henry (REB)	5741 Old Memory Lane, San Diego	7/27/82	490, 10177(b)
Murphy, Bernard Evans (RRES)	1456 Encinitas Blvd., Encinitas	7/27/82	490, 10177(b)
Good Guys Realty, Inc. (REC)	6700 Warner #21A, Huntington Beach	7/27/82	490, 10177(b)
Lieberman, Helen (RES)	12372 Beach Blvd., Garden Grove	7/27/82	2742, 10177(f)
Jones, Tony (RES)	21820 Mary Lee St., #227, Woodland Hills	8/3/82	10130, 10131(d), 10131.2, 10137, 10176(b)(i), 10177(d)
	10820 Oakton Way, Rancho Cordova	8/5/82	490, 10177(b)

Statement on Real Estate Bulletin issued quarterly was filed with postmaster on September 20, 1982. Location of office of publication and headquarters of publisher is 1719 24th Street, Sacramento, California 95816. Publisher: E. Lee Brazil, Commissioner, State of California; Editor: Ruth M. Fennell, Department of Real Estate; Managing Editor: William A. Wiggins, Assistant Commissioner, Department of Real Estate; all with offices at the address given above. Owner: Department of Real Estate, State of California, 1719 24th Street, Sacramento, California 95816. Bondholders, mortgagees and other security holders: none. Average number of copies each issue during preceding 12 months: 328,129; paid circulation through dealers, etc.: none; mail subscriptions, 326,129; total paid circulation, 326,129; free distribution: 1,102; total distribution: 327,231; office use, left over, etc.: 898; total press run: 328,129. Actual number of copies of single issue published nearest to filing date: 319,548; sales through dealers and carriers, etc.: none; mail subscriptions: 317,548; total paid circulation: 317,548; free distribution: 695; total distribution: 318,243; office use, leftover, etc.: 1,305; total press run: 319,548.

LICENSES REVOKED

Name	Address	Effective Date	Violation Business and Professions Code/Commissioner's Regulations
Baker, Bonnie Kaye (RES)	11209 Yolanda, Northridge	8/10/82	490, 10177(b)
Harper, Shannon Claire (RES)	P.O. Box 749, Big Bear Lake	8/10/82	10130, 10137, 10176(e), 10177(d)
Rabie, Manuchehr (RES)	1522 Ensley Ave., Los Angeles	8/10/82	490, 10177(b)
Weishuhn, Eric Reginald (RES)	11285 Del Diablo St., San Diego	8/10/82	490, 10177(b)
Salandra, Frank Michael (RES)	159 Calle Diaz, Anaheim	8/10/82	490, 10177(b)
Hadley, Willis Henry (REB)	72 682 Ramon Rd., Thousand Palms	8/10/82	2725, 2726, 10176(i), 10177(d)(h)
Duckeit, Cathy Elaine (RES)	1037 St. George, Ridgecrest	8/11/82	490, 10177(b)
Lambert, DeWitt Todd (REB)	P.O. Box 2000, 2494 Hwy. 50, Ste. 464 South Lake Tahoe	8/12/82	2830, 2831, 2831.1, 2835, 10145, 10176(e)(i), 10177(d)
Gallagher, Thomas Roy (RES)	10 Seenic Way, San Mateo	8/24/82	10176(a)(b)(i), 10177(f)(j)
Olson, Lawrence Marvin (RES)	P.O. Box 11156, San Diego	8/24/82	490, 10177(b)
Reedy, Michael George (RES)	18830 Pacific Coast Hwy., Malibu	8/25/82	10176(i)
Republic Home Loan Corp. (REC)	19772 MacArthur Blvd., Ste. 240, Irvine	8/25/82	2832.1, 10177(d)
Lee, Evelyn Juanita (RES)	369 Paseo De Playa, Apt. 206, Ventura	8/26/82	490, 10177(b)
Williams, Oscar Cleveland (RES)	204 Olmstead Dr., Sacramento	8/26/82	490, 10177(b)(f)
Rufenacht, Randy Gottfried (RES)	757 Racquet Club Cir., Rohnert Park	8/30/82	490, 10177(b)(f)
Roll, Theodore John (REB)	2373 Grove Way, Castro Valley	8/30/82	10145, 10176(e)(i), 10177(d)
Crites, Robert Stephen (REB) (REO)	1961 Ardith Dr., Pleasant Hill	8/30/82	10177(d)(j)
Evans, Norma Jean (RES)	703 Bay Rd., Menlo Park	8/31/82	490, 10177(b)
Michaels, Jean Marie (RES)	15200 Magnolia, #6, Westminster	8/31/82	490, 10177(b)

LICENSES REVOKED WITH A RIGHT TO A RESTRICTED LICENSE

Name	Address	Effective Date	Violation Business and Professions Code/Commissioner's Regulations
*Moore, Carl Lee (REO)	8950 Villa La Jolla Dr., #2244, La Jolla	3/9/82	10177(g)
Off—La Jolla International Brokers, Inc. (Right to RREO license on terms and conditions)			
*La Jolla International Brokers, Inc. (REC)	8950 Villa La Jolla Dr., Ste. 2244, La Jolla	3/9/82	10177(g)
Off—Moore, Carl Lee (Right to RREC license on terms and conditions)			
*Johnson, Barbara Jean (RES)	1651 Brea Blvd., Fullerton	5/18/82	490, 10177(b)
(Right to RRES license on terms and conditions)			
*Schulte, Bernie Frank (RES)	3119 Waldorf Dr., Riverside	5/19/82	490, 10177(b)
(Right to RRES license on terms and conditions)			
Licklider, Gwendolyn Isabel (RES)	P.O. Box 21, 1295 N. Lake Blvd., Lake Tahoe	6/4/82	10176(i)
(Right to RRES license on terms and conditions)			
La Dam, Robert W. (RES)	188 S. Euclid Ave., Upland	6/8/82	490, 10177(b)
(Right to RRES license on terms and conditions)			
McElroy, Fred Earl (RES)	P.O. Box 863, 447 W. Foothill Blvd., Rialto	6/10/82	490, 10177(b)
(Right to RRES license on terms and conditions)			
McHugh, Krista Diane (REB)	16 Una Way, Mill Valley	6/14/82	490, 10177(b)
(Right to RRES license on terms and conditions)			
Schneider, Edward Lawrence (RES)	6490 Via Arboles, Anaheim Hills	6/17/82	10176(a)(i), 10177(d)
(Right to RRES license on terms and conditions)			
Thorup, Lois W. (RES)	918 Cortina Ct., Walnut Creek	6/17/82	490, 10177(b)
(Right to RRES license on terms and conditions)			
Spires, Henry P. (REB)	8636 California Ave., Riverside	6/17/82	490, 10177(b)
(Right to RRES license on terms and conditions)			
Richardson, Hazel B. (RES)	1157 N. Brand Blvd., Glendale	6/17/82	10176(a)(i), 10177(g)
(Right to RRES license after 30 days on terms and conditions)			
Karasek, Margrit Mathilde (RES)	240 Nice Ln., #203, Newport Beach	6/18/82	490, 10177(b)
(Right to RRES license on terms and conditions)			
Hooper, Stephen Duncan (RES)	P.O. Box 2128, Santa Barbara	6/22/82	490, 10177(b)
(Right to RRES license on terms and conditions)			
Estanislau, William (RES)	7231 W. Manchester Ave., Los Angeles	6/22/82	490, 10177(b)
(Right to RRES license on terms and conditions)			
DeGrange, Allen John (RES)	182 Echo Ave., Campbell	6/23/82	490, 10177(b)
(Right to RRES license on terms and conditions)			
Posadas, Gregory Stephen (RES)	4941 Junipero Serra Blvd., Daly City	6/28/82	490, 10177(a)(b)(f)
(Right to RRES license after 30 days on terms and conditions)			
Carlson, Ralph Vincent (RES)	498 Murray Dr., El Cajon	6/29/82	490, 10177(b)
(Right to RRES license on terms and conditions)			
Hammer, Helene (RES)	125 Granada, #125, Long Beach	6/29/82	490, 10177(b)
(Right to RRES license on terms and conditions)			
Richards, Joyce Ann (REB)	P.O. Box 534, 38557 9th St. East, Palmdale	6/29/82	490, 10177(b)
(Right to RRES license on terms and conditions)			
Welch, Samuel (REB)	1021B Hilby Ave., Seaside	6/29/82	490, 10177(b)(f)
(Right to RREB license after 30 days on terms and conditions)			
Carbajal, Robert Edward (REB)	1429 W. Beverly Blvd., Montebello	6/29/82	2831, 10177(d)
(Right to RREB license on terms and conditions)			
Porter, Arthur Lee (RES)	1260 Madalen Dr., Milpitas	7/2/82	10176(e)(i), 10177(f)(j)
(Right to RRES license on terms and conditions)			
Peck, Edward Hannon (REB)	1760 Challenge, Sacramento	7/7/82	2832.1, 10177(d)(h)
(Right to RREB license on terms and conditions)			
Brown, Ronald Eugene (REB) (REO)	18153 Brookhurst, #C, Fountain Valley	7/7/82	10137, 10176(a)(e), 10177(d)(g)(h)
Off—Marina Mortgage Inc. (Right to RREB license after 30 days on terms and conditions)			
Off—Tri Continental Enterprises, Inc. (Right to RREB license after 30 days on terms and conditions)			
Carroll, Stephen (RES)	380 Sicily, Morro Bay	7/15/82	10176(a)(i)
(Right to RRES license after 30 days on terms and conditions)			
LaPeter, Alfred Raymond (REB) (REO)	250 Roycroft, Long Beach	7/15/82	490, 10177(n)
Off—Americana Realtors Land & Property Development, Inc. (Right to RREB license after 1 year on terms and conditions)			
Off—LaRando, Inc. (Right to RREB license after 1 year on terms and conditions)			
Newman, Terry William (RES)	12139 Mt. Vernon Ave., Grand Terrace	7/15/82	10177(n)
(Right to RRES license after 30 days on terms and conditions)			
Koffman, Harry Aaron (RES)	8766 1/2 Wyngate St., Sunland	7/27/82	10137, 10177(d)(g), 10231
(Right to RRES license after 30 days on terms and conditions)			
Lopez, Yelba (REB)	1525 Sunkist Ave., La Puente	7/27/82	10177.5
(Right to RREB license after 90 days on terms and conditions)			
Fialk, Cynthia Sue (RES)	1351 N. Crescent Heights, Blvd., Los Angeles	7/27/82	490, 10177(b)
(Right to RRES license on terms and conditions)			
Dimmock, William Francis (RES)	P.O. Box 454, Thousand Palms	8/10/82	10176(i), 10177(d)
(Right to RRES license after 30 days on terms and conditions)			

(Continued on page 7)

Notes from Licensing

Prepared by
David E. Brown

LICENSE RENEWAL REQUIREMENT

The new "code of ethics" requirement for all licensees becomes effective with the January 1983 license renewals. Section 10171.1 of the Business and Professions Code, as added by Chapter 179, Statutes of 1981, reads as follows:

"On and after January 1, 1983, no real estate license shall be renewed unless the Commissioner finds that the applicant for the license has, during each four-year period preceding the renewal application, completed as part of the 45 clock-hours of attendance provided for in Section 10170.4, a three-hour course in ethics, professional conduct, and legal aspects of real estate. Any such course shall include but need not be limited to, relevant legislation, regulations, articles, reports, studies, court decisions, treatises, and information of current interest."

An important point to remember is that the law affects the licensee's renewal date, *not* its expiration date. Therefore, licensees whose license expires on or after December 31, 1982, will need the course to renew the license regardless of when they apply for renewal. Licensees renewing late as of January 1, 1983, will also need the new course as part of the 45 hours of continuing education.

Since the Real Estate Law requires licensees to complete their continuing education requirements within the four-year period prior to their application for license renewal, some licensees may have completed 45 hours of continuing education prior to the passage of the new law. This means that these licensees are required to attend a separate three-hour course in ethics, professional conduct, and legal aspects of real estate, making a total of 48 hours of continuing education completed.

RENEWAL APPLICATIONS

Licensees are urged to take time to *carefully* complete renewal applications, continuing education forms and any other accompanying applications relevant to the license renewal process. The largest continuing renewal problem encountered by DRE is not that licensees fail to file a renewal application on time, but that applications and other forms filed are incomplete or incorrect.

Incomplete or incorrect renewal applications take more time to process than those that are complete and ready to renew. Those that are complete receive priority handling. Those in error, for whatever reason, are returned to the licensee rather than being retained by DRE. This method relieves the DRE of maintaining unnecessary filing systems, follow-up letters and other maintenance work and allows timely processing of those renewals "ready to go."

Have your renewal "ready to go" when it is mailed. Take time to do it right the first time.

Check The Public Report

Real estate licensees engaged in selling properties in subdivisions should make it a rule to carefully read the final public report issued by DRE for these projects.

Any variances noted by the agent between the subdivision as it exists physically and is offered for sale to the public in the marketing plan and as it is actually described in the public report should be automatically questioned by the selling agent. When variances are noted, the agent should contact DRE to determine if the subdivider has complied with all needed requirements or if further compliance is indicated.

For example, if after the final public report has been issued, a subdivider decides to offer additional recreational amenities to aid his sluggish residential sales by giving greater incentives to purchasers, the subdivider must notify DRE in writing of this material change, make acceptable financial arrangements for the completion of the facilities and obtain an amended public report before the additional amenities can be advertised and offered.

Should a real estate agent make subdivision sales by representing as a part of the inducement that facilities not mentioned in the public report are part of the offering, the agent not only places his license in jeopardy, but also sets himself up as a target for a civil action by purchasers, especially if the subdivider fails to complete the facilities promised but not mentioned in the public report for any reason, including lender foreclosure or bankruptcy.



Exclusion of Children from Rental Housing Prohibited

The California Supreme Court ruled in *Marina Point, Ltd. v. Wolfson* (1982) 30 Cal. 3d 721 that landlords can no longer refuse to rent residential properties to families with minor children, except that children may be excluded from specialized facilities established for senior citizens to meet a social need.

This ruling is based on the Court's interpretation and extension of the Unruh Civil Rights Act, Civil Code Section 51 et seq., (hereafter the Act). The Act prohibits a proprietor of a business establishment from arbitrarily discriminating against a person on the basis of sex, race, color, ancestry, religion or national origin. The Court extended the scope of the Act by reasoning that the Act is intended to prohibit discrimination against any person based solely on a person's membership in a particular class.

The Court pointed out that for nearly 20 years the Act's provisions have been held to apply "... with full force to the business of renting housing accommodations ..." and explained the Act preserved the general right of a business owner to adopt and enforce reasonable rules for his patrons or tenants to follow and to exclude any person who violates these reasonable rules.

A tenant however who has not broken a rule cannot be excluded solely because of the landlord's belief that the tenant, because of his or her membership in a group, is more likely to break the rules of the establishment than if the tenant were not a member of that group or class.

The *Marina Point* decision emphasizes that those engaged in the "business of landlording" must recognize that all persons have a statutory right to equal access to business establishments and no person may be excluded therefrom solely because the owner or landlord believes the person belongs to a group of individuals who are more likely to break the rules than an individual belonging to another group.

Thus, based on a child's own *conduct while residing* in a housing unit, it appears the child can be deprived of a right to housing in that particular housing unit; but housing cannot be denied him solely because of his membership in a particular class of persons—or a landlord's desire to have "all adult" tenants.

The applicability of the rationale of the Supreme Court in the *Marina Point* case to so-called adult only condominium projects is an open question. In the *Marina Point* opinion, the court observed that "age qualifications . . . (in) a housing facility reserved for older citizens can operate as a reasonable and permissible means under the Unruh Act of establishing and preserving specialized facilities for those particularly in need of such services or environment." In a case entitled *O'Connor v. Village Green Owners Association*, the Second Appellate District Court of Appeal refused to apply the *Marina Point* rule on housing restrictions against children to owners of units in a condominium development. In the *O'Connor* opinion the court noted that the Unruh Civil Rights Act is applicable to businesses and

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LEGISLATIVE (Continued from page 1)

a real estate broker, a general building contractor, or an attorney.

AB 3666 (Vicencia), Chapter 886. Mortgage Loan Brokers. Amends Sections 10240, 10241, and 10248.3, adds Sections 10232.25 and 10241.2. Requires mortgage loan brokers to make quarterly reports to DRE on their aggregate trust account balances, including reconciled bank statements. Requires that mortgage loan brokers lending their own funds furnish loan disclosure statements to borrowers, and for small loans (under \$20,000 if secured by a first trust deed, and under \$10,000 if secured by a second or subsequent trust deed), limits the broker's loan terms and maximum charges.

DEPARTMENT SUPPORTED

AB 2781 (Bates), Chapter 925. Limited Equity Housing Cooperatives. Amends Section 11003.4. Exempts limited equity housing cooperatives from a subdivision public report requirement if the cooperative is 50% or more publicly financed and has a regulatory agreement with HUD, Farmers Home Administration, National Consumers Cooperative Bank, CHFA, or California Department of Housing and Community Development.

SB 943 (Davis), Chapter 854. Mortgage Loan Brokers. Amends Sections 10081.5 and

10237.1, and adds Section 10233.1. Prohibits mortgage loan brokers from advancing the broker's own funds to cure a borrower's default on the loan without first obtaining a real property securities permit from DRE. Requires a mortgage loan broker to notify a lender if the broker has made payments to a senior lienholder to protect the security of the loan. Authorizes a court appointed receiver, subject to court approval, to file bankruptcy on behalf of a real estate licensee, if the licensee has commingled or converted trust funds.

SB 1645 (Sieroty), Chapter 1185. Time-Share Developments. Amends Sections 10249.11, 11004.5 and 11024. Requires time-share developers to secure a subdivision public report from DRE if the developer offers for sale to the public a combination of time-share units which individually would have been exempt from the public report requirement. Allows developers to claim an exemption by January 1, 1983, on application to DRE if (among other conditions) the developer had marketed at least one of the units in the combination before July 1, 1982.

Also, extends 3-day rescission rights to purchasers in all time-share projects not subject to DRE public report requirements, including time-share use campgrounds.

SB 1656 (Robbins), Chapter 1084. Mortgage Guarantee Insurers. Amends Sections 12640.02, 12640.09, and 12640.10 of, adds

Section 12640.095 to, and repeals Section 12640.025 of the Insurance Code. Permits mortgage guarantee insurers, among other things, to insure unamortized loans negotiated by mortgage loan brokers and secured by junior liens on one-to-four unit residences, provided that the insurance does not exceed a loan to value ratio of 90%.

SB 1965 (Ellis), Chapter 881. Mortgage Loan Brokers. Amends Sections 10081.5, 10231.2, 10232, and 10232.4, and adds Section 10233.1. Exempts mortgage bankers dealing with institutional lenders from compliance with requirements applicable to mortgage loan brokers and intended to protect individual lenders. Requires a mortgage loan broker to notify a lender if the broker has made payments to a senior lienholder to protect the security of the loan. Authorizes a court appointed receiver, subject to court approval, to file bankruptcy on behalf of a real estate licensee, if the licensee has commingled or converted funds.

SUBDIVIDED LANDS LAW

AB 1311 (Roos), Chapter 148. Subdivisions and Blanket Encumbrances. Amends Sections 11010.3 and 11010.6, and adds Section 1133 to the Civil Code. Eliminates DRE jurisdiction over expressly zoned

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BALLOONS AND DOMINOES

Hundreds of Californians have already lost homes through foreclosures; thousands more may do so because of their inability to pay balloon payments falling due on homes purchased seven, five or perhaps only three or less years ago.

Many homeowners who sold residences under terms whereby they took back from the purchasers a purchase money balloon note and trust deed, in turn purchased other real property. Relying upon their buyers' ability to pay these balloon notes when due, these owners also executed balloon mortgages on the properties they purchased. Their sellers, in turn, may have done likewise, thus setting the stage for the domino effect of a row of contingent real estate transactions ultimately failing because in the balloon chain one or more buyers cannot refinance or get an extension on their note(s). Multiply just one row of domino transactions by the thousands of others which have taken place across the state, and the seriousness of possible future chain events can be grasped.

The real estate broker's role in this scenario cannot be underplayed. It was so easy to say to a prospective buyer, "In five years you can probably refinance. Property values are escalating."

It is hoped that real estate practitioners who were available for a commission to help engineer these "creative financing" packages when all concerned were optimistic about the near economic future, will also be available to counsel these old customers and clients in financial stress and crisis when no compensation is likely. 

ASSESSED VALUATIONS

According to information released the first week in September 1982 by the State Board of Equalization, the assessed value of property in California increased by 12 percent from the 1981-82 to the current 1982-83 tax year. The statewide total value of state-assessed and county-assessed property rose to \$737.1 billion, up \$79.2 billion (12.0 percent) from last year's \$657.9 billion.

Statewide the county assessment rolls increased by \$74.1 billion (11.9 percent) while the state-assessed property values rose by \$5.1 billion (14.3 percent) over last year.

The increases for the individual counties ranged from a low of 5.3 percent in Fresno to the high of 28.4 percent in Mono. Los Angeles County, with the largest assessment roll at \$207.8 billion, gained 11.5 percent.

The statewide average increase of 12 percent is down only slightly from last year's increase of 13.6 percent. Last year, there was a difference of 4.2 percent from the previous year's assessed value (only 1.6 percent difference this year), indicating that the slowdown in construction may have bottomed out. 

EDUCATION (Continued from page 1)

Since January 1981, when the CES became effective, approximately 75,000 licensees have attended more than 3,650,000 hours of CE related instruction. The direct financial cost to these licensees exceeds thirty million dollars. Indirect costs resulting from productivity losses are incalculable. Direct costs to the Department of Real Estate for course evaluation, monitoring and qualification have amounted to approximately \$300,000.

It is difficult to select an appropriate yardstick with which to measure the CE results. However, the Department of Real Estate statistics regarding complaints filed against licensees are certainly a useful measure. These statistics show that such complaints have increased 5% during Fiscal Year 1982, the first full year that the CES was in effect. During this period the number of licensees has decreased by 8%. These statistics suggest that consumer protection and service were not positively affected by the CES.

The results of a poll conducted through the Spring 1982 issue of the *Real Estate Bulletin* were inconclusive. However, 52% of those responding felt that CE should be terminated immediately. These statistics would seem to indicate that those licensees have concluded that the industry's image has not been significantly affected by the CES.

Problems of instructor and course quality have also detracted from the CE program's effectiveness prompting many licensees to argue that CE offers no substantial benefit to licensees or the public as compared to its cost and problems. As a result, they have urged the Department of Real Estate to seek the termination of the CES as soon as possible. Others suggest that CE quality and effectiveness can be increased through program modifications. Unfortunately, realistic suggestions as to the method of accomplishing such qualitative enhancement are few. Suggestions regarding course examinations and periodic completion requirements (as opposed to taking 45 hours of CE immediately prior to license renewal) are usually met with stony silence by all but a few hardy souls. Yet, without such measures the CE program will remain the subject of controversy. Moreover, it is clear that the Department of Real Estate does not have resources, financial or staffing, to do much more in the way of quality control of CE courses once they have been initially qualified.

But if CE, as presently structured, is quality deficient and a modified, more rigorous program is not acceptable, it does not necessarily follow that nothing can or should

be done. Should the CE program be dismantled, there are many effective programs which could be substituted. An educational program offering obtainable results based upon a modest but rational methodology could achieve many of the same goals and objectives originally associated with the CE program. Such a program might begin with the premise that elevating the quality level or professionalism of 365,000 existing real estate licensees is an enormous undertaking if approached with CE methodology. An alternative program should also take cognizance of the fact that quality control is most effectively regulated at the entry level of any profession or licensed activity.

In fact, an approach which focuses on entry level qualifications stands a much greater chance of achieving success since the focus is narrower and more manageable. Certainly the Department of Real Estate is more suited for this type of effort. In addition, precicensing requirements such as college level course work are just as useful and necessary for salespersons as for brokers. Arguably, such precicensing preparation is even more appropriate for salespersons who, of course, are not required to have practical experience prior to licensing. Moreover, a stringently controlled CE requirement limited to first-term salesperson renewals could be coupled with precicensing course work requirements to further enhance entry level quality. Finally, an increase in broker precicensing requirements would have a similar quality enhancing effect.

Continuing education, as presently structured, is really an after-the-fact solution to the quality control problem. A more direct approach to the problem would be far more effective. Precicensing course requirements for salespersons, coupled with increased broker requirements, may be the most effective elements of such an approach. If such a program were adopted, previously licensed but marginal performers faced with a constant input of more qualified entry level salespersons and brokers would find themselves at an increasing disadvantage in the marketplace. In order to remain viable with respect to these more qualified entry level licensees, marginal performers will face natural pressures to educate themselves and improve their professional knowledge on a continuing basis. Simultaneously, the marketplace will exert increasing pressures on substandard licensees to leave the real estate business. By requiring more of licensees initially, the marketplace can be relied upon to continue the quality control process.

That's the way I see it. Your comments are welcome. 

NOTICE

To: Interested Persons

Re: Fair Lending Regulations

On August 3, 1982, the Office of Administrative Law (OAL) rejected proposed amendments to the Business, Transportation and Housing Agency's (Agency) Fair Lending Regulations. The proposed changes, which

were initially filed with OAL for review and approval on February 3, 1982, were the result of a statutorily required review of existing regulations. The Agency has not yet decided what further action, if any, to take with regard to the proposed amendments. In the meantime, the original Fair Lending Regulations remain in effect.

(Printed at the request of the California Business, Transportation and Housing Agency.)

LEGISLATIVE (Continued from page 4)

industrial and commercial subdivisions, including purchase money handling requirements, and over subdivisions marketed by public agencies. Requires that all subdividers whose projects (including residential projects) are not subject to the Subdivided Lands Law disclose to every prospective purchaser and lessee the existence of a blanket encumbrance on the project, and the possible effect of foreclosure of the encumbrance. Urgency legislation, effective April 5, 1982.

AB 3360 (Sher), Chapter 1608. Single Lot Condominiums: Completion Bonds. Amends Section 11018.5. Allows the developer of a condominium project located on a single parcel to close sales of units to the public without either completing all of the remaining residential units or furnishing a guarantee of completion through a completion bond.

ADMINISTRATION

AB 2305 (Katz), Chapter 1083. Regulations: Small Businesses. Amends Sections 11342, 11346.4, and 11346.7 of, and adds Section 11346.53 to the Government Code. Requires state agencies which propose regulation changes to determine whether or not the changes will have a significant adverse impact on small businesses, and if so, to consider alternatives to lessen the economic impact.

AB 2750 (McAlister), Chapter 517. Revisions Conforming to AB 2751. Among other things, amends Sections 10072, 10237.8, 10540, and 11013.4, and repeals Sections 10238, 10541, and 10542. Conforms numerous sections of various codes affected by the provisions of AB 2751 following.

AB 2751 (McAlister), Chapter 998. Bond and Undertaking Law. Adds Chapter 2 (commencing with Section 995.010) to Title 14 of Part 2 of the Code of Civil Procedure. Authorizes an undertaking to be given in lieu of a bond, and authorizes a bond to be given in lieu of an undertaking. Authorizes the beneficiary of a bond to waive the requirement therefor or to consent to a bond in an amount less than the amount required by statute. Establishes procedures relative to the execution and filing of bonds; authorizes the Judicial Council to prescribe the form of a bond and other forms relating to bonds given in an action or proceeding. Specifies detailed rules relative to approval and effect of bonds, personal sureties, admitted surety insurers, deposits in lieu of bonds, bonds to the State of California, objections to bonds, insufficient and excessive bonds, substitution and release or substitution of sureties on a bond given in an action or proceeding, new, additional and supplemental bonds, cancellation of bonds or withdrawal of sureties, liability of principals and sureties, and enforcement liens.

AB 3337 (McCarthy), Chapter 1211. State Agencies: Rulemaking Calendars. Adds Section 11017.6 to the Government Code. Requires state agencies to annually publish a rulemaking calendar of proposed regulations.

REAL ESTATE LICENSEES

AB 2547 (Vicencia), Chapter 233. Consumer Finance Lenders. Amends Sections 24055 and 24466 of the Financial Code. Expressly permits a licensed real estate broker to make a loan secured by a lien on real property for sale to a consumer finance lender or arrange for such a loan to be made by a consumer finance lender, without obtaining a consumer finance lender's license. Provides that a loan that is secured by a lien on real property may not be secured by a lien on personal property as well, except for the assignment of rents in a mortgage or deed of trust. Urgency legislation, effective June 2, 1982.

AB 3450 (Lancaster), Chapter 547. Multiple Listing Services. Adds Article 6 (commencing with Section 1086) to Chapter 1 of Title 4 of Part 4 of Division 2 of the Civil Code. Defines four categories of agency listings (exclusive right to sell, exclusive agency, probate, and open) in a multiple listing service, and specifies the terms of potential compensation to agents in each category. Also requires agents to disclose to the owner the possible effects of an open listing, and requires that owners authorize all listings.

AB 3531 (McAlister), Chapter 968. Seller Assisted Financing: Disclosures. Adds Article 3 (commencing with Section 2956) to Chapter 2 of Title 14 of Part 4 of Division 3 of the Civil Code. Requires numerous disclosures of the terms and conditions of financing arrangements to and from both buyers and sellers if a real property transaction is a one-to-four unit residence, if the seller provides financing to the buyer to complete the transaction, and if an arranger of credit is involved. Also requires the disclosures if the seller or buyer is a real estate licensee or attorney.

FINANCE AND TAX

AB 3701 (Costa), Chapter 1447. CHFA: Mortgage Subsidies and Insurance. Adds Article 2.5 (commencing with Section 66452.50) to Chapter 3 of Division 2 of Title 7 of the Government Code, and amends Sections 50202, 50952, 51226, 51600, 51601, 51602, 51850, 51852, 51853, and 51858 of, and adds Section 51852.5 to, the Health and Safety Code. Authorizes California Housing Finance Agency (CHFA) to reduce the interest on loans to finance homeowner purchase of newly constructed homes, allows public pension funds and their beneficiaries to participate in the program, authorizes CHFA to insure loans for rental housing developments which benefit low income families, and exempts insured rental housing developments from condominium conversion prohibitions.

SB 1276 (Beverly), Chapter 887. Time-Share Projects: Property Tax Assessments. Adds Sections 2188.8 and 2188.9 to the Revenue and Taxation Code. Requires assessors, on request, to separately assess and separately

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DISCLOSURE DUTY

The duty of a real estate broker to disclose material facts known by him to the seller employing him was again confirmed in the recent appellate court case *Jorgensen v. Beach 'n' Bay Realty, Inc.*, (125 C.A. 3d 155).

In *Jorgensen*, the listing broker presented an offer to his seller that was only about 7 percent less than the listing price. The broker presented the offer on behalf of a speculator for whom the broker hoped to act in future transactions. When the broker presented the offer, he informed the seller that he was also acting on behalf of the offeror and was therefore a dual agent in the transaction. The seller wished to counter offer on the price, but the broker recommended that she not do so. The seller followed this recommendation. The sale was consummated. Shortly thereafter the purchaser resold the property through the broker at a 13.5 percent profit.

In reversing a nonsuit for the broker, the appellate court held that the broker did not fully discharge his fiduciary obligation to the seller by simply disclosing that he was acting as a dual agent in the transaction. It was the broker's duty to disclose *all* material facts known to him which might have affected the seller's decision to accept the offer. The court suggests that the facts known to the broker which might have affected the seller's decision included (1) the fact that the buyer was acquiring the property for investment purposes and (2) the fact that the broker had a substantial personal stake in negotiating a bargain purchase for the buyer.

DRE

COMING TO TERMS

Severalty Ownership—Owned by one person only. Sole ownership.

Graduated Payment Mortgage—Provides for partially deferred payments of principal at start of loan (there are a variety of plans). Usually after the first five years of the loan term the principal and interest payments are substantially higher, to make up principal portion of payments lost at the beginning of the loan.

Variable Interest Rate—An interest rate in a real estate loan which by the terms of the note varies upward or downward over the term of the loan according to one or more indices which reflect the cost of funds.

Dragnet Clause—A clause also known as a Future Advance Clause found in many deeds of trust (or mortgages) providing that the deed of trust will be security not only for the original debt evidenced by an existing promissory note, but also for additional future loans by the beneficiary to the trustor. To make the deed of trust effective as security for a loan subsequently made by the beneficiary to the trustor, the promissory note evidencing the loan should include express reference to the deed of trust by the number under which it has been recorded.

DRE

45 *Almos From*
Continuing Education
 prepared by
Hours Tom Mabry, Real Estate Manager

BROKER COURSES THROUGH COMMUNITY COLLEGES

Recent action by the California Community Colleges Board of Governors regarding \$30 million in various course cuts created uncertainties about whether real estate courses offered in the non-credit sector of community colleges would meet education legal requirements for a broker's license.

Commissioner Brazil has been working with Community College Chancellor Gerald C. Hayward in an attempt to insure that students taking real estate courses during the fiscal year 1982-83 will be able to have those courses applied toward licensing requirements. The Commissioner recently informed Chancellor Hayward he is prepared to grant waivers under Sections 10153.2, 10153.4, and 10153.6 of the Business and Professions Code for the 1982-83 fiscal year for any broker qualification course offered by a community college for which the community college district provides certification containing the following information:

- 1) The name and description of the course.
- 2) The number of class hours for the course.
- 3) A statement that the course is essentially the same with respect to (a) number of class hours (b) instructor qualifications, and (c) criteria for successful completion as the quarter equivalent thereof by the same community college district during the 1980/81 or 1981/82 fiscal years.

The above certification must be signed by the district chancellor or superintendent.

As of mid-October, nineteen (19) of the seventy (70) existing districts submitted certifications. It is anticipated more soon will be received, thus providing additional qualified courses for persons interested in pursuing a broker's license. **DRE**

PRISON (Continued from page 1)

prison. Under the provisions of the Victim's Bill of Rights (Proposition 8), the licensee was ordered to make restitution to his victims.

Licensees should take special notice that the activities for which respondent was disciplined were principal in nature. Nonetheless, when such activities are dishonest or fraudulent, the Commissioner is empowered to suspend or revoke the actor's license. See Section 10177(j) of the Business and Professions Code.

EXCLUSION (Continued from page 4)

public accommodations, but not to the operation of a condominium development. This appellate decision however cannot presently be said to be the law of California on the subject. On July 22, 1982, the California Supreme Court agreed to hear the O'Connor case, and presumably it will ultimately decide to what extent adults-only, common-interest subdivision projects are permissible under California law. **DRE**

LICENSES REVOKED WITH A RIGHT TO A RESTRICTED LICENSE

Name	Address	Effective Date	Violation Business and Professions Code/Commissioner's Regulations
Calhoun, Glenn Dwight (RES) (Right to RRES license on terms and conditions)	3335 Flower, Apt. E, Orange	8/12/82	490, 10177(b)
Moran, Robert Kaplan (RES) (Right to RRES license on terms and conditions)	217 N. Sunset, Apt. 116, West Covina	8/12/82	490, 10177(b)
Beltran, Louis Gabriel (RES) (Right to RRES license on terms and conditions)	P.O. Box 2584, Van Nuys	8/12/82	490, 10177(b)
Trans National Funding, Inc. (REC) Off—Leibold, Charles Richard (Right to RREC license on terms and conditions)	4000 Mac Arthur Blvd., Ste. 4500 Newport Beach	8/12/82	2831, 2831.1, 2832.1, 2970, 2971, 2972, 2973, 10085, 10137, 10146, 10177(d)
Leibold, Charles Richard (REB) (REO) Off—Trans National Funding, Inc. Off—the Simon Ehrenfeld Group, Inc. Off—B.H.M., Inc. (Right to RREB license on terms and conditions)	26421 Via Gorrión, Mission Viejo	8/12/82	2831, 2831.1, 2832.1, 2970, 2971, 2972, 2973, 10085, 10137, 10146, 10177(d)
Packer, Cefel Bernard (RES) (Right to RRES license on terms and conditions)	4680 West 63rd St., Apt. 10, Los Angeles	8/17/82	490, 10177(b)
Paulini, George Raymond (RES) (Right to RRES license after 60 days on terms and conditions)	1540 Greenwich St., #204, San Francisco	8/23/82	10177(f)(j)
Wheeler, Dawn-Deree (RES) (Right to RRES license after 30 days on terms and conditions)	4151 S. Shingle Rd., Shingle Springs	8/24/82	490, 10177(b)
Esh, Douglas Edwin (REB) (Right to RREB license after 180 days on terms and conditions)	3352 Adams Ave., San Diego	8/24/82	2725, 2830, 2831, 2831.1, 2950(d)(e)(f)(g), 10148, 10176(e)(f), 10177(d)(h)
Salonga, O. Edward (REB) (Right to RRES license after 30 days on terms and conditions)	100 Skyline Plaza, Daly City	8/24/82	10176(a)
Hovance, George Johnathan Jr. (REB) (REO) (Right to RRES license on terms and conditions)	9491 Sandra Cir., Villa Park	8/26/82	2832.1, 10177(d)
Fruchboom, Paul Fischer (REB) (REO) (Right to RRES license on terms and conditions)	19772 MacArthur Blvd., Irvine	8/26/82	2832.1, 10177(d)
Morton, Richard Allen (RES) (Right to RRES license on terms and conditions)	631 Quail Crest Rd., Alpine	8/26/82	490, 10177(b)
Bacalski, Frances Ann (RES) (Right to RRES license on terms and conditions)	1404 Kahler Ct., San Jose	8/30/82	490, 10177(b)(f)
Davis, Tommae Lou (RES) (Right to RRES license on terms and conditions)	7887 10th St., #1, Westminster	8/31/82	490, 10177(b)

LICENSES SUSPENDED WITH STAYS

Name	Address	Effective Date	Violation Business and Professions Code/Commissioner's Regulations
*Johnson, Jack (REB) (All but 15 days Stayed for 2 years on condition)	P.O. Box 1212, 413 1/2 E.Latham Ave., Hemet	4/6/82 (30 days)	10177(d), 11012
*Golden Properties Incorporated (REC) Off—Hawkins, Jack Lyndon (All but 20 days Stayed for 2 years on condition)	855 Jamacha Rd., El Cajon	4/14/82 (60 days)	10145, 10177(d)(g), 11010
*Hawkins, Jack Lyndon (REB) (REO) Off—Golden Properties, Incorporated Off—Golden Vista, Inc. (All but 20 days Stayed for 2 years on condition)	855 Jamacha Rd., El Cajon	4/14/82 (60 days)	10145, 10177(d)(g), 11010
*DiPinto, Jeanette Dolores (RES) (All but 20 days Stayed for 2 years on condition)	7151 El Cajon Blvd., Ste. H, San Diego	4/14/82 (60 days)	10145, 10177(d)(g), 11010
*Manos, George (RES) (All but 20 days Stayed for 2 years on condition)	4390 Rosebud Ln., #A, La Mesa	4/14/82 (60 days)	10145, 10177(d)(g), 11010
*Rogers, Robert Gene (REB) (Stayed for 1 year on terms and conditions)	438 Camino Del Rio South, St. 8118 San Diego	4/23/82 (90 days)	10177(g)(h)
*Metcalf, Raymond Eldred (REB) Dba—Ray E. Metcalf & Associates (Stayed for 1 year on condition)	603 1st St., Oceanside	5/5/82 (30 days)	10177(g)
Stickney, Irene May (RES) (All but 10 days Stayed for 1 year on terms and conditions)	P.O. Box 681, Blue Lake	6/25/82 (30 days)	10145, 10176(a), 10177(d), 2832
O'Sullivan, Ellsworth Francis (REB) (Stayed for 1 year on terms and conditions)	349 Mountain Vista Ct., Santa Rosa	7/7/82 (30 days)	10177(g)
Powers, James Mortimer (RES) (Stayed for 2 years on terms and conditions)	1186 Tudor, San Dimas	7/13/82 (60 days)	490, 10177(b)
Blair, Jeffrey Bruce (RES) (All but 30 days Stayed for 2 years on condition)	10146 Balboa Blvd., Granada Hills	7/28/82 (60 days)	10176(i)
Owen, Ronald Stephen (REB) (All but 30 days Stayed for 2 years on condition)	17040 Chatsworth St., Granada Hills	7/28/82 (60 days)	10176(a)(i)
Pena, Gary Gilbert (REB) (REO) Off—Land Properties, Inc. (All but 30 days Stayed for 2 years on terms and conditions)	4586 Clairemont Dr., San Diego	8/3/82 (60 days)	10176(a)(f), 10177(g)
Severens, John Jefferson (REB) (All but 15 days Stayed for 2 years on terms and conditions)	26856 Highway 189, Blue Jay	8/17/82 (45 days)	10145, 10177(d)(g)
Ewald, Raymond Maurice (RES) (Right to RRES license on terms and conditions)	540 Scenic Dr., Santa Barbara	8/24/82 (1 year)	10177(g)
Ewald, Hazel M. (RES) (Right to RRES license on terms and conditions)	540 Scenic Dr., Santa Barbara	8/24/82 (1 year)	10177(g)
Vasquez, Simon Silva (REB) (All but 10 days Stayed for 1 year on condition)	10336 Reseda Blvd., Northridge	8/26/82 (30 days)	10177(g)(h)(j)
Martinez, Thomas Pasqual (REB) (All but 30 days may be stayed subject to terms and conditions)	190 N. King Rd., San Jose	8/30/82 (until 12/16/83)	2715, 10162, 10177(d)
*Allyson, Leslie (RES) aka—Shevitt, Leslie Allyson (All but 15 days Stayed for 2 years on terms and conditions)	3952 Rustic Rd., Shingle Springs	10/1/82 (90 days)	10176(a)

PUBLIC REPROVALS

Name	Address	Effective Date	Violation Business and Professions Code/Commissioner's Regulations
Hart, Jeannine (RES)	7177 Brockton Ave., Ste. 112, Riverside	8/31/82	490

INDEFINITE SUSPENSIONS UNDER RECOVERY FUND PROVISIONS

Name	Address	Date
Dominick, William R. (REB)	337 14th Street, Oakland	6/9/82
Banker, John Slade (REB)	327 17th Street, Oakland	6/21/82
Jones, James J. Jr. (REB)	112 S. Meadowbrook Dr., San Diego	7/22/82
Karony, John (RES)	1509 Lakewood Ave., West Sacramento	8/27/82

LEGISLATIVE (Continued from page 6)

bill owners of time-share estates owned in fee for property taxes, and to separately assess on a single property tax bill all other types of interests in a time-share project. Urgency legislation effective September 10, 1982.

HOMEOWNERS ASSOCIATIONS

SB 1903 (Ellis), Chapter 805. Delinquent Assessment Notices. Amends Section 1360 of the Civil Code. Requires the governing body of a homeowners association to provide to owners on request a statement of any delinquent assessments on the owner's unit, and requires the owner to provide the statement of delinquent assessments to a buyer.

SB 1973 (Mello), Chapter 1237. Late Charges on Assessments. Adds Title 1 (commencing with Section 1725) to Part 4 of Division 3 of the Civil Code. Limits the late charges levied by homeowner associations on delinquent payments of assessments or penalties to a maximum of 1.5% per month on amounts up to \$1000, and 1% per month on amounts over \$1000, and also permits a court to award costs and attorney's fees in an action to enforce assessments, penalties, and late charges.

SUBDIVISION MAP ACT

AB 1668 (Elder), Chapter 259. Expiration of Tentative Maps. Amends Section 66452.6 of the Government Code. Extends the normal expiration date of an approved tentative map from two years to three years after approval. Urgency legislation, effective June 11, 1982.

AB 1759 (Chacon), Chapter 87. Subdivision Map Approvals. Amends Sections 65920, 65922, 66412.1, 66424, 66428, 66434, 66434.5, 66436, 66445, 66452.1, 66452.2, 66452.6, 66456.1, 66473.5, 66474, 66474.1, 66477.2, 66499.7, 66499.30, 66499.33, 66499.34, and 66499.35 of, amends and renumbers Sections 66499.20½ and 66499.20¾ of, and adds Sections 65952.1, 66426.5, 66435.1, 66435.2, 66451.5, 66468.1, and 66499.20¾ to the Government Code. Permits subdividers to make conditional offers and to enter into conditional contracts to sell or lease property

in subdivisions before a final map has been approved, changes the time limits within which local government must approve or disapprove tentative or parcel maps, deletes authority to deny approval of a final map for specific reasons and requires approval if the final map is in substantial compliance with the approved tentative map, and permits local governments to impose past and current development conditions if the land was divided illegally. Urgency legislation, effective March 1, 1982.

AB 2463 (Frazee), Chapter 518. Subdivision Map Approvals. Amends Sections 66428, 66445, 66452.6, 66474, 66474.60, and 66474.61 of the Government Code. Allows local agencies to waive subdivision map requirements for a single parcel condominium project, extends the time for local agencies to act on final maps, provided that the final map is filed with the local agency by the expiration date of the tentative map, and requires monument information on parcel maps.

AB 3628 (Martinez), Chapter 657. Improvements: Recording of Security. Amends Section 66499 of the Government Code. Eliminates recording requirements for certain types of subdividers' security for performance of public improvements required by local agencies under the map act.

AB 3735 (Costa), Chapter 489. Security for Subdivision Public Improvements. Amends Section 66499.3 of the Government Code. Exempts state and federally funded nonprofit corporations from map act security requirements for public improvements.

SB 1108 (Speraw), Chapter 1426. Condominium Conversions: Exemptions. Amends Sections 65907 and 66412 of, and adds Section 66452.10 to, the Government Code. Exempts from the Subdivision Map Act requirements the conversion of a community apartment project or stock cooperative to a condominium if the project or cooperative was complete and occupied before January 1, 1981. Establishes a uniform 180 day statute of limitations on lawsuits based on a city or county zoning permit or conditional use decision, unless the city or county adopts a different limitation.

REAL PROPERTY TRANSACTIONS

AB 2416 (McAlister), Chapter 1268. Marketable Record Title. Adds Title 5 (commencing with Section 880.020) to Part 2 of Division 2 of, and repeals Section 1213.5 of, the Civil Code. Establishes expiration dates for various interests of record clouding title to real property, including ancient mortgages, deeds of trust and other instruments that secure an obligation, unexercised options, powers of termination, and recorded but unperformed contracts of sale. Also converts various legal rights such as rights of reverter, reentry and conditions subsequent into a power of termination, which would generally expire in 30 years after the power was created.

SB 1395 (Beverly), Chapter 1239. Eminent Domain: Temporary Acquisition. Adds Section 1002 to the Civil Code, and adds Section 1245.326 to the Code of Civil Procedure. Permits a private property owner to use eminent domain to acquire a temporary right to enter on adjacent or nearby land belonging to another, and repair or reconstruct improvements, subject to local agency and court approval.

DEVELOPMENT

SB 583 (Mello), Chapter 1246. Coastal Development. Amends Section 65590 of the Government Code, and Section 30414 of the Public Resources Code. Allows time-share projects to displace residences in a coastal zone if the project includes equivalent replacement housing for low and moderate income families.

SB 1534 (Mello), Chapter 1440. Second Units in Single Family Residential Zones. Amends Section 65852.1 of, and adds Section 65852.2 to, the Government Code, and amends Section 21080 of the Public Resources Code. Requires cities and counties to allow second residential units to be added to single family homes if the second unit is attached to the home, increases the living area by less than 10%, and is used for rental purposes. Allows cities and counties to adopt ordinances governing second residential units.



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