



REAL ESTATE BULLETIN

Arnold Schwarzenegger, Governor
Sunne Wright McPeak, Secretary, Business, Transportation, & Housing Agency
John R. Liberator, Acting Real Estate Commissioner

<http://www.dre.ca.gov>

Department of Real Estate

Summer 2004

Upcoming changes

New examination & license applicants

Course enrollment

Legislation has been passed which will allow persons enrolled in a college level course in Real Estate Principles or an approved equivalent course to apply for the real estate license examination before having completed the Real Estate Principles course (Senate Bill 1080). Effective July 1, 2004, prospective salesperson license applicants will be able to apply to take the salesperson examination by certifying that they are enrolled in a three semester unit or quarter unit equivalent college level course in Real Estate Principles offered by a regionally accredited college or university or a DRE approved sponsor. The Real Estate Salesperson Examination Application (RE 400A) will be revised to allow applicants to sign a certification statement as part of the application.

Students who choose to apply for the license examination while

they are enrolled in a Real Estate Principles course will be required to provide proof of successful completion of the course by submitting a copy of their final course transcript or completion certificate prior to, or at the time their license application is submitted.

Fingerprints

Senate Bill 1080 also allows a change in the manner in which fingerprints are submitted in order to be issued a real estate license. Currently DRE is authorized to receive background information from the Department of Justice (DOJ) at the time a license application is filed. This is done by requiring all license applicants to have their fingerprints taken. Effective July 1, 2004, examination applicants will have the option to have their fingerprints taken and submitted after they apply to take the real estate examination. Fingerprinting is completed through an electronic Live Scan procedure

at various locations throughout the state. A Live Scan Service Request (RE 237) will be made available to all examination applicants after July 1, 2004. By submitting fingerprints during the examination process, it is possible that an applicant's fingerprint results will have been com-

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Pest control reports Full disclosure a must!

In recent times, the Department has seen a number of cases involving material omissions with respect to the disclosure of the findings in pest control reports.

In one recent case a real estate salesperson prepared a false residential pest control report in order to induce escrow to close. The facts were that the seller of the property was facing foreclosure and the pest control clearance that was required by the buyer's lender could not be completed prior to the date of the foreclosure sale. The salesperson's remedy for this problem was to alter a pest control report that had been prepared for another property showing no termite infestation.

While the above-referenced example is extreme, it is not uncommon for an agent to request a second pest control inspection from a different company when the results

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New statutory course added

Effective July 1, 2004, as a result of Assembly Bill 555 (Dutra), a course titled Common Interest Developments has been added to the list of courses in Section 10153.2 of the Business and Professions Code, which may be completed to satisfy one of the requirements to obtain a broker license or to satisfy the last of three college level course requirements to be issued a non-conditional real estate salesperson license. (Real Estate Principles and Real Estate Practice are the two other mandatory courses for those individuals who obtained their salesperson license on or after July 1, 2003.) The course must be completed through a DRE-approved private sponsor or as a three semester or four quarter unit course at a regionally accredited college or university in order to be accepted. 🏠

REAL ESTATE BULLETIN

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STATE OF CALIFORNIA

Arnold Schwarzenegger, Governor

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

Sunne Wright McPeak, Secretary

DEPARTMENT OF REAL ESTATE

John R. Liberator, Acting Commissioner

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CALIFORNIA RELAY TELEPHONE SERVICE

(For the deaf and hearing impaired)

From TDD phone	1-800-735-2929
From voice phone	1-800-735-2922

eLicensing System Examination services added

DRE is pleased to announce examination services which may now be completed through the *eLicensing* online system on the DRE Web site. To use the new services, an individual must have their initial examination application processed by the Examination Section in Sacramento.

New online services include:

- ☐ **Reschedule an examination date** — Individuals may change their examination date online.
- ☐ **Apply to re-take an examination** — Individuals may request a new examination date online if they did not pass their exam.
- ☐ **Change exam mailing address** — Individuals may change their exam mailing address online.
- ☐ **View examination records** — Individuals will be able to view their examination records online.
- ☐ **Request duplicate schedule notices and result notices** — Individuals may request duplicate schedule notices and examination result notices online.

Examination applicants should also use *eLicensing* to access online services, which include checking available future examination dates, finding a scheduled examination date, or checking examination results.

To use *eLicensing*, examination applicants must have an accurate social security number and date of birth on file with the Department of Real Estate. To access *eLicensing*, they may simply click on the *eLicensing* menu option or on the *eLicensing* graphic anywhere it appears. First time users will need to register before signing in. Examination applicants will find instructions, as well as terms and conditions to use the new services.

DRE encourages all examination applicants to take advantage of these new services. Using *eLicensing* will expedite processing of their examination requests.

Note, examination applicants should *not* fax or mail applications for a request in which they used *eLicensing*. Duplicate submittals may delay processing and result in the forfeiture of duplicate application fees. 🏠

Upcoming changes

Continued from page 1

pleted prior to passing the examination. **Applicants should be aware, however, that fingerprint processing fees are not refundable in the event that the examination is not completed successfully.**

With these changes DRE believes that the time to obtain a license will be reduced, since the new legislation allows the initial steps of the application process to be completed earlier in the licensing process. 🏠

Referral fees

Both State and Federal Rules Apply

One of the most common questions asked of the Department by licensees concerns the payment of referral fees to both licensees and unlicensed persons. There appears to be considerable confusion and misinformation regarding when these fees can and cannot be given or received, therefore, this article will attempt to shed some light on the subject.

When considering the question, we must first know the circumstances surrounding the payment

of the fee, the type of transaction and to whom it would be paid. The article "Working with out-of-state brokers" that

appeared in the Spring 2004 *Real Estate Bulletin* has already addressed the payment of referral fees to out-of-state brokers in *real estate transactions*. This article will discuss the payment of referral fees in California real estate transactions, mortgage loan transactions and to unlicensed persons.

When discussing the subject of referral fees it is important first to note that these "fees" are not always paid in cash. Both federal and state laws regulating the payment of referral fees may also refer to them as "compensation," "consideration," "anything of value," or "form of payment." For the purposes of this article, the term "referral fee" will include any type of consideration — cash or otherwise.

While the California Real Estate Law does not prohibit the payment of a referral fee when the payment is from one broker to another broker, there may be requirements for disclosure to the principals by each broker and there are prohibitions on salespersons from giving or receiving payment, and in certain transactions from paying the per-

son making the referral. There are several statutes in the Real Estate Law that deal directly and indirectly with referral fees. For instance, one example is Business and Professions (B&P) Code Section 10176(g) which gives the Department authority to suspend or revoke a real estate license for the "claiming or taking by a licensee of any secret or undisclosed amount of compensation, commission or profit..." Any broker who makes an otherwise lawful referral in re-

turn for a referral fee is responsible for disclosure of that fee to the principal(s) in the transaction. Another example is, B&P Code Section

10137, which prohibits a salesperson licensee from accepting compensation from any person other than his or her employing broker and from paying a fee to another licensee except through his or her employing broker if the transaction requires a license. Any fee for an otherwise lawful referral must first be paid to the employing broker who can then compensate the salesperson.

Except for very narrowly defined exceptions, real estate licensees are also

prohibited from claiming, demanding or receiving fees for the referral of customers to any escrow agent, structural pest control firm, home protection company, title insurer or escrow company (B&P Code Section 10177.4).

One of the most misunderstood prohibitions on the payment of referral fees is contained in Section 8 of the Real Estate Settlement Procedures Act (RESPA). Regulation X, 24 CFR (Code of Federal Regula-

tions) Section 3500.14 forbids any person to pay or receive any fee, kickback, or anything of value that is incident to a settlement service involving a federally-related mortgage loan. A referral of a settlement service is not a compensable act, except under certain circumstances. Essentially a real estate broker or agent cannot be compensated for merely referring his or her client to a mortgage broker, lender, title or escrow company, etc., without providing certain services, goods or facilities. Again, since there are circumstances under which consideration may be given and accepted, a full reading of the regulation is required. More RESPA information, as well as the entire regulation, can be found on HUD's Web site, www.hud.gov. For specific questions or complaints regarding RESPA, HUD may be reached at (202) 708-0502.

One question that is often asked is if a broker can pay a referral fee to an unlicensed person. The answer is yes if that person has not performed any licensed acts in connection with the transaction for which the fee is being paid. B&P Code Section 10130 states, in part, "It is

unlawful for any person to engage in the business, act in the capacity of, advertise or assume to act as a

real estate broker or salesman within this state without first obtaining a real estate license from the department." B&P Code Section 10131, in part, defines a broker as "... a person who for a compensation or in expectation of a compensation, regardless of the form or time of payment, does or negotiates to do one or more of the following acts for another or others: ... (d) Solicits borrowers or lenders for or negoti-

Referral fees also known as: compensation, consideration, anything of value, or form of payment.

Caution — don't cross the line between unlicensed and licensed activity

Referral fees

Continued from page 3

ates loans...secured directly or collaterally by liens on real property..." In 1995, the California Attorney General issued an opinion (78OPS CAL ATTY GEN 71) that stated a real estate broker can pay a commission to an unlicensed person for providing the name, telephone number and address of a prospective borrower provided that the unlicensed person did not obtain the information in the course of soliciting borrowers or lenders on behalf of another or others. The opinion also stated that the finder's exemption can only apply if the activity is limited to arranging an introduction between the parties and the unlicensed person cannot be involved in any role in the negotiation of the loan, no matter how slight. The same analysis is applicable to other licensed transactions, i.e., residential or commercial sales or leasing. Brokers who wish to pay referral fees to unlicensed persons must take every precaution to prevent the finder from crossing the line into licensed activity. In general, brokers who compensate an unlicensed person who has taken any role in the loan negotiation or performed any licensed activity are subject to license discipline pursuant to B&P Code Section 10138. The person accepting the fee is guilty of a public offense punishable by a fine, imprisonment or both.

The intent of this article is to provide a general overview and shed some light on the subject of referral fees. This space does not allow us to fully cite each statute to which reference is made; therefore licensees should carefully read them in order to place each of the statements made here into its proper context. In summary, under certain conditions, brokers may pay referral fees to other brokers or to unlicensed persons. 🏠

A special financing program brings high prices closer to home for many Californians

from the California Housing Finance Agency

Buying a home in our state's highest cost areas has been an unreachable dream for many Californians... until now. The California Housing Finance Agency's (CalHFA) High Cost Area Home Purchase Assistance Program (HiCAP) has placed homeownership within reach for nearly one thousand first-time California homebuyers, even in the high priced counties of San Diego, San Francisco, San Mateo, Santa Clara, Alameda, Contra Costa, Sonoma, and Ventura.

HiCAP is a progressive homeownership assistance program that bridges the gap between income and high priced housing for first-time homebuyers by offering financial assistance in two ways: borrowers receive a 30-year fixed, below market rate home loan as well as a second, deferred payment loan of up to \$25,000 to be used for down payment assistance or closing costs. This second loan does not need to be repaid until the home is either sold or refinanced.

Borrowers must meet certain income requirements and the home must fall within CalHFA established sales price limits. The income and sales price limits vary according to county, but they can be quite generous in many areas. CalHFA's Web site www.calhfa.ca.gov publishes these limits for the entire State and updates the figures on a regular basis.

Additionally, the HiCAP can be combined with other CalHFA approved down payment assistance loans or grants to make first-time home buying even easier.

For instance, HiCAP can

be combined with the Extra Credit Teacher Program, which offers teachers and administrators who serve in high priority schools (API 1-5) additional down payment assistance, from \$7,500 to \$15,000, depending on where in California the home is purchased.

Other CalHFA programs that can be coupled with HiCAP include the CalHFA Housing Assistance Program and School Facility Fee Down Payment Assistance Program. A full list and descriptions of all 13 loan and grant programs that CalHFA offers is available online at www.calhfa.ca.gov.

"We are thrilled that so many Californians have taken advantage of this unique program and have been able to purchase their first home with virtually zero out-of-pocket cost in the State's most expensive housing markets," said California Housing Finance Agency Executive Director, Theresa Parker. "Since the Program's inception in September 2001, CalHFA has financed 896 HiCAP loans for a total of approximately \$224 million, and we are looking forward to serving even more Californians in the coming years."

To qualify for any of CalHFA's homeownership programs, borrowers must meet the qualifications of a CalHFA approved lender and CalHFA guidelines for sales price and income limits. Information on all CalHFA home loan programs, qualifications and a list of more than 300 lenders are available on CalHFA's Web site at www.calhfa.ca.gov (click on

"Homeownership" and then "Programs") or by calling (800) 789-2432.



Affordable Housing is our Business


Disciplinary Action — Dec. 2003 to Feb. 2004

- ✓ 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 filed and the disciplinary action is stayed, until the stay is dissolved. Names of persons to whom licenses are denied on application are not published.
- ✓ Licensees are listed alphabetically by the District Office region of responsibility.
- ✓ The license type is listed in parentheses after the licensee's name. [REB – Real

estate broker; RREB – Restricted real estate broker; RES – Real estate salesperson; RRES – Restricted real estate salesperson; PRLS – Prepaid rental listing service; RPRLS – Restricted prepaid rental listing service; REO – Real estate officer; REC – Real estate corporation]

- ✓ Below are brief summaries of various regulations and code sections. The full text of the sections is found in the Business and Professions Code and the Regulations of the Real Estate Com-

missioner, both of which are printed in the *Real Estate Law* book. The *Real Estate Law* book is available for purchase from the Department of Real Estate (see page 11 or DRE Web site).



- ✓ Disciplinary actions that are “stayed” means there is “a delay in carrying out” all or part of the recommended discipline.

Commissioner's Regulations

2715	Licensee's failure to maintain current business or mailing address with DRE
2725	Failure of broker to exercise reasonable supervision over the activities or his or her salespersons
2726	Failure to have broker-salesperson agreements
2731	Unauthorized use of fictitious business name
2731(a)	Failure to obtain fictitious business name license
2752	Broker's failure to notify DRE of salesperson employment
2830.1	Impound trust account handling
2831	Failure to keep proper trust fund records
2831.1	Inadequate separate trust fund beneficiary records
2831.1(a)(7)	Inadequate separate trust fund beneficiary records
2831.2	Failure to reconcile trust account
2832	Failure to comply with trust fund handling provisions
2832(a)	Failure of broker to place trust funds into hands of owner, into a neutral escrow depository or trust fund account within three business days of receipt
2832.1	Failure to obtain permission to reduce trust fund balance in a multiple beneficiary account
2834	Trust account withdrawals by unauthorized or unbonded person
2834(a)	Unauthorized person making withdrawals from trust fund account
2835	Retention of broker funds in trust account
2840	Failure to give approved borrower disclosure
2846.5(a)	Failure to comply with annual trust fund accounts review requirements
2950(d)	Failure of broker handling escrows to maintain records and accounts
2950(g)	Broker-handled escrow disbursement without written instructions
2950(h)	Failure by broker handling escrow to deposit trust funds in trust account
2951	Improper record keeping for broker handled escrows
2970	Failure to submit advance fee material for review

Business and Professions Code

480(a)	Denial of real estate license on grounds of conviction of crime, dishonest or fraudulent act, or act which would warrant suspension or revocation of license
490	Substantially related criminal conviction
498	License obtained by fraud or misrepresentation
3006(g)	Failure to comply with commissioner's regulations; CE correspondence course offering requirements
3007.3	Failure to comply with CE correspondence course offering final examination rules
3007.3(a)(1)	Failure to comply with CE correspondence course offering final examination rules
3007.3(a)(2)	Failure to comply with CE correspondence course offering final examination rules

10085	Failure to submit advance fee materials
10130	Acting without license
10137	Unlawful employment or payment of compensation
10145	Trust fund handling
10145(b)	Failure to properly handle trust funds when broker is acting as a principal in a mortgage loan
10145(c)	Failure by salesperson to deliver trust funds to broker
10145(d)	Violation of interest bearing trust account requirements
10148	Failure to retain records and make available for inspection
10159.2	Failure by designated officer to supervise licensed acts of corporation
10159.5	Failure to obtain license with fictitious business name
10160	Failure to maintain salesperson licenses in possession of broker
10161.8	Failure of broker to notify Commissioner of salesperson employment
10161.8(a)	Failure of broker to notify Commissioner of salesperson employment
10162	Failure to maintain a place of business
10163	Failure to obtain a branch office license
10176(a)	Making any substantial misrepresentation
10176(e)	Commingling trust funds with brokers funds
10176(g)	Secret profit or undisclosed compensation
10176(i)	Fraud or dishonest dealing in licensed capacity
10177(a)	Procuring a real estate license by misrepresentation or material false statement
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 in performing licensed acts
10177(h)	Failure to supervise salespersons or licensed acts of corporation
10177(j)	Fraud or dishonest dealing as principal
10177(k)	Violation of restricted license condition
10177.5	Civil fraud judgment based on licensed acts
10229(c)	Violation of multi-lender requirements
10229(d)	Violation of multi-lender requirements
10229(e)	Violation of multi-lender requirements
10229(j)	Violation of multi-lender requirements
10231.2	Failure to give self-dealing notice
10232	Failure to notify DRE of threshold status
10232(e)	Failure to notify DRE of threshold status
10232.2(a)	Failure to provide independent audit reports
10232.2(c)	Failure to provide trust funds reports
10232.25(a)	Failure to file annual trust fund status reports
10232.4	Failure to give lender/purchaser disclosure
10232.4(a)	Failure to give and retain copy of lender purchaser disclosure
10233	Failure of MLB to have written loan servicing contract
10240(a)	Failure to give mortgage loan disclosure statement



REVOKED LICENSES

Fresno Region

Blodgett, Jeffrey James (REB)

39541 E. Idylwild, Bass Lake
Effective: 2/19/04
Violation: 490, 10177(b)

Mercer, Carol Wynona (RES)

4987 W. Minarets, Fresno
Effective: 2/5/04
Violation: 490, 10177(b)

Pirnstill, Richard Michael (RES)

5424 W. Harter Ave., Visalia
Effective: 2/19/04
Violation: 490, 10177(b)

Los Angeles Region

Aguilera, Luis Alberto (RES)

6331 Fishburn Ave., #3, Bell
Effective: 2/26/04
Violation: 490, 10177(b)

Arruh, Lemuel Asad (RES)

11413 Cedar Ave., #C,
 Hawthorne
Effective: 2/23/04
Violation: 490, 498,
 10177(a)(b)(k)

Berlant, Gordon (REB)

500 W. Bonita Ave., #5,
 San Dimas
Effective: 1/2/04
Violation: 490, 10177(b)

Dozbaba, Mark Frank (RES)

2336 S. Caliente Dr., Palm Springs
Effective: 1/20/04
Violation: 490, 10177(b)

Good, Matthew (RES)

1360 Birdsong Ln., Corona
Effective: 1/28/04
Violation: 490, 10177(b)

Jones, Alford (REB)

513 New Field St., Gardena
Effective: 7/1/02
Violation: 10176(e)(i),
 10177(d)(g)

Morgenstern, Carrye Washington (REB)

429 N. Euclid Ave., Ontario
Effective: 2/2/04
Violation: 10177(f)

Olmos, Maria Guadalupe (RES)

15 Via Di Roma Walk, Long Beach
Effective: 2/10/04
Violation: 490, 10177(b)

Saucedo, Elsa (RES)

13204 Paramount Blvd., Ste. A,
 Hollydale
Effective: 12/1/03
Violation: 490, 10177(b)

Stewart, Michael Henry (RES)

P.O. Box 448, Big Bear City
Effective: 2/2/04
Violation: 490, 10177(b)

Viramontes, Jose Guadalupe (RES)

7825 E. Florence Ave., Ste. A,
 Downey
Effective: 1/12/04
Violation: 480(a), 498,
 10177(a)(b)

Zhang, Yingzhi C. (RES)

1613 Chelsea Rd., #355,
 San Marino
Effective: 12/1/03
Violation: 490, 10177(b)

Oakland Region

Abdullah, Dedan Sham Sudin (RES)

951 Old County Rd., #209,
 Belmont
Effective: 2/19/04
Violation: 490, 10177(b)

Beckham, Glenn Leon (RES)

515 Sierra Vista Ave., #2,
 Mountain View
Effective: 2/19/04
Violation: 490, 10177(b)

Casey, Edward Stanley (RES)

1160 Bushcreek Dr., Pittsburg
Effective: 12/30/03
Violation: 490, 10177(b)

Fauvor, Steven Clebourne (RES)

1430 Hicks Ave., San Jose
Effective: 12/30/03
Violation: 490, 10177(b)(f)

Gill, John Joseph (RES)

37642 Logan Dr., Fremont
Effective: 12/23/03
Violation: 490, 10177(b)

Langmayer, Anthony Charles (RES)

PO Box 786, Aromas
Effective: 2/19/04
Violation: 490, 10177(b)

Ngo, Tuan Quang (RES)

41752 Christy St., Fremont
Effective: 2/19/04
Violation: 490, 10177(b)

Nguyen, Pauline T. (RES)

1131 Saddlewood Dr., San Jose
Effective: 12/15/03
Violation: 490, 10177(b)

Numan, Malik A. (RES)

39180 Liberty St., Fremont
Effective: 12/8/03
Violation: 490, 10177(b)

Simpson, Allen Rogers (REB)

2852½ California St.,
 San Francisco
Effective: 12/19/03
Violation: 10177.5

Sacramento Region

Compton, Ronald Thomas (REB)

14361 Janet Way, Redding
Effective: 2/19/04
Violation: 2831, 2831.1, 2831.2,
 2832, 2834(a), 10145, 10165,
 10176(e), 10177(d)

Davis, Thelma Randi (RES)

3301 Tree Swallow Cir.,
 Elk Grove
Effective: 1/8/04
Violation: 490, 10177(b)

Gochnauer, Pembroke (RES)

P.O. Box 8620, South Lake Tahoe
Effective: 1/7/04
Violation: 490, 10177(b)

Gorman, Jeffrey Dwaine (RES)

3650 Rio Pacifica Dr.,
 Sacramento
Effective: 12/8/03
Violation: 490, 10177(b)

Lane, Michael (RES)

1008 10th St., #718, Sacramento
Effective: 2/5/04
Violation: 490, 10177(b)

Pauley, James L. (RES)

36 Meridian Ct., Roseville
Effective: 12/29/03
Violation: 490, 10177(b)

Pettigrew, Lamont Warren (RES)

2551 Fulton Square Ln.,
 Sacramento
Effective: 12/8/03
Violation: 490, 10177(b)

REVOKED WITH A RIGHT TO A RESTRICTED LICENSE

Fresno Region

Blake, Richard L. (RES)

P.O. Box 4099, Mammoth Lakes
Effective: 2/13/04
Violation: 10176(a)(i)
 Right to RRES license on terms
 and conditions

Martella, Lawrence William (REB)

630 N. Irwin, Hanford
Effective: 2/11/04
Violation: 2831.2, 2832.1,
 2834, 10145, 10176(e), 10177(d)
 Right to RREB license on terms
 and conditions

Setaro, Juli (RES)

40707 Taylor Mountain Court,
 Oakhurst
Effective: 2/25/04
Violation: 10177(g)
 Right to RRES license on terms
 and conditions

Welch, Carol Ann (REB, REO)

1717 M St., Merced
Effective: 12/5/03
Violation: 10177(j)
 Right to RREB license on terms
 and conditions

Los Angeles Region

Chandran, Prakash (REB, REO)

2606 Foothill Blvd., Ste. E,
 La Crescenta
Effective: 1/2/04
Violation: 498, 10177(a)
 Right to RREB license on terms
 and conditions

D L Mortgage, Inc. (REC)

2572 Tapo St., Simi Valley
Effective: 1/15/04
Violation: 2731, 2831, 2831.1,
 2831.2, 2832, 2834, 2835, 2840,
 2950(d)(g)(h), 10177(d)(g)
 Right to RREC license on terms
 and conditions

DeLaCampa, William Henry (RES)

170 E. Palm Canyon Dr.,
 Palm Springs
Effective: 1/12/04
Violation: 490, 10177(b)
 Right to RRES license on terms
 and conditions

Figuroa, Gary (REB)

9929 Sepulveda, #204,
 Mission Hills
Effective: 2/23/04
Violation: 490, 10177(b)
 Right to RREB license on terms
 and conditions

Franco, Victor Hugo (RES)

1819 W. Victoria Ave., Anaheim
Effective: 2/26/04
Violation: 490, 10177(b)
 Right to RRES license on terms
 and conditions

Haycock, Nadine Diane (RES)

14603 Seaforth Ave., Norwalk
Effective: 1/5/04
Violation: 490, 10177(b)
 Right to RRES license on terms
 and conditions

Johnson, Philip (RES)

23555 Canyon Vista Ct.,
 Diamond Bar
Effective: 2/23/04
Violation: 490, 10177(b)
 Right to RRES license on terms
 and conditions

Long, Diana Lee (REB, REO)

2572 Tapo St., Simi Valley
Effective: 1/15/04
Violation: 10159.2, 10177(h)
 Right to RREB license on terms
 and conditions

Perkins, Mary (RREB)

703 Pier Ave., #178,
 Hermosa Beach
Effective: 1/15/04
Violation: 2752, 2832, 2834,
 10145, 10161.8, 10163, 10177(d)
 Right to RREB license on terms
 and conditions; RREB license
 suspended for 90 days

Pinkus, Rose Brigitte (REB)

731 N. Marguerita Ave.,
 Alhambra
Effective: 12/4/03
Violation: 490, 10177(b)
 Right to RRES license on terms
 and conditions

Porretta, Steven Vincent (REB)

539 N. Glenoaks Blvd., Ste. 303,
 Burbank
Effective: 2/11/04
Violation: 490, 10177(b)
 Right to RREB license on terms
 and conditions

Security Pacific Mortgage Corporation (RREC)

42149 Big Bear Blvd.,
 Big Bear Lake
Effective: 12/8/03
Violation: 2830.1, 2831.2,
 2832.1, 2950(d)(g), 2951, 10137,
 10145, 10177(d)(g)
 Right to RREC license on terms
 and conditions

Shah, Harshad C. (REB)
3354 W. Orange Ave., #19,
Anaheim
Effective: 1/28/04
Violation: 490, 10177(b)
Right to RREB license on terms
and conditions

Wilson, John L. (REB)
24186 Lake Dr., Crestline
Effective: 12/8/03
Violation: 2831, 2831.2, 2832,
2832.1, 10145, 10177(d)(g)
Right to RREB license on terms
and conditions

Wright, Martha Elvira (REB)
2885 Fairview Rd., Unit G-203,
Costa Mesa
Effective: 12/8/03
Violation: 10145, 10177(d)
Right to RREB license on terms
and conditions

Oakland Region

Brown, Leslie H. (RES)
98 Hawthorn Dr., Atherton
Effective: 1/23/04
Violation: 490
Right to RRES license on terms
and conditions

Chambers, Bruce Robert (REB, REO)
678 14th St., Oakland
Effective: 12/1/03
Violation: 2725, 10177(d)(h)
Right to RREB license on terms
and conditions

Ciolino, Joseph Anthony (RES)
#65 Logan Lane, Monterey
Effective: 12/30/03
Violation: 490, 10177(b)
Right to RRES license on terms
and conditions

Fitz-Stephens, Robert Ruland (RREB)
1515 Oakland Blvd., #160,
Walnut Creek
Effective: 2/23/04
Violation: 10177.5
Right to RREB license on terms
and conditions

Follestad, Eric Charles (RES)
50 Bon Air Center, Ste. 200,
Greenbrae
Effective: 12/26/03
Violation: 10177(f)
Right to RRES license on terms
and conditions

Helms, Bobby Fred (REB)
20 Great Oaks Blvd., #230,
San Jose
Effective: 2/10/04
Violation: 2726, 2752, 2831,
2831.2, 2834, 10145, 10148,
10161.8, 10163, 10165, 10176(i),
10177(d)
Right to RREB license on terms
and conditions

Jackson, Jonathan L. (RES)
1510 S. Bascom Ave., #2,
Campbell
Effective: 2/5/04
Violation: 490
Right to RRES license on terms
and conditions

Karleskind, Andrew Peter (REB)
780 San Ramon Valley Blvd.,
Danville
Effective: 12/5/03
Violation: 490, 10177(b)
Right to RREB license on terms
and conditions

Laskey, David M. (RES)
4507 Donalbain Circle, Fremont
Effective: 2/2/04
Violation: 10176(a)(i)
Right to RRES license on terms
and conditions; RRES license
suspended for 130 days

Mandel, Kelly H. (RES)
605 Cambridge Ave., Menlo Park
Effective: 2/5/04
Violation: 490, 10177(b)
Right to RRES license on terms
and conditions

Mok, Christopher P. (REB)
1769 Park Ave., Ste. 110, San Jose
Effective: 2/3/04
Violation: 490
Right to RREB license on terms
and conditions

Mowat, Lois Camille (REB)
19 Bates Blvd., Orinda
Effective: 12/26/03
Violation: 2831, 2831.2,
2832(a), 2832.1, 2846.5(a),
10145, 10177(d), 10232(e),
10232.2(a)(c), 10232.25(a),
10232.4(a)
Right to RREB license on terms
and conditions

Rupp, John Bruce (REB, REO)
1010 7th St., Eureka
Effective: 12/26/03
Violation: 2726, 2831.2, 2832.1,
10145, 10148, 10177(d)
Right to RREB license on terms
and conditions

Spilsbury, Thomas Carl (REB)
1732 N. First St., Ste. 100,
San Jose
Effective: 12/10/03
Violation: 490, 10177(b)
Right to RREB license on terms
and conditions

Walker, Anne Murdock (RES)
10126 Lamplighter Square,
Cupertino
Effective: 2/5/04
Violation: 498, 10177(a)
Right to RRES license on terms
and conditions

**Western Management Properties,
Inc. (REC)**
678 14th St., Oakland
Effective: 12/1/03
Violation: 2831, 2831.1, 2831.2,
2832, 2832.1, 2835, 10145,
10176(e), 10177(d), 10229(j),
10232, 10232.2, 10233
Right to RREC license on terms
and conditions

Sacramento Region

Cooke, Wallace Gifford (REB)
7969 Glenbar Way, Fair Oaks
Effective: 2/18/04
Violation: 3006(g), 3007.3,
3007.3(a)(1), (a)(2), 10177(j)
Right to RRES license on terms
and conditions

Olson, Gary Vincent (REB)
5716 Main St., Kelseyville
Effective: 1/9/04
Violation: 2726, 2731(a), 2831,
2831.1, 2831.2, 2832(a), 2832.1,
2834, 10130, 10145, 10145(d),
10159.5, 10160, 10161.8(a),
10163, 10165, 10177(d)
Right to RREB license on terms
and conditions

Patchen, Gerald Edwin (REB)
2220 Douglas Blvd., Roseville
Effective: 1/26/04
Violation: 10176(g)(i),
10177(d)(g)(j), 10177.5
Right to RREB license on terms
and conditions

Powell, Kenneth F. (REB)
6233 Fair Oaks Blvd., Ste. 1,
Carmichael
Effective: 12/26/03
Violation: 2831.2, 2832.1, 2834,
10145, 10177(d)
Right to RREB license on terms
and conditions

San Diego Region

Don Perry & Associates (RREC)
3060 Bonita Rd., Ste. 201,
Chula Vista
Effective: 1/21/04
Violation: 2831.2, 2832.1,
10145, 10177(d)
Right to RREC license on terms
and conditions

Hinton, Douglas Wayne (REB, REO)
4817 Palm Ave., Ste. D, La Mesa
Effective: 2/11/04
Officer of: Main Stream
Funding, Inc.
Violation: 10177(h)
Right to RREB license on terms
and conditions

Kopaniasz, Robert William (REB)
5015 Santa Cruz Ave., #302,
San Diego
Effective: 1/21/04
Violation: 490, 10177(b)
Right to RREB license on terms
and conditions

Maurer, Scott Harrison (REB)
643 G St., San Diego
Effective: 12/26/03
Violation: 2715, 2726, 2731,
2752, 2831, 2832, 2970, 10085,
10130, 10145, 10148, 10161.8,
10162, 10165, 10177(d)
Right to RREB license on terms
and conditions

Melfe, Richard Allan (REB, REO)
2125 Adams Ave., San Diego
Effective: 12/2/03
Violation: 2726, 2831, 2831.1,
2831.2, 2832.1, 2834, 10145,
10177(d)(h)
Right to RREB license on terms
and conditions

Perry, Donald Walter (RREB)
3060 Bonita Rd., Ste. 201,
Chula Vista
Effective: 1/21/04
Violation: 2831.2, 2832.1,
10145, 10159.2, 10177(d)(h)
Right to RRES license on terms
and conditions; RRES license
suspended for 100 days

**Snyder, Robert Anthony (REB,
REO)**
3060 Adams Ave., San Diego
Effective: 12/11/03
Violation: 2731, 2831, 2831.2,
2832.1, 2834, 10145, 10159.5,
10176(e), 10177(d)
Right to RREB license on terms
and conditions

LICENSE SURRENDERED

*(Licenses voluntarily surrendered
per B&P Code §10100.2 during an
administrative action/investigation)*

Los Angeles Region

Aguilar, Rene E. (RES)
1917 Cumberland Dr.,
West Covina
Effective: 2/23/04

Alvarez, Octavio (RES)
938 Guinea Dr., Whittier
Effective: 1/29/04

Bell, Christin (RES)
10956 Menlo Ct.,
Rancho Cucamonga
Effective: 12/3/03

Little, Darrell Lee (REB)
44600 San Onofre, Palm Desert
Effective: 1/12/04

Lopez, Lourdes (RES)
4008 Irwindale Ave., Covina
Effective: 12/23/03

Mullinex, Kenneth Jeffrey (RES)
343 Aster St., #2, Laguna Beach
Effective: 12/22/03

Pugliese, Ivar Rolando (RES)
3665 N. Main St., Baldwin Hills
Effective: 1/2/04

Remedios, Peter Jude (REB)
3319 Telegraph Rd., Ste. 207,
Ventura
Effective: 2/2/04

Robles, Sergio (RES)
8333 Foothill Blvd., #201,
Rancho Cucamonga
Effective: 12/1/03

Zamir, Drew (RES)
4255 West 5th St., #101,
Los Angeles
Effective: 12/4/03

Zhorne, Jeff E. (RES)
26004 Tennyson Ln.,
Stevenson Ranch
Effective: 12/17/03

Oakland Region

Sanchez, Joseph (RES)
805 Padre Dr., Salinas
Effective: 2/2/04





Sacramento Region

Leung, Patrick C. (REB)
3835 Innovator Dr., Sacramento
Effective: 1/8/04

Stickney, Debra Norma (RES)
2036 Princeton Way, Redding
Effective: 1/8/04

San Diego Region

Main Stream Funding, Inc. (REC)
1405 N. Second St., El Cajon
Effective: 2/11/04

INDEFINITE SUSPENSIONS

(under Recovery Acct. provisions)

Los Angeles Region

Alfonso, Cesar Silvosa II (REB)
PO Box 91743, Long Beach
Effective: 12/5/03

Brito, Ron Lee (RES)
1920 E. Alosta Ave., Glendora
Effective: 1/16/04

Glendora Mortgage, Inc. (REC)
1920 E. Alosta Ave., Glendora
Effective: 1/16/04

Waltz, Larry C. (REB)
7770 Telegraph Rd., Ste. E., PMB
221, Ventura
Effective: 2/11/04

Wijewickrama, Lucky (RES)
4640 Lankershim Blvd., Ste. 110,
North Hollywood
Effective: 1/28/04

Oakland Region

Herpick, Charles August (REB)
2858 Stevens Creek Blvd., #209,
San Jose
Effective: 12/17/03

Herpick, James Llopis (REB)
333 W. Santa Clara St., #220, San
Jose
Effective: 12/17/03

Sacramento Region

Eitzen, Joe D. (REB)
8320 Hwy 99 E, Los Molinos
Effective: 2/10/2004

SUSPENDED INDEFINITELY

Los Angeles Region

Cochavi, Chaim (REB)
16000 Ventura Blvd., #500,
Encino
Effective: 2/17/04
Violation: 2715, 10162, 10165,
10177(d)

SUSPENDED WITH STAY

Fresno Region

Frisi, Inc. (REC)
1209 Woodrow Ave., Modesto
Effective: 2/5/04
Violation: 10177(g)
Suspended for 30 days-15 days
stayed for 1 year on terms and
conditions

Gonella Realty, Inc. (REC)
701 W. Olive Ave., Merced
Effective: 2/11/04
Violation: 2831.2, 2832.1, 2834,
10145, 10177(d)
Suspended for 30 days-stayed for
2 years on terms and conditions

**Gonella, Loren Michael (REB,
REO)**
701 W. Olive Ave., Merced
Effective: 2/11/04
Officer of: Gonella Realty, Inc.
Violation: 10177(h)
Suspended for 30 days-stayed for
2 years on terms and conditions

Hunt, Luni Marie (RES)
3861 Stockdale Hwy, Bakersfield
Effective: 1/8/04
Violation: 10137
Suspended for 30 days-stayed for
2 years on terms and conditions

Lindsey, Ray Earl Jr. (RES)
2408 Merle Ave., Modesto
Effective: 2/5/04
Violation: 10177(g)
Suspended for 30 days-stayed for
1 year on terms and conditions

Los Angeles Region

Alston, Mark Edward (REB)
5933 W. Century Blvd., Ste. 610,
Los Angeles
Effective: 2/17/04
Violation: 2725, 2731, 2831,
2831.1, 2831.2, 2950(d)(h), 2951,
10145, 10177(d)
Suspended for 120 days-all but 55
days stayed for 3 years on terms
and conditions

**Delaware Prestige Mortgage, Inc.
(REC)**
4590 MacArthur Blvd., #500,
Newport Beach
Effective: 2/19/04
Violation: 2742, 2831.1(a)(7),
2831.2, 2832.1, 10177(d)(f)(g)(h),
10240(a)
Suspended for 2 years-all but 30
days stayed on terms and
conditions

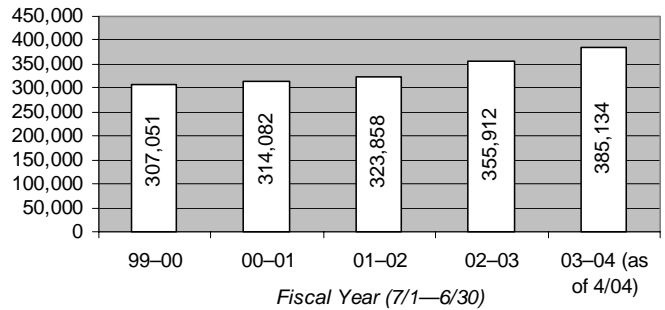
**Global Financial Mortgage
Corporation (REC)**
100 N. Citrus St., #635, West
Covina
Effective: 12/9/03
Violation: 10130, 10177(d)
Suspended for 100 days-stayed
for 2 years on terms and
conditions

Did you know...

There are now more than 385,000 real estate licensees in California!

Licensee statistics are available on the DRE Web site www.dre.ca.gov (click on Licensees, then Licensee Statistics under Other Information).

Licensee Population



**Tambert, Frank Raymond (REB,
REO)**
1998 Orange Tree Ln., Redlands
Effective: 2/5/04
Violation: 10177(h)
Suspended for 30 days-stayed for
1 year on terms and conditions

**Tenney-Robinson, Wanda L. (REB,
REO)**
5230 Pacific Concourse Dr.,
#200, Los Angeles
Effective: 12/9/03
Violation: 10177(g)
Suspended for 100 days-stayed
for 2 years on terms and
conditions

Tomaino, Frank Dominick (REB)
4590 MacArthur Blvd., #500,
Newport Beach
Effective: 2/19/04
Violation: 10176(i)
Suspended for 2 years-stayed on
terms and conditions

Tomaino, Helga Leah (REB, REO)
4590 MacArthur Blvd., #500,
Newport Beach
Effective: 2/19/04
Officer of: Delaware Prestige
Mortgage, Inc.
Violation: 2742, 2831.1(a)(7),
2831.2, 2832.1, 10159.2,
10177(d)(f)(g)(h), 10240(a)
Suspended for 2 years-all but 30
days stayed on terms and
conditions

Oakland Region

E.F. Foley & Co., Inc. (REC)
1262 E. Hamilton Ave., #1,
Campbell
Effective: 12/11/03
Violation: 2831.1, 10145(b),
10177(d), 10229(c)(d)(e),
10231.2, 10232.4, 10234
Suspended for 30 days-stayed for
2 years

Fernandez, Eriberto (REB, REO)
1191-A North Main St., Salinas
Effective: 12/26/03
Officer of: Freed/Man, Inc.
Violation: 10177(h)
Suspended for 60 days-stayed for
1 year on terms and conditions

Foley, Pamela Mary (REB, REO)
1262 E. Hamilton Ave., #1,
Campbell
Effective: 12/11/03
Officer of: E.F. Foley & Co., Inc.
Violation: 10177(h)
Suspended for 30 days-stayed for
2 years

Freed/Man, Inc. (REC)
1209 1st St., Gilroy
Effective: 12/26/03
Violation: 10145(a), 10177(d)
Suspended for 60 days-30 days
stayed for 1 year on terms and
conditions

Garcia, Ruth (RES)
6131 Starling Dr., Gilroy
Effective: 12/26/03
Violation: 10145(c), 10177(d)
Suspended for 60 days-stayed for
1 year on terms and conditions

San Diego Region

**Kelley, Floyd Herbert Jr. (REB,
REO)**
5411 Avenida Encinas, #210,
Carlsbad
Effective: 1/8/04
Officer of: The Shamrock
Corporation
Violation: 10177(c)
Suspended for 90 days-stayed for
2 years

The Shamrock Corporation (REC)
5411 Avenida Encinas, #210,
Carlsbad
Effective: 1/8/04
Violation: 10177(c)
Suspended for 90 days-stayed for
2 years

Trust fund handling requirements

Business and Professions Code Section 10145(a)(1) requires that a real estate broker who accepts funds belonging to others in connection with a transaction for which a real estate license is required to deposit all those funds into one of three places: (1) into a neutral escrow depository, (2) into the hands of the broker's principal, or (3) *into a trust fund account maintained by the broker* in a bank or recognized depository in California. All transactions involving trust funds, whether manual or electronic transactions, must be handled in accordance with B&P Code Section 10145(a)(1).

The Department has recently received inquiries from real estate brokers involving solicitations from companies (third-party service providers) about changing the way brokers clear their trust fund checks. These companies have offered to clear the rent checks, mortgage payments, etc., received by the real estate broker via a process known as electronic check conversion (ECC). Electronic check conversion is the changing of a personal paper check into an electronic check.

In the following example, which does not necessarily detail how all ECC transactions flow, we will illustrate how a broker loses *control* of the funds by allowing trust funds to be transmitted first to the service provider's bank account by using the ECC process:

A real estate broker receives a check for payment in person or via mail. A check reader or other optical device scans each check and groups or "batches" them together. When the batched checks are read, they are transmitted to the service provider's bank account and then processed through the Automated Clearing House banking system. The funds would then be transferred to the broker's trust account, usually two to three days later.

In this example, the broker loses *control* of the funds by allowing the funds to be transmitted to the service provider's bank account (non-broker trust account). At this point in time, the service provider has control of the trust funds. The real estate broker also has not complied with B&P Code Section 10145(a)(1) because the trust funds have not been deposited into one of the three required places: (1) into a neutral escrow depository, (2) into the hands of the broker's principal, or (3) *into a trust fund account maintained by the broker* in a bank or recognized depository in California.

On the other hand, if the real estate broker deposits the rent or mortgage checks directly into his or her own trust bank account, then the real estate broker has met the requirements of B&P Code Section 10145(a)(1).

All transactions involving trust funds, whether manual or electronic, must be handled in accordance with B&P Code Section 10145(a)(1) by depositing all trust funds that are not immediately placed into a neutral escrow depository or into the hands of the broker's principal, *into a trust fund account maintained by the broker* in a bank or recognized depository in California. B&P Code Section 10145 is designed to assure that trust funds remain in the control of the responsible broker, a neutral third-party escrow, or the principal to whom the funds belong. Responsible control of trust funds is the core issue of this section. So brokers should be aware that, depending on the ECC transaction flow, the use of a third-party service provider may not meet the trust fund handling requirements of Business and Professions Code Section 10145(a)(1). 🏠

Continuing education exemption

The DRE regularly receives questions concerning the possibility of being exempted from the continuing education requirement.

Currently, there is only one provision in the Real Estate Law which provides an exemption from the continuing education requirement and it is based on age and good standing license longevity. Section 10170.8 of the Business and Professions Code states that a licensee who has reached the age of seventy and has held a real estate license in California in good standing for thirty continuous years can qualify for the exemption.

The age and experience provisions of this statute must be met on or before the renewal date of the license in question. The exemption cannot be granted if only one of the requirements has been met. Also a key element is that the license must have been in "good standing" for thirty continuous years. A licensee in good standing is one who holds a license which has not been suspended, revoked or restricted as a result of disciplinary action any time within the thirty-year period. An automatic suspension (Section 10153.40 of the Real Estate Law) for failure to submit satisfactory evidence of completion of two real estate courses within 18 months of obtaining an original salesperson license is not considered a disciplinary matter with regards to Section 10170.8.

Licensees who desire to qualify for the age and license longevity continuing education exemption must submit (1) a Continuing Education Extension/Exemption Request (RE 213) with their renewal application, (2) the appropriate fee, (3) a copy of the licensee's birth certificate or drivers license, and (4) supporting information and/or documentation

Maintenance responsibilities

Condominium and planned development project

Each year, the Department of Real Estate (DRE) receives a number of inquiries regarding who is responsible for maintenance of common areas within a condominium or planned development. Sometimes, answering this question is not as easy as it seems and may involve the review of the maintenance provisions in the governing documents for the project.

The responsibilities for maintenance of areas owned by individual purchasers and those owned in common are normally set forth in the recorded restrictions and do not necessarily correlate with fee ownership. Each project is different and that difference is reflected in the recorded covenants, conditions, and restrictions (CC&Rs) for the project. Maintenance responsibilities may be assigned to be consistent with the architectural characteristics of the project. For example, certain common areas of a condominium project may be the responsibility of an individual unit owner if there are no shared party walls (e.g., exterior painting of freestanding units). Also, the roofs of units with discernible roof lines could be the responsibility of the individual owners. In these cases, the restrictions normally provide that an affected unit owner is granted an easement over the common area and owners have maintenance responsibility for these common areas.

It is extremely important that the budget be constructed to support the homeowner association's maintenance responsibilities. DRE carefully reviews each item to be included in the initial budget for a new project, because due to its newness, often the initial budget is only a best assessment projection of op-

erating costs. It is based on rates and formulas of the anticipated costs of operating and maintaining the common areas. Adjustments are sometimes needed due to actual experience.

After DRE approval of the budget, the assessment amount is disclosed in the final subdivision public report and a copy of the budget is provided to all buyers. A portion of the assessment will be allocated to a reserve fund for long-term repair and replacement of major common area components.

Thus, if you have questions regarding maintenance responsibilities in a condominium or planned development project, you should first review the governing documents and budget for the project. If those documents do not resolve your concerns, an inquiry should be made to the homeowners' association. 🏠



Licensees are encouraged to use the *easy to use, paperless, interactive* eLicensing online system for expedited processing of license renewal and change transactions.

Please use eLicensing:

- ☐ To renew broker and salesperson licenses
- ☐ To request duplicate licenses (broker, salesperson, officer and branch offices)
- ☐ For salesperson requests to change employing broker
- ☐ For broker certification of salesperson employment
- ☐ For mailing address changes
- ☐ For broker main office address changes
- ☐ To receive the *Real Estate Bulletin* electronically

To use eLicensing for the first time, you need to **register** with the DRE to create a user name and password. Thereafter, you may simply click on the eLicensing graphic then enter your user name and password to sign in. A personalized menu of eLicensing options available to you will appear. 🏠

Continuing education

Continued from page 9

which indicates the number of years the licensee has been licensed. RE 213 is available on the DRE Web site www.dre.ca.gov.

Please keep in mind that the exemption only applies to the continuing education requirement and does not exempt the renewing licensee from submitting a renewal application, fee, or any other document needed to renew a license.

Licensees may wish to confirm whether they would be eligible for an exemption prior to actually submitting their renewal application. This may be accomplished by sending a written request to the Licensing Section at P.O. Box 187000, Sacramento, CA 95818. This request should include a copy of a birth certificate or drivers license and a statement of the date the licensee was first licensed. Confirmation can not be made by telephone because the information must be researched by our staff on microfilm and/or optical disk records.

Because laws and regulations do change, it is advised that those licensees who are exempt from the continuing education requirement keep up to date by reading the *Real Estate Bulletin* and voluntarily taking continuing education courses as needed. 🏠

Real Estate Publications

Purchase information

DRE publications may be purchased/ordered by mail, by fax, by phone, or in person. (Refer to specific payment methods below.)

For your convenience, most publications are available for viewing and/or downloading on our Web site at <http://www.dre.ca.gov>.

By mail — Photocopy or remove this page from your *Bulletin*. Complete Parts A, B, and C (if appropriate). Mail it with the proper fee to:

Department of Real Estate
Book Orders
P.O. Box 187006
Sacramento, CA 95818-7006

By fax — Complete Parts A, B, and C. Fax form to (916) 227-0361.

By phone — Have credit card information ready, then call Book Order desk at (916) 227-0852.

In person from District Office — Complete Parts A, B, and C (if appropriate). Offices are located in Sacramento, Los Angeles, Oakland, Fresno, and San Diego.

Acceptable payment methods

- Personal check, cashier's check or money order should be made payable to: Department of Real Estate.
- VISA, MasterCard, and American Express credit cards may be used to purchase DRE publications.
- Cash is acceptable only if purchasing in person and only if it's the exact amount of purchase.

California sales tax

Use 7.25% tax rate, unless purchase location or delivery address is in the following counties: Alameda (8.25%), Fresno (7.875%), Los Angeles (8.25%), Sacramento (7.75%), and San Diego (7.75%). Requests and fees will be returned if the appropriate sales tax is not included.

Miscellaneous information

- Prices are subject to change.
- Orders received with incorrect payments will be returned.
- **All sales are final — no refunds.**
- Allow 4–6 weeks for delivery.
- Volume discounts are available. Contact DRE at (916) 227-0852 prior to ordering.

PART A		SHIPPING INFORMATION			
DRE	RE#	Title of Publication	Cost	Quantity	Your Cost
	1	Reference Book — A Real Estate Guide (Rev. 2000)	\$20		
	2	2004 Real Estate Law Book & CD set	\$25		
	6	Disclosures in Real Property Transactions	\$10		
	8	Operating Cost Manual for Homeowner Associations	\$10		
	25	Reserve Study Guidelines for Homeowner Association Budgets	\$10		
	4	Instructions to License Applicants	free		
	13	Trust Funds	free		
	34	A Guide for Residents Purchasing Their Mobilehome Park	free		
	35	Trust Deed Investments — What You Should Know!!	free		
	35A	Using the Services of a Mortgage Broker	free		
	39	Living in a California Common Interest Development	free		
	51	A Consumer Guide to Filing Real Estate Complaints	free		
	52	Reverse Mortgages — Is One Right for You?	free		

PART B			SHIPPING INFORMATION		
SHIPPING NAME		LICENSE OR EXAM ID#		SUBTOTAL \$ _____	
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Pest control reports

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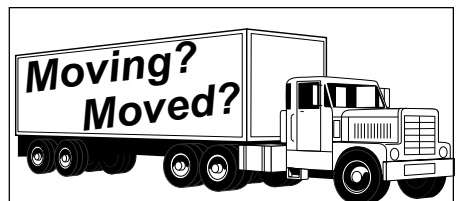
of the first report are in question or not to their liking. Problems arise if the agent then fails to disclose the results of the first report to the purchaser. Sometimes, the second report may not include all of the issues that were listed in the first report. Other times, the two reports may identify the same problems, but suggest the use of different methods of treatment to remedy the problems. For instance, one inspector might recommend treatment and replacement while another inspector may only recommend treatment.

In one case that came to the Department's attention, a pest control report was received that recommended the complete tenting of a residence in order to eliminate the termite infestation. Because of the inconvenience that this would cause the sellers, a second pest control inspection was ordered from a differ-

ent company that recommended that the problems could be eliminated with a spot treatment. The sellers elected to use the second company and the transaction was completed with only the second report being disclosed to the purchasers. Shortly after the purchasers moved in, they found that the property was still infested with termites. After inquiry they discovered the existence of the first report. In order to correct the problem, the purchasers had to move out of the property while it was tented. Needless to say, the listing agent in the transaction made a misrepresentation by failing to disclose the existence of the first report.

Real estate licensees must always act in the highest good faith toward their principals in a transaction and disclose all information that may affect the principal's decision. This includes the disclosure of any material fact affecting the value or desirability of the property. Section 2905 of the Regulations of the Real Estate Commissioner places the responsibility

on the seller's broker to ensure delivery of the inspection report, certification and notice of work completed to the purchaser. If there is more than one report, all reports must be delivered to the purchaser. A broker cannot pick and choose, even when the reports are almost identical in their findings and recommendations. In addition to potential civil penalties, the failure to do so is grounds for administrative disciplinary action against the licensees involved. 🏠



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