

1 Department of Real Estate
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2 Los Angeles, California 90013
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FILED

OCT 15 2024

DEPT. OF REAL ESTATE

By. 

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 To:
12 REAL ESTATE TRAINERS, INC.,
13 Respondent.

DRE No. H-42855 LA

NOTICE OF WITHDRAWAL OF PRE-
LICENSING AND CONTINUING
EDUCATION COURSE OFFERING
APPROVALS

14
15 TO: REAL ESTATE TRAINERS, INC.

2121 S. Towne Centre Place, Suite 100

Anaheim, CA 92806

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18 NOTICE IS HEREBY GIVEN pursuant to the provisions of Section 3003 and 3010 of
19 Title 10, Chapter 6, California Code of Regulations¹ ("Regulations") that the California Real
20 Estate Commissioner ("Commissioner") for the Department of Real Estate² has caused an
21 investigation to be made into the real estate license examination activities of Lance Michael

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23 ¹ All references to the "Code" are to the California Business and Professions Code, all references to the "Real Estate
Law" are to Part 1 of Division 4 of the Code, and all references to "Regulations" are to the Regulations of the Real
Estate Commissioner, Title 10, Chapter 6, California Code of Regulations.

24 ² Between July 1, 2013, and July 1, 2018, the Department of Real Estate operated as the Bureau of Real Estate under
the Department of Consumer Affairs.

1 McHarg, aka Lance M. McHarg and Lance McHarg (“McHarg”) and real estate license exam
2 preparation courses of REAL ESTATE TRAINERS, INC. (“Respondent RETI”).

3 On the basis of that investigation the Commissioner has determined that Respondent
4 RETI and its instructors including, but not limited to McHarg, are no longer qualified; have
5 engaged in activities violating the provisions of Article 25 of the Regulations; or have engaged
6 in conduct that would warrant the withdrawal of approval of real estate pre-licensing and
7 continuing education course offerings. Approval of the pre-licensing course offerings and
8 continuing education course offerings listed below should be and hereby are withdrawn for the
9 reasons set forth in the Findings of Facts below:

10 FINDINGS OF FACT

11 1. A person must obtain a real estate license from the Department prior to offering
12 or engaging in acts that require a real estate broker or salesperson license in California. To
13 obtain a real estate license, an applicant must apply for and pass a real estate examination
14 administered by the Department.

15 2. Respondent RETI is not currently licensed by the Department as a corporation.

16 3. McHarg has never been licensed by the Department in any capacity.

17 4. McHarg is an officer and/or director for Respondent RETI, a corporation formed
18 in California.

19 5. Respondent RETI offers real estate licensing education courses.

20 6. Pursuant to Code Sections 10153.2, 10153.3, 10153.4, 10153.5, and Regulations
21 3000-3004, Respondent RETI received approval from the Department to offer nine pre-licensing
22 courses, Statutory Sponsor ID S0204. The nine approved courses are:

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		<u>Course No.</u>	<u>Course Information</u>	<u>Effective Date</u>
1				
2	1	3662-15	Real Estate Office Administration	06/01/2016
3	2	4062-18	Property Management	06/15/2018
4	3	4481-20	Legal Aspects of Real Estate	04/28/2020
5	4	4567-21	Real Estate Principles	07/20/2021
6	5	4615-12	Escrows	10/20/2021
7	6	4652-22	Real Estate Economics	06/20/2022
8	7	4653-22	Real Estate Finance	07/08/2022
9	8	4694-22	Real Estate Appraisal	09/16/2022
10	9	4869-23	Real Estate Practice	09/18/2023

11 7. Pursuant to Code Section 10170.5 and Regulations 3006-3013, Respondent RETI
 12 received approval from the Department to offer 12 continuing education ("CE") courses, CE
 13 Sponsor ID 0217. The 12 approved courses are:

		<u>Course No.</u>	<u>Course Information</u>	<u>Effective Date</u>
14				
15	1	0217-1119	Recognizing Real Estate Red Flags	11/18/2022
16	2	0217-1120	Agency	11/10/2022
17	3	0217-1121	9 Hour Survey Course	09/30/2022
18	4	0217-1122	Fair Housing	10/03/2022
19	5	0217-1123	Investment Property Analysis	11/23/2022
20	6	0217-1124	Real Estate Contracts, Procedures,	11/23/2022
21			and Practices	
22	7	0217-1125	Trust Fund Handling	11/20/2022
23				
24				

	<u>Course No.</u>	<u>Course Information</u>	<u>Effective Date</u>
1			
2	8	0217-1126 Disclosure Obligations in Real	11/20/2022
3		Estate Transactions	
4	9	0217-1127 Risk Management	11/23/2022
5	10	0217-1128 Ethics	11/20/2022
6	11	0217-1129 Implicit Bias	10/10/2022
7	12	0217-1130 Management and Supervision	04/05/2024

8. In addition to the approved pre-licensing and CE courses, Respondent RETI offers a Salesperson Crash Course and a Broker Crash Course, which are not approved by the Department. The unapproved crash courses prepare attendees to take the state of California's salesperson or broker license examinations.

9. Respondent RETI's website information for the Salesperson Crash Course includes a guarantee that students who attend the crash course will pass the State Salesperson License Exam.

10. Between 2000 and 2023, McHarg sat for and took the Department's real estate salesperson license examination 26 separate times. McHarg never received a passing score.

11. Once McHarg passes the salesperson license examination, he would be ineligible to take the salesperson license examination again.

12. On July 20, 2023, McHarg sat for the Department's real estate salesperson license examination at the Department's Licensing test location in La Palma, California. After McHarg completed the exam, he was approached by a Special Investigator for the Department who was conducting the investigation for the Department. The Special Investigator introduced himself to McHarg and attempted to interview McHarg about the number of times that McHarg has taken the real estate salesperson license examination. When questioned about his position as an

1 instructor for Respondent RETI and the number of times that McHarg has taken the real estate
2 salesperson exam, McHarg denied being an instructor. McHarg also stated, "I simply take the
3 exam to confirm if our real estate teachings are correct and up to date with the material."
4 Numerous questions were posed to McHarg regarding his purpose for taking the salesperson
5 license exam and about Respondent RETI's crash course. McHarg stated that he did not feel
6 comfortable answering the questions without an attorney present and the interview was
7 terminated.

8 13. As part of the Department's investigation, on October 28, 2023, and October 29,
9 2023, another Special Investigator for the Department used an alias to attend a Respondent
10 RETI two-day Salesperson Crash Course. The Salesperson Crash Course was held at
11 Respondent RETI's offices in Anaheim, California. McHarg was the Respondent RETI
12 Instructor for both days of the Salesperson Crash Course. As part of the salesperson crash
13 course, the Department's Special Investigator received Respondent RETI's course study
14 materials and was given access to Respondent RETI's on-line salesperson state practice exams
15 and simulation questions.

16 14. Throughout the two-day course, McHarg repeatedly stated to the class that he
17 had taken the State exam 26 times and that he had done so for the purpose of memorizing the
18 State exam questions so that Respondent RETI could teach the State exam questions to
19 Respondent RETI's students.

20 15. The Department conducted a search of the State's real estate license exam
21 questions ("DRE exam questions") which were compared to questions found in course materials
22 for Respondent RETI's Salesperson and Broker Crash Courses, specifically Respondent RETI's
23 "State Questions" and "Simulated Practice Exam" documents.

1 16. The Department’s review and comparison found that Respondent RETI’S State
2 Questions and Simulated Practice Exams contained numerous questions that were the same,
3 substantially similar, or “DRE similar” to DRE exam questions.

4 17. “DRE similar” questions mean new DRE exam questions created from older DRE
5 exam questions that are linked together in the DRE’s item bank of exam questions. The linked
6 DRE questions are not used on the same exam test forms because they are nearly identical to
7 each other and were updated to reflect changes in the real estate laws or industry practices. For
8 example, in 2019, a change in the real estate law updated the term, “employing broker” to
9 “responsible broker.” The Department created new questions using the term, “responsible
10 broker” from older questions using the term, “employing broker,” and linked the new and older
11 versions together as “DRE similar” questions in the Department’s item bank of exam questions.

12 18. The DRE’s test forms contain 150 questions.

13 19. Respondent RETI’s “Simulated Practice Exam” that was reviewed contained 143
14 questions.

15 20. The Department compared to the Department’s item bank of DRE exam
16 questions with Respondent RETI’s “Simulated Practice Exam” questions. The 143 questions
17 listed on Respondent RETI’s “Simulated Practice Exam” document were the same, substantially
18 similar, or DRE similar to 227 DRE exam questions.

19 21. Of the 227 compromised DRE exam questions, 84 questions were directly linked
20 to questions on DRE Salespersons examinations taken by McHarg, with the same or
21 substantially similar questions.

22 22. An additional 42 compromised DRE exam questions, were “DRE similar” to
23 other DRE exam questions on DRE Salesperson examinations taken by McHarg.

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1 23. All 227 compromised DRE exam questions had to be deleted from the DRE's
2 item bank of exam questions.

3 24. The Department reviewed a combined total of 170 questions from Respondent
4 RETI's "State Questions" and "Simulated Practice Exam" documents, which were compared to
5 the DRE's item bank of exam questions. The 170 questions listed on Respondent RETI's "State
6 Questions" and "Simulated Practice Exam" documents were the same, substantially similar, or
7 DRE similar to a total of 265 DRE exam questions.

8 25. Of the 265 compromised DRE exam questions, a combined total of 111 DRE
9 exam questions were directly linked to questions on DRE Salespersons examinations taken by
10 McHarg, with the same or substantially similar questions.

11 26. A combined total of 48 compromised DRE exam questions were "DRE similar"
12 to other DRE exam questions on DRE Salesperson examinations taken by McHarg.

13 27. Seven of the 265 compromised DRE exam questions were "Broker only"
14 questions, three of which appeared on Respondent RETI's "Simulated Practice Exam."

15 28. All 265 compromised DRE exam questions had to be deleted from the DRE's
16 item bank of exam questions.

17 29. Between 2000 and 2023, McHarg sat for and took the Department's real estate
18 salesperson license examination 26 separate times and saw 15 different DRE test forms. The
19 DRE test forms contain 150 questions. McHarg saw 2,250 DRE test form questions. Some DRE
20 exam questions are reused on multiple test forms. All 15 DRE test forms seen by McHarg were
21 compromised. The exam questions on the 15 DRE test forms have either had to be deleted or
22 changed in the DRE's item bank.

23 30. The DRE's exam questions have been created over several years by DRE staff or
24 by Salesperson and Broker subject matter experts, which is an expensive and lengthy process.

1 31. Respondent RETI's and McHarg's activities as described above, in cheating or
2 subversion of DRE exam questions for Respondent RETI's use, are in violation of Code
3 Sections 123, 10153.01, subdivisions (a)(5) and (a)(6), 1015.3.1, Regulation 2763, subdivisions
4 (a)(4) and (a)(7), Regulation 3000, subdivision (a)(8), Regulation 3004, subdivision (d),
5 Regulation 3006, subdivision (f).

6 32. The results of the Department's investigation described above, demonstrate a
7 failure by Respondent RETI to perform in accordance with the conditions of approval of the
8 real estate pre-licensing and continuing education courses offered by Respondent RETI.

9 33. Based on the foregoing, the Commissioner has determined that Respondent
10 RETI and its instructors including, but not limited to McHarg, are no longer qualified; have
11 engaged in activities violating the provisions of Article 25 of the Regulations; or have engaged
12 in conduct that would warrant the withdrawal of approval of real estate pre-licensing and
13 continuing education course offerings.

14 34. The foregoing is grounds for the withdrawal of approval of the pre-licensing
15 course offerings identified in Paragraph 6, above, pursuant to the provisions of Code Section
16 10153.5 and Regulation 3003.

17 35. The foregoing is grounds for the withdrawal of approval of the continuing
18 education course offerings identified in Paragraph 7, above, pursuant to the provisions of
19 Regulation 3010.

20 36. Based on the foregoing, approval of the pre-licensing course offerings and
21 continuing education course offerings identified in Paragraphs 6 and 7, above, should be and
22 hereby are withdrawn pursuant to Regulations 3003 and 3010.

23 37. Pursuant to the provisions of Regulation 3003, the withdrawal of approval of the
24 pre-licensing course offerings identified in Paragraph 6, above, will be effective thirty (30) days

1 after the notice of withdrawal is received by the sponsor unless the sponsor earlier files a written
2 request for hearing on the withdrawal action. If the request for hearing is received by the
3 Commissioner before 30 days after the date of receipt of notice of withdrawal by the sponsor,
4 the withdrawal shall not be effective unless and until ordered by the Commissioner pursuant to
5 findings and conclusions reached after hearing pursuant to Chapter 5 (commencing with Section
6 11500) of Part 1 of Division 3 of Title 2 of the Government Code. The hearing shall be
7 commenced within 30 days after receipt of the request for hearing unless continued to a later
8 day by order of the Commissioner, or by agreement of the parties as provided in Regulation
9 3003.

10 38. Pursuant to the provisions of Regulation 3010, the withdrawal of approval of the
11 continuing education course offerings identified in Paragraph 7, above, will be effective thirty
12 (30) days after the notice of withdrawal is received by the sponsor unless the sponsor earlier
13 files a written request for hearing on the withdrawal action. If the request for hearing is
14 received by the Commissioner before 30 days after the date of receipt of notice of withdrawal
15 by the sponsor, the withdrawal shall not be effective unless and until ordered by the
16 Commissioner pursuant to findings and conclusions reached after hearing pursuant to Chapter 5
17 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.
18 The hearing shall be commenced within 30 days after receipt of the request for hearing unless
19 continued to a later day by order of the Commissioner, or by agreement of the parties as
20 provided in Regulation 3010.

21 STATUTORY PROVISIONS

22 Code Section 123 provides:

23 It is a misdemeanor for any person to engage in any conduct which subverts or
24 attempts to subvert any licensing examination or the administration of an examination,
including, but not limited to:

1 (a) Conduct which violates the security of the examination materials; removing
2 from the examination room any examination materials without authorization; the
3 unauthorized reproduction by any means of any portion of the actual licensing
4 examination; aiding by any means the unauthorized reproduction of any portion of the
5 actual licensing examination; paying or using professional or paid examination-takers for
6 the purpose of reconstructing any portion of the licensing examination; obtaining
7 examination questions or other examination material, except by specific authorization
8 either before, during, or after an examination; or using or purporting to use any
9 examination questions or materials which were improperly removed or taken from any
10 examination for the purpose of instructing or preparing any applicant for examination; or
11 selling, distributing, buying, receiving, or having unauthorized possession of any portion
12 of a future, current, or previously administered licensing examination.

13 (b) Communicating with any other examinee during the administration of a
14 licensing examination; copying answers from another examinee or permitting one's
15 answers to be copied by another examinee; having in one's possession during the
16 administration of the licensing examination any books, equipment, notes, written or
17 printed materials, or data of any kind, other than the examination materials distributed, or
18 otherwise authorized to be in one's possession during the examination; or impersonating
19 any examinee or having an impersonator take the licensing examination on one's behalf.

20 Nothing in this section shall preclude prosecution under the authority provided for in
21 any other provision of law.

22 In addition to any other penalties, a person found guilty of violating this section,
23 shall be liable for the actual damages sustained by the agency administering the
24 examination not to exceed ten thousand dollars (\$10,000) and the costs of litigation.

(c) If any provision of this section or the application thereof to any person or
circumstances is held invalid, that invalidity shall not affect other provisions or
applications of the section that can be given effect without the invalid provision or
application, and to this end the provisions of this section are severable.

Code Section 10153.01 provides:

(a) No person shall cheat on, subvert, or attempt to subvert a licensing
examination given by the department. Cheating on, subverting, or attempting to subvert a
licensing examination includes, but is not limited to, engaging in, soliciting, or procuring
any of the following:

(1) Any communication between one or more examinees and any person,
other than a proctor or examination official, while the examination is in progress.

(2) Copying answers from another examinee or permitting one's answers to
be copied by another examinee.

(3) The taking of all or a part of the examination by a person other than the
applicant.

(4) Removing from the examination room any examination materials without
authorization.

1 **(5) The unauthorized reproduction by any means of any portion of the**
2 **actual licensing examination.**

3 **(6) Aiding by any means the unauthorized reproduction of any portion of**
4 **the actual licensing examination.**

5 (7) Possession or use at any time during the examination or while the
6 examinee is on the examination premises of any device, material, or document that is
7 not expressly authorized for use by examinees during the examination, including, but
8 not limited to, notes, crib sheets, textbooks, and electronic devices.

9 (8) Failure to follow any examination instruction or rule related to
10 examination security.

11 (9) Providing false, fraudulent, or materially misleading information
12 concerning education, experience, or other qualifications as part of, or in support of,
13 any application for admission to an examination.

14 **(b) The commissioner may bar any candidate who willfully cheats on,**
15 **subverts, or attempts to subvert an examination from taking any license**
16 **examination and from holding an active real estate license under any provision of**
17 **this code for a period of up to three years. [Emphasis added.]**

18 **Code Section 10153.1** provides:

19 It is unlawful for any person with respect to any examination under this part to
20 practice any deception or fraud with regard to his or her identity in connection with any
21 examination, application, or request to be examined.

22 **Regulation 2763** prescribes the Examination Rules for the Department.

23 (a) A person taking an examination for a license issued by the Bureau shall abide
24 by all of the following rules from the time of entry into the examination room until the
25 examinee has completed the examination and left the examination room:

26 (1) An examinee may not refer to any printed or written material other than
27 that furnished by the Bureau.

28 (2) Written computations by examinees shall be made only on paper furnished
29 by the Bureau for that purpose.

30 (3) An examinee may not communicate with another examinee nor with any
31 person other than an examination proctor.

32 **(4) The copying of questions and the making of any notes of examination**
33 **materials by an examinee is prohibited.**

34 (5) An examinee may not leave the examination room prior to completion of
35 the examination unless express permission of an examination proctor has been
36 obtained and all examination papers and materials have been turned over to the
37 proctor.

38 (6) The only materials or devices, other than those furnished by the Bureau,
39 that an examinee may use during the course of the examination are pencils and slide
40 rules or silent, battery-operated, electronic, pocket-sized calculators which are non-
41 programmable, do not have a print-out capability, or an alphabetic keyboard.

42 **(7) An examinee may not share the use of examination materials with any**
43 **other examinee.**

1 (b) A violation of any of the above rules or verbal directives of an examination
2 proctor is ground to disqualify an examinee and to initiate appropriate administrative
action to deny the issuance of a license to the examinee. [Emphasis added.]

3 **Article 24. Private Vocation School Approvals**

4 **3000. Equivalent Courses of Study at Private Vocational Schools.**

5 (a) In making a determination under authority of section 10153.5 of the Code as to
6 whether a course of study at a private vocational school is equivalent in quality to real
estate courses offered by colleges and universities accredited by the Western Association
7 of Schools and Colleges, the commissioner shall consider, but shall not be limited to the
8 following criteria:

9 (1) An attended course must provide at least 45 periods of classroom
10 instruction, each of which shall be not less than 50 minutes duration. A correspondence
11 course shall consist of not less than 15 separate lesson assignments.

12 (2) (A) An attended course must provide for a final examination administered
13 and supervised by the school in a classroom setting.

14 (B) A correspondence course must provide for a final examination
15 administered and supervised by a person designated by the school for that purpose. The
16 school shall send the final examination materials to the person so designated and the
17 completed final examination shall be returned to the school by the person so designated.

18 (3) The school must provide instructors, instructional material and classroom
19 facilities adequate to achieve the objective of the course offered.

20 (4) The school shall maintain records for each student sufficient to allow for
21 the preparation of a duplicate certificate upon request by a student.

22 (5) The school shall not use advertising or other promotional devices that are
23 deceptive or misleading.

24 (6) The school shall, within 15 days of a student's successful completion of
the course, deliver a document to the student evidencing such completion. The document
shall contain the following information:

(A) Bureau of Real Estate course approval number.

(B) Name of student.

(C) Course title.

(D) Dates of course completion.

(E) Name and address of school.

The school may include such additional information in this document as it
deems necessary.

(7) The school shall have an appropriate method of assessing student
knowledge of the subject, such as, but not limited to, multiple choice, essay or oral
examinations.

(8) Instructors must have credentials issued by the Board of Governors of the
California Community Colleges or by a comparable California teacher-credentialing
agency or meet the qualifications established in Sections 53400 et seq. of Title 5. The
commissioner may approve instructors who in his or her judgment meet the
qualifications, or who otherwise evidence their teaching qualifications by education or
experience or a combination of the two. An instructor shall not teach a course if the
instructor:

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- (A) Does not satisfy the criteria in this subdivision.
- (B) Has engaged in any violation of Article 24 (commencing with Section 3000) of these regulations or has engaged in conduct which would have warranted the denial of an application for approval or withdrawal of approval of an equivalent course of study.
- (C) As a real estate licensee has had that license suspended, revoked or restricted as a result of disciplinary action.
- (D) Acted or conducted himself or herself in a manner which would have warranted the denial of his or her application for a real estate license.

(9) Beginning on January 1, 2004, the school shall notify each student that an evaluation form is available on the Bureau's internet website for on-line evaluation of courses and instructors.

(b) The simultaneous instruction of two or more students in one of the courses enumerated in sections 10153.2, 10153.3 or 10153.4 of the Code constitutes a "private vocational school" as that term is used in section 10153.5. [Emphasis added.]

3003. Course Disapproval.

(a) If the commissioner determines that a course of study previously approved as equivalent is no longer equivalent in quality to courses offered by colleges and universities accredited by the Western Association of Schools and Colleges, or if the commissioner determines that an instructor or lecturer for the course is no longer qualified, or that the course sponsor has engaged in activity violating the provisions of Section 3004, the commissioner shall give written notice of withdrawal of approval setting forth the reasons for the determination.

If the commissioner determines, following an application for course approval, that the course will not provide applicants for real estate broker or real estate salesperson licenses with knowledge and understanding equivalent to that provided through courses offered by colleges and universities accredited by the Western Association of Schools and Colleges or if the commissioner determines that the instructor for the course is unqualified, the commissioner shall give written notice of denial of approval setting forth the reasons for the determination.

Withdrawal or denial of approval will be effective 30 days after the notice of withdrawal or denial is received by the sponsor unless the sponsor earlier files a written request for hearing on the withdrawal or denial action.

If the request for hearing is received by the commissioner before 30 days after the date of receipt of notice of withdrawal by the sponsor, the withdrawal or denial of approval shall not be effective unless and until ordered by the commissioner pursuant to findings and conclusions reached after hearing pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

1 **The hearing shall be commenced within 30 days after receipt of the request for**
2 **hearing unless continued to a later date by order of the commissioner or by**
3 **agreement of the parties.**

4 **In a hearing on an order of withdrawal issued by the commissioner, the burden**
5 **of proving that the course is no longer equivalent in quality shall be on the**
6 **commissioner.**

7 In any hearing on an order of denial issued by the commissioner, the burden of
8 proving the equivalency of the proposed course of study shall be on the applicant.
9 [Emphasis added.]

10 (b) Petition for Reinstatement.

11 (1) The sponsor of an offering for which approval has been withdrawn pursuant to
12 subdivision (a) may, after a period of not less than one year has elapsed from the
13 effective date of the withdrawal of approval, petition the commissioner in writing for
14 reinstatement of approval of the offering. The petitioner shall be given the opportunity to
15 present in writing argument and other evidence, statements or matters in support of the
16 petition. The commissioner shall decide the petition and the decision shall include the
17 reasons therefor.

18 (2) Upon a showing of good cause, the commissioner may allow the filing of a
19 petition for reinstatement prior to the expiration of one year from the effective date of the
20 withdrawal of approval.

21 **3004. Advertising and Promotion of Equivalent Courses of Study.**

22 The use of advertising or promotional material by or on behalf of the private vocational
23 school or other sponsor of an equivalent course of study will be considered by the
24 commissioner to be deceptive or misleading if it does not comply with the following
25 standards:

26 (a) An advertisement shall clearly and conspicuously identify the entity offering
27 an equivalent course of study as a private vocational school or the sponsor of a
28 supervised course of study or other approved equivalent course of study and shall include
29 the name of the entity.

30 (b) Advertising which makes reference to courses of study approved by the
31 commissioner shall identify the specific course or courses that have been approved by
32 listing the Bureau's course approval number.

33 (c) No advertising or materials, including oral representations, promoting
34 approved equivalent courses shall contain language which implies or states, directly or
35 indirectly, that a course can be completed in less time than the number of hours for which
36 it is approved.

1 (d) No advertising or materials, including oral representation, shall include false
2 or misleading statements or representations. Article 25.

Article 25. Continuing Education Requirements

3006. Criteria for Approval of Offerings.

3 In acting on an application for approval of a continuing education offering, the
4 Commissioner shall apply, but shall not be limited to the application of the following
5 criteria in determining that the appropriate hours of continuing education credit will be
6 given to licensees who have successfully completed the course within the time period
7 specified by Section 10170.5 of the Business and Professions Code:

8 (a) The offering shall have at least one successive clock hour of instruction which
9 is based on 50 minute increments of actual instruction.

10 (b) For other than a correspondence course offering, participants shall be
11 physically present for at least 90% of the offering time exclusive of the time allocated to
12 the administering of a final examination.

13 (c) For all continuing education offerings, a sponsor shall provide each participant
14 at least a written course outline that is a narrative outline consisting of not less than three
15 (3) pages per credit-hour. Each page shall contain an average of 200 words.

16 (d) A continuing education offering shall have an appropriate form of final
17 examination as set forth in Section 3007.3.

18 (e) Instructors, conference leaders, lecturers, and others who present a continuing
19 education offering shall meet at least one of the following qualifications:

20 (1) A bachelor's degree in a related field to that in which the person is to
21 teach, from a school listed as an institution of higher learning by the U.S. Department
22 of Education, or from a comparable school of a foreign country.

23 (2) A valid teaching credential or certificate issued by the Board of
24 Governors of the California Community Colleges or by a comparable California
teacher-credentialing agency authorizing the holder to teach in the field of knowledge
covered in the offering.

(3) Three years full-time experience in the applicable field.

(4) Any combination of at least three years of full-time experience and
college level education in the applicable field.

(5) The Commissioner may approve instructors who in his or her
judgment meet the criteria for approval or who otherwise evidence their teaching
qualifications by education or experience or a combination of the two.

(f) An instructor shall not be qualified if the instructor:

(1) Does not satisfy the criteria in subdivision (e);

**(2) Has engaged in any violation of Article 25 (commencing with
Section 3005) of these regulations or has engaged in conduct which would have
warranted the denial of an application for approval or withdrawal of approval
of a continuing education offering;**

**(3) As a real estate licensee has had that license suspended, revoked or
restricted as a result of disciplinary action; or**

**(4) Acted or conducted himself or herself in a manner which would
have warranted the denial of his or her application for a real estate license.**

1 (g) A correspondence course shall consist of adequate study materials to assure
2 that the course cannot be completed in less time than the number of hours for which it is
approved.

(h) Every sponsor shall maintain on file with the Commissioner a current address.

3 (i) The sponsor shall notify each participant that an evaluation form is available
4 on the Bureau's internet website for on-line evaluation of courses and instructors.

(j) The sponsor shall comply with the provisions of the Americans with
Disabilities Act in the offering of approved courses.

5 (k) A sponsor that is a corporation, company or partnership shall maintain good
6 legal standing with the State of California Office of the Secretary of State during any
term of course approval.

7 (l) Prior to the start of the course, the sponsor shall provide participants with the
8 following disclaimer statement: "This course is approved for continuing education credit
by the California Bureau of Real Estate. However, this approval does not constitute an
endorsement of the views or opinions which are expressed by the course sponsor,
instructors, authors or lecturers."

9 (m) All offerings shall require completion within one year from the date of
registration.

10 (n) Every participant who successfully completes the course shall be provided
with a course completion certificate within 15 days from date of completion.

11 (o) A correspondence course offered via the internet in one or more aspects of the
12 course offering must have a method of control in place to protect the integrity of the
exam, ensure by written statement signed under penalty of perjury that the participant
13 enrolled is the person completing the course and ensure the course cannot be completed
in less time than the approved credit hours by controlling the participant's navigation
through the course content.

14 (p) Incremental assessments shall be required that are designed to properly
15 measure a participant's mastery of the course content after each logical unit of instruction
or chapter within a correspondence course, i.e. case studies, quizzes or other form of
16 exercises. Remediation to the participant shall be provided after each assessment has
been completed.

17 (q) A sponsor or course instructor is prohibited from marketing, selling or
18 displaying any product or service during a continuing education offering including during
breaks between instructional periods. The foregoing shall not prohibit marketing
19 activities conducted outside of the instruction room before or after the course of
instruction, or outside of the instruction room during breaks in the course of instruction.
[Emphasis added.]

20 **3010. Denial or Withdrawal of Approval.**

21 (a) If the Commissioner determines that a previously-approved continuing education
22 offering no longer meets the prescribed statutory and regulatory standards for approval,
or if the Commissioner determines that an instructor or lecturer for the course is no
23 longer qualified, or that the course sponsor has engaged in activity violating the
provisions of Article 25 (commencing with section 3005) of these regulations or has
24 engaged in conduct which would have warranted the denial of an application for approval
or withdrawal of approval of a continuing education offering, or the course differs

1 materially from that which was previously approved, the Commissioner shall give written
2 notice of withdrawal of approval setting forth the reasons for the determination.

3 If the Commissioner determines, following an application for course approval, that
4 the course will not meet the prescribed statutory and regulatory standards for approval or
5 if the Commissioner determines that the instructor for the course is unqualified, the
6 Commissioner shall give written notice of denial of approval setting forth the reasons for
7 the determination.

8 **Withdrawal or denial of approval will be effective 30 days after the notice of**
9 **withdrawal or denial is received by the sponsor unless the sponsor earlier files a**
10 **written request for hearing on the withdrawal or denial action. If the request for**
11 **hearing is received by the Commissioner before 30 days after the date of receipt of**
12 **notice of withdrawal by the sponsor, the withdrawal or denial of approval shall not**
13 **be effective unless and until ordered by the Commissioner pursuant to findings and**
14 **conclusions reached after hearing pursuant to Chapter 5 (commencing with Section**
15 **11500) of Part 1 of Division 3 of Title 2 of the Government Code.**

16 **The hearing shall be commenced within 30 days after receipt of the request**
17 **for hearing unless continued to a later date by order of the Commissioner or by**
18 **agreement of the parties.**

19 **In a hearing on an order of withdrawal issued by the Commissioner, the**
20 **burden of proving that the course does not meet the prescribed statutory and**
21 **regulatory standards for approval shall be on the Commissioner.**

22 In a hearing on an order of denial issued by the Commissioner, the burden of
23 proving that the course meets the prescribed statutory and regulatory standards for
24 approval shall be on the applicant.

(b) Petition for Reinstatement.

(1) The sponsor of an offering for which approval has been withdrawn pursuant to
subdivision (a) may, after a period of not less than one year has elapsed from the
effective date of the withdrawal of approval, petition the Commissioner in writing for
reinstatement of approval of the offering.

The petitioner shall be given the opportunity to present in writing argument
and other evidence, statements or matters in support of the petition. The Commissioner
shall decide the petition and the decision and the decision shall include the reasons
therefor.

(2) Upon a showing of good cause, the Commissioner may allow the filing of a
petition for reinstatement prior to the expiration of one year from the effective date of the
withdrawal of approval. [Emphasis added.]

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