

shall not affect, impair nor invalidate the remainder of this act, but shall be confined in its operation to the clause, sentence, paragraph, section or part thereof directly involved in the controversy in which said judgment or decree shall have been rendered.

SEC. 17. This act is necessary for the immediate preservation of the public peace, health and safety; and an emergency hereby is declared to exist, and this act shall take effect and be in full force and effect from and after its passage.

Effective immediately.

Passed the House March 1, 1943.

Passed the Senate March 9, 1943.

Approved by the Governor March 17, 1943.

CHAPTER 118.

[H. B. 218.]

REAL ESTATE BROKERS AND SALESMEN.

AN ACT relating to real estate brokers and real estate salesmen and amending sections 2, 11, 17, 18, 19, 24 and 26, chapter 252, Laws of 1941 (sections 8340-25, 8340-34, 8340-40, 8340-41, 8340-42, 8340-47 and 8340-49, Rem. Supp. 1941), providing for additional supervision.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. That section 2, chapter 252, Laws of 1941 (section 8340-25, Rem. Supp. 1941), is hereby amended to read as follows:

Amendments.

Section 2. For the purposes of this act, words and phrases shall have the following meaning, unless another meaning is apparent from the context:

Definitions:

(1) A "real estate broker" is a person whose business policies and acts are free from the direction, control or management of another person, who for a compensation or promise thereof, or with intent to collect or receive a compensation or promise thereof,

Real estate broker.

performs one or more acts of selling or offering for sale, buying or offering to buy, negotiating or offering to negotiate, either directly or indirectly, the auction, purchase, sale, exchange, lease or rental of real estate or interest therein for another person, or who shall advertise or hold himself out to the public by any oral or printed solicitation or representation that he is so engaged, or who takes any part in or directs or assists in the procuring of prospects or in the negotiation or closing of any transaction, which does, or is calculated to result in any of the acts above set forth, and hereinafter referred to as a broker.

Real estate
salesman.

(2) A "real estate salesman" or "salesman" is any person, other than a corporation, copartnership or unincorporated association, who represents a real estate broker in the performance of any of the acts above set forth.

Person.

(3) The word "person" as used in this act, shall be construed to mean and include a corporation, copartnership or unincorporated association, except where otherwise restricted.

Director.

(4) The word "Director" means the Real Estate Director as defined in this act.

SEC. 2. That section 11, chapter 252, Laws of 1941 (section 8340-34, Rem. Supp. 1941), is hereby amended to read as follows:

Application
for license.

Section 11. Any person desiring to carry on the business or act in the capacity of a real estate broker or real estate salesman shall make application to the Director for license therefor upon a form to be prescribed and furnished by the Director giving his full name and business address. With this application to the Director, the applicant shall:

Form.

Fees.

Proviso.

(a) Pay a license fee of five dollars (\$5) to the State Treasurer: *Provided, however,* That if an application for renewal license is not received by the Director on or before January 1st of each year, the license fee for a renewal license shall be ten dollars

(\$10), if such application is received by the Director by December 31st of the current license year: *Provided, further*, That acceptance by the Director of any application for renewal after January 1st shall not be construed as a waiver of any right created by or duties, obligations, requirements or penalties imposed under this act. The State Treasurer shall upon the receipt of any money from the Director transmit his duplicate receipt therefor to the Director;

Proviso.

Not a waiver.

(b) Deliver to the Director a bond to the State of Washington in a form approved by the Director in the sum of one thousand dollars (\$1,000) executed by a surety company duly authorized to do business in this state, or by two good and sufficient sureties, not connected in business with the applicant, and to be approved by the Director guaranteeing the faithful accounting of all funds entrusted to such real estate broker or real estate salesman;

Bond.

Conditions.

(c) A recommendation, signed by at least ten (10) freeholders of the county in which the applicant intends to carry on his principal business as a real estate broker or real estate salesman, certifying that they are each acquainted with the applicant and that they each believe the applicant to be honest, truthful, and of good moral character;

Recommendation.

Contents.

(d) If the applicant is a corporation, a list of its officers and directors and their addresses, and if the applicant is a copartnership, or unincorporated association, then a list of the members of said copartnership or association and their addresses; and

Corporation application.

(e) If the applicant is a non-resident of this state, he shall file an irrevocable consent that suits and actions may be commenced against him in any county of this state in which the plaintiff having a cause of action or suit against him may reside, and that service of any process or pleadings in said action, or suit may be made by delivering same to the Director. Such service, when so made, shall be held in all courts, as valid and binding upon the applicant

Non-resident.

Service on Director.

Form of consent.

who files such irrevocable consent. Said irrevocable consent shall be in a form prescribed by the Director, shall be acknowledged before a notary public and, if the applicant be a corporation, said consent shall be accompanied by a duly certified copy of the resolutions of the Boards of Directors of such corporation authorizing the execution of the same. Any process or pleading herein mentioned and so served upon the Director shall be served in duplicate copies, one of which shall be filed in the office of the Director and the other immediately forwarded by registered mail to the office of the applicant named in his application and service shall be deemed to have been made upon said applicant on the third (3d) day following the deposit in the mail of said copy of said process or pleadings;

Process.

Service on broker.

Other requirements.

The Director may require such other proof as he may deem advisable of the honesty, truthfulness and good reputation of any applicant for a license, or of the officers of a corporation or the members of a co-partnership or unincorporated association making such application before issuing a license: *Provided*, That if a real estate broker or real estate salesman has once been licensed under this act, upon his application for a renewal of his license for the ensuing year, the Director may, in his discretion, waive the filing of new recommendations or references. Every license issued under the provisions of this act shall expire on the thirty-first day of December of the year of its issue.

Proviso.
Renewal.

License expiration.

Amendments.

SEC. 3. That section 17, chapter 252, Laws of 1941 (section 8340-40, Rem. Supp. 1941), is hereby amended to read as follows:

Bonds filed with Director.

Section 17. All bonds given under the provisions of this act, after their approval by the Director, shall be filed in his office. Persons who may be damaged by the wrongful conversion of trust funds by such real estate broker or real estate salesman, shall, in addition to other legal remedies, have a right of

Bond liability.

action in their own name on such bond for all damages not exceeding one thousand dollars (\$1,000): *Provided, however,* That the aggregate liability of the surety upon the bond, required to be given by such real estate broker or real estate salesman as provided in section 11 for all claims which may arise under this bond, shall not exceed the sum specified herein.

Liability limited.

SEC. 4. That section 18, chapter 252, Laws of 1941 (section 8340-41, Rem. Supp. 1941), is hereby amended to read as follows:

Amendments.

Section 18. Each person licensed as a real estate broker under the provisions of this act shall be required to have and maintain a definite place of business in this state, which shall serve as his office for the transaction of business. The license of said real estate broker shall be prominently displayed in his said office. When a broker changes his business address, his license shall cease to be in force. Notice in writing shall be given the Director of any change by the real estate broker of his business location, whereupon the Director, upon the surrender of the original license and the payment of one dollar (\$1), shall issue a new license for the unexpired term covering the new business address, if such broker is otherwise entitled thereto.

Place of business required.

License displayed.

License limited to location.

Notice of change of address.

Renewal fee.

SEC. 5. That section 19, chapter 252, Laws of 1941 (section 8340-42, Rem. Supp. 1941), is hereby amended to read as follows:

Amendments.

Section 19. The Director may, upon his own motion, and shall, upon verified complaint in writing by any person, investigate the actions of any person engaged in the business or acting in the capacity of a real estate broker or real estate salesman and shall have the power to temporarily suspend or permanently revoke any license issued within the provisions of this act at time when the holder thereof is guilty of:

Director to investigate licensees.

Power to revoke.

Grounds for
revocation.

(a) Obtaining a license by means of fraud, misrepresentation, concealment, or through the mistake or inadvertence of the Director;

(b) Violating any of the provisions of this act or any lawful rules or regulations made by the Director pursuant thereto;

(c) A crime against the laws of this, or any other state, or government, involving moral turpitude or dishonest dealings;

(d) Making, printing, publishing, distributing, or causing, authorizing, or knowingly permitting the making, printing, publication or distribution of false statements, descriptions or promises of such character as to reasonably induce any person to act to his damage or injury, where such statements, descriptions or promises purport to be made, or to be performed by, either the licensee or his principal, if the licensee then knew, or by the exercise of reasonable care and inquiry, could have known, of the falsity of said statements, descriptions or promises;

(e) Knowingly committing, or being a party to, any material fraud, misrepresentation, concealment, conspiracy, collusion, trick, scheme or device, whereby any other person lawfully relying upon the word, representation or conduct of the licensee shall act to his injury or damage;

(f) Accepting the services of, or continuing in a representative capacity, any salesman who has not been granted a license, or after his license has been revoked, or during a suspension thereof;

(g) Converting any money, contract, deed, note, mortgage, or abstract or other evidence of title to his own use, or to the use of his principal or any other person, when delivered to him in trust or on condition, before the happening of the condition, or in violation of the trust; and a failure to return such money, contract, deed, note, mortgage, or abstract or other evidence of title within thirty days after the owner thereof shall be entitled thereto, and shall

make demand therefor, shall be *prima facie* evidence of such conversion; Grounds for revocation.

(h) Failing or refusing upon demand to disclose any information within his knowledge, or to produce any document, book or record in his possession for inspection to the Director or his authorized representatives, when acting within the jurisdiction or by authority of law;

(i) Continuing to sell any real estate, or operating according to a plan of selling, by reason of which the interests of the public are endangered, but only after the Director has, by order in writing, enumerated objections thereto;

(j) Committing any act of the same or different character from that hereinbefore enumerated which constitutes fraudulent or dishonest dealing.

SEC. 6. That section 24, chapter 252, Laws of 1941 (section 8340-47, Rem. Supp. 1941), is hereby amended to read as follows: Amendments.

Section 24. It shall be unlawful for any licensed broker to pay any part or share of a commission or other compensation received in the capacity of a real estate broker to any person who is not a licensed real estate broker, or to a real estate salesman not licensed to do business for such broker, or for any licensed salesman to pay any part or share of a commission or other compensation received in the capacity of a real estate salesman to any person whether licensed or not, except through his broker. Not to split fees with unlicensed person.
Salesmen not to split fees.

SEC. 7. That section 26, chapter 252, Laws of 1941 (section 8340-49, Rem. Supp. 1941), is hereby amended to read as follows: Amendments.

Section 26. When any real estate salesman shall cease to represent his broker his license shall cease to be in force. Notice of such termination shall be given by the broker to the Director and upon application of the salesman and the surrender of the original license and the payment of one dollar (\$1), the Cessation of salesman's license.
Renewal.

Proviso.

Director shall issue a new license for the unexpired term, if such salesman is otherwise entitled thereto: *Provided, however,* That when any real estate salesman's services shall be terminated by his broker for a violation of any of the provisions of section 19 hereof, a written statement of the facts in reference thereto shall be filed forthwith with the Director by the broker.

Passed the House February 25, 1943.

Passed the Senate March 9, 1943.

Approved by the Governor March 17, 1943.

CHAPTER 119.

[S. B. 199.]

RELIEF OF SOLDIERS, SAILORS AND MARINES.

AN ACT relating to the relief of soldiers, sailors and marines of the disabled American veterans and their families; and making appropriation therefor.

Be it enacted by the Legislature of the State of Washington:

Appropriation.

SECTION 1. There is hereby appropriated from the General Fund of the State of Washington the sum of five thousand dollars (\$5000) to be turned over to the Disabled American Veterans of the World War organization for the maintenance of the rehabilitation service to assist war veterans in the prosecution of their equitable claims for compensation on the basis of disabilities of service origin.

Use of funds limited.

SEC. 2. That no elective or appointed officer of said veterans' organization or department officer shall receive any compensation and that no financial aid shall be allowed for the operation of their de-