



DIVISION OF REAL ESTATE NEWSLETTER

January/February 1988

RICHARD F. CELESTE
GOVERNOR, STATE OF OHIO

LINDA K. PAGE
DIRECTOR OF COMMERCE

MARGARET J. RITENOUR
SUPERINTENDENT OF REAL ESTATE

Superintendent's Column

Licensees Provide Continuing Education Input

By Margaret J. Ritenour, Superintendent

A recent survey confirms that in general most licensees are pleased with the status of continuing education in Ohio. The survey, conducted by the University of Akron and financed through the Education and Research Fund, measured the satisfaction of Ohio's real estate licensees with the direction of the continuing education program.

The survey looked at a number of areas ranging from the location to the quality of the courses. Questionnaires were sent to 1600 randomly selected brokers and salespersons. Approximately 550 persons responded to this survey. Below is a summary of the findings made by the University of Akron based upon the responses of this representative sampling of licensees.

COURSE CHARACTERISTICS

The survey found that real estate law was the course most frequently taken by licensees (37%) since continuing education began. Advanced appraisal was the second most frequently attended class (21.5%), followed by real estate investment (11.9%), tax/financial planning (6.5%) and advanced real estate mathematics/financing (5.8%).

As had been anticipated, a large percentage (25.8%) took their courses during the third year of the three-year cycle. However, an even larger percentage (37.8%) took their classes during the first year of the period.

In taking continuing education, a surprisingly large percentage of licensees (48.5%) scheduled a 30-hour course that took three or more days to complete. On the other hand, 29% of the respondents took their courses in three hour seminars. The three-hour seminars were taken mostly by licensees in the first year of the three-year continuing education cycle and by licensees taking them equally over the three-year period.

Community colleges (27.4%) are the most popular locations for taking the courses. They are followed by local boards of Realtors (24.8%) and special real estate schools (23.4%). Only 9.2% of the courses were taken from universities or colleges offering four-year degrees.

The course characteristics liked most by the respon-

dents were: location (54.5%) followed by hours and dates (19.1%) and course content (14.8%). The instructor was named as the most favorable characteristic by 5.9% of the licensees. Characteristics liked least were course content (23.8%), followed by instructors (22.2%), cost (18.6%) and location (15.8%).

SATISFACTION

The respondents indicated a high level of satisfaction with the continuing education courses that they have taken. Overall, more than three-fourths (78.6%) of the respondents were either very satisfied, satisfied or neutral about these courses. More than half (57.2%) were definitely very satisfied or satisfied. However, on the whole, brokers were slightly less satisfied than salespersons with the continuing education courses they have taken.

Courses taught at four-year colleges and universities as well as by the Ohio Association of Realtors received the highest satisfaction rating from licensees. However, only a small number of licensees received instruction at these locations. Most licensees were also satisfied with instruction they received from community colleges, local boards of Realtors and special real estate schools.

PROPOSED CHANGES IN CONTINUING EDUCATION

This survey also asked licensees about various proposed changes to the current continuing education requirements. The majority of licensees favor maintaining the current schedule of 30 hours of continuing
(continued on page 2)

Attention!!!

PLEASE SHARE THIS NEWSLETTER WITH ALL
OF YOUR SALES ASSOCIATES. FEEL FREE TO
MAKE COPIES.

(THIS IS MAILED TO BROKERS AND BRANCH OFFICES ONLY)

Licenses (continued from page 1)

education over a three-year period. However, 26.9% of the respondents supported the often suggested proposal of 10 hours every year.

Nearly two-thirds (63.9%) rejected the idea of pass or fail examinations to be completed at the end of each course. As anticipated, individuals taking courses in the third year of the cycle were most likely to reject this idea. On the other hand, licensees taking courses during the first and second year of the cycle were more supportive of examinations.

As far as future course offerings are concerned, the three-hour seminar was the most popular format among 34.7% of the respondents. The second most popular format was the six-hour (one-day) seminar (16.5%), while the third most popular was the 30-hour, four-day format (14.5%).

Nearly three-quarters of the respondents attempt to evaluate the quality of the course content and the instructors before enrolling. Additionally, a similar number of the licensees said they would be willing to pay slightly more for a course with good content and well qualified instructors.

CONCLUSIONS

The survey confirmed a number of the complaints the Division and the Ohio Real Estate Commission have heard concerning continuing education, particularly with regard to the quality of instruction and the course content. The results of the survey reinforce the Commission's decision last summer to limit the courses it will approve for continuing education credit to those in the more substantive areas of financing, law and other real estate topics.

To accomplish this, the Commission amended Administrative Rule 1301:5-7-03 to limit the types of courses that it will approve for continuing education to only the following topics:

- real estate ethics
- legislative issues that influence real estate practice
- real estate laws and regulations, including licensing

STATE OF OHIO
DIVISION OF REAL ESTATE
DEPARTMENT OF COMMERCE
TWO NATIONWIDE PLAZA, COLUMBUS, OHIO
43266-0547
614/466-4100
800/344-4100

RICHARD F. CELESTE, Governor, State of Ohio
LINDA K. PAGE, Director
MARGARET J. RITENOUR, Superintendent

The Ohio Real Estate Commission

ARTHUR C. CHURCH, President
PAUL J. EVERSON
EDWARD J. KIZER
MARCELLUS H. SMITH
SANDRA J. TAYLOR

- provisions and regulatory practices
- advanced real estate financing, including mortgages and other financing techniques
- real estate market measurement and evaluation, including site evaluations, market data, and feasibility studies
- real property management, including leasing agreements, accounting procedures, and management contracts
- land use planning and zoning
- real estate securities and syndication
- accounting and taxation as applied to real property
- land development
- advanced real estate appraising
- real estate marketing procedures related specifically to actual real estate knowledge
- timeshares, condominiums and cooperatives

In the months to come, the Ohio Real Estate Commission and the Division of Real Estate will be further reviewing the results of this survey and re-assessing our current continuing education system to determine where improvements can and should be made.

This survey is an example of how the Commission and the Division are expanding the uses of the Education and Research Fund to more directly benefit real estate practitioners.

We would like to thank the more than 550 licensees who took the time to complete this survey. Their answers will provide the Division of Real Estate and the Ohio Real Estate Commission with valuable information in the future for updating the continuing education requirements.

Linda K. Page Named Director Of Commerce

Governor Richard F. Celeste has appointed Linda K. Page as Director of the Ohio Department of Commerce effective December 31, 1987.

Ms. Page has served as Superintendent of the Ohio Division of Banks since she was appointed by Governor Celeste in 1983. In this capacity, she has had the responsibility of chartering, examining, and supervising Ohio's state-chartered banks. Prior to being named Superintendent of Banks, she was a Vice President of BancOhio National Bank.

In making the appointment, Governor Celeste said, "Linda has a wealth of experience in managing people and a thorough understanding of the Department's diversity."

Shortly after her appointment, Director Page commented, "I am looking forward to working with and getting to know Ohio's real estate brokers and salespersons." She succeeds Kenneth R. Cox who resigned to become Director of Government Affairs for United Telephone of Ohio.

Disciplinary Actions

Here is a summary of recent Commission activities and decisions pursuant to Section 4735.03(E) of the Ohio Revised Code.

The Commission has taken the following action with regard to these real estate licensees:

REVOCATIONS

ESPLANADE MANAGEMENT, LTD., corporate foreign real estate dealer, had its dealer's license revoked for violating Sections 4735.18(A) & (H) of the Ohio Revised Code. This revocation became effective November 4, 1987. The president of Esplanade falsely verified on the application for a corporate foreign real estate dealer's license that Esplanade had never had a real estate license or registration suspended, and had never been the subject of disciplinary action in any state for a violation of real estate law. These statements were incorrect because Esplanade had its timeshare developer registration in Louisiana suspended by the Louisiana Real Estate Commission.

FARUQ A. HUSAM 'ADEEN, broker, Cleveland, Ohio, had his broker's license revoked for violating Sections 4735.18(A), (F) and (Z) of the Ohio Revised Code. The Ohio Real Estate Commission ordered this revocation on August 20, 1987. Husam 'Adeen cashed an earnest money check he received from the buyers of a property and failed to deposit this money into his real estate special or trust account. Later, Husam 'Adeen received two additional sums of money in connection with the buyers' agreement to purchase the subject property. Although the monies were originally deposited in his real estate trust account, Husam 'Adeen later withdrew these funds, and thus failed to maintain these monies in his trust account. Finally, Husam 'Adeen issued a check from his real estate trust account which represented the money given to him by the buyers in connection with their agreement to purchase the subject property. This check was returned by the bank due to insufficient funds in Husam 'Adeen's trust account.

SUSPENSIONS

HERBERT FULTZ, sales associate, Toledo, Ohio, had his sales license suspended for 30 days for violating Sections 4735.18(F) and (I) as it incorporates Section 4735.21 of the Ohio Revised Code. This suspension became effective on September 21, 1987. Fultz managed properties on behalf of an owner of property and collected rental money from tenants for which he received a fee. Fultz collected this rental money and fee without the consent of, and in a name other than that of the real estate broker with whom he was licensed.

RICHARD M. SWEDA, broker, Elyria, Ohio had his broker's license suspended for 180 days for violating Section 4735.18(E) of the Ohio Revised Code. This

suspension became effective on September 21, 1987. Sweda received a downpayment from the buyers of a property. The terms of the purchase agreement provided for this money to be paid to the sellers of the subject property. The agreement further provided that a specific dollar amount of the downpayment would go towards Sweda's commission. Sweda took his earned share of the downpayment, but failed within a reasonable time to remit the remaining amount to the sellers even though they were entitled to this money under the terms of the purchase agreement.

JAMES VARGO, sales associate, Cleveland, Ohio, had his sales license suspended for 30 days for violating Sections 4735.18(F) & (I) as they incorporate Section

(continued on page 4)

TEST RESULTS

In an effort to keep you apprised of the number of new licensees joining the real estate profession, below are the statistics compiled for the last half of 1987:

TEST DATE	BROKERS		PASS RATE
	TOTAL TESTED	TOTAL PASSED	
July, 1987	22	22	100%
August	25	23	92%
September*	50	38	76%
October*	51	36	71%
November*	75	61	81%
December	—	—	—
	<u>223</u>	<u>180</u>	<u>81%</u>
	SALES		
July, 1987*	960	676	70%
August	671	518	77%
September*	938	656	70%
October	702	515	73%
November*	1005	728	72%
December*	286	189	66%
	<u>4562</u>	<u>3282</u>	<u>72%</u>

*NOTE: Additional examinations were given in these months due to an increased number of applicants.

FOREIGN REAL ESTATE SALES

July, 1987	73	46	63%
August	48	37	77%
September	79	37	47%
October	44	24	55%
November	50	25	50%
December	—	—	—
	<u>294</u>	<u>169</u>	<u>57%</u>

Disciplinary Actions (continued from page 3)

4735.21 of the Ohio Revised Code. Due to mitigating circumstances, however, 20 days of the suspension were waived. Vargo began serving the 10 day balance of the suspension on November 30, 1987. Vargo collected money from a company in connection with a lease transaction, in a name other than that of his broker and without the consent of the broker with whom he was affiliated.

JAMES WASHINGTON, broker, Dayton, Ohio, had his broker's license suspended for 30 days for violating Sections 4735.18(A) and (F) of the Ohio Revised Code. This suspension became effective September 16, 1987. In his fiduciary capacity, Washington received an earnest money deposit from a buyer in connection with a contract for the buyer's purchase of the subject property. However, Washington cashed the earnest money check rather than depositing it in the trust account of his broker, Superior Realty, Inc. Furthermore, Washington knowingly misrepresented to the buyer that the seller had scheduled the closing on the subject property when, in fact, the seller did not schedule nor intend to close on the purchase agreement with the buyer. Later, Washington notified the seller that he had found another buyer. The seller subsequently entered into a purchase agreement with the second buyer of the subject property. However, Washington failed to designate this agreement as a back-up agreement, or to obtain a release from the first buyer whose contract on the property was still in effect. Finally, Washington declared that the first buyer was in default on the contract to purchase the subject property since he had not paid the balance of the purchase price when, in fact, the time period of the contract had not yet expired.

In a separate case, James Washington had his broker's license suspended for 30 days for violating Section 4735.18(F) of the Ohio Revised Code. Due to mitigating circumstances, however, 15 days of the suspension were waived. This suspension became effective October 16, 1987. Washington allowed an individual to act as a real estate sales associate for Superior Realty when Washington knew, or should have known, that this person was not licensed to sell real estate.

RECOVERY FUND ACTION

SERROL J. DUBIN, sales associate, Lyndhurst, Ohio, had his sales license automatically suspended pursuant to Section 4735.12(E) of the Ohio Revised Code. This suspension was a result of a payment made from the Real Estate Recovery Fund on September 24, 1987, of an unsatisfied judgment in the amount of \$7,500. The seller of a property listed the property with Dubin. A third party offered to purchase the subject property, but he was merely a strawman for Dubin, the actual purchaser. Therefore, Dubin acted in the capacity of a real estate salesperson and undisclosed principal in the sale of the property.

UPCOMING TEST DATES

The following are the tentatively scheduled dates for the real estate sales, brokers and foreign real estate sales examinations for the first few months of 1988:

	SALES COLUMBUS/CLEVELAND		BROKERS COLUMBUS
Feb	3	4, 18	8, 22
March	9	24	7
April	6	21	11

FOREIGN REAL ESTATE SALES

Feb	2, 16
March	1, 15, 29
April	12, 26

The foreign real estate sales examination is given *only* in Columbus. Because of the small number of applicants for the foreign real estate dealer examination, these exams are scheduled on an individual basis as the applications are received.

4

State of Ohio
Department of Commerce
Division of Real Estate
Two Nationwide Plaza
Columbus, Ohio 43266-0547

Bulk Rate
U.S. Postage
PAID
Columbus, Ohio
Permit No. 542