

Minnesota Attorney General: Administrative Rules Proceedings

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STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
SECURITIES DIVISION

IN THE MATTER OF THE PROPOSED AMENDMENTS TO THE EXISTING RULES FOR REAL ESTATE BROKERS AND SALESPERSONS AND THE SECURITIES ACT; ADOPTION OF NEW RULES RELATING TO CONTINUING EDUCATION	)))))	STATEMENT OF NEED AND SUMMARY OF EVIDENCE

Pursuant to HE 103, which requires both the statement of need and summary of evidence, this document will contain the affirmative presentation of facts necessary to establish the statutory authority, need for, and reasonableness of the proposed amendments to existing rules and proposed new rules.

As there may be those desirous of obtaining copies of this document but having an interest in only the amendments to existing rules or only the proposed new rules, this document is prepared in two sections, the first of which will address solely amendments to existing rules, the second of which will address only the new rules.

I. AMENDMENTS TO EXISTING RULES.

These rules are proposed amendments to existing rules previously adopted by the Commissioner of Securities.

Statutory authority to adopt rules arises from Minn. Stat. §82.28 (1976) which reads as follows:

> "The commissioner may promulgate such rules and regulations as are reasonably necessary to carry out and make effective the provisions and purposes of this chapter."

Division EXHIBIT NO. 4

DATE 3-27-78

NANCY J. DUEHN

The rules, as previously adopted and as now proposed to be amended, are needed to clarify requirements, practices, and standards which real estate licensees must satisfy in order to insure that members of the public are adequately served.

Legislative changes in the Real Estate License Laws, Chapter 82, Minnesota Statutes, (1976), over the past several years in addition to comments from the real estate industry and the general public, have made it essential that several amendments be added in a number of areas. These changes are both technical and substantive, in order to effectively carry out the overall purpose of the laws.

The need for and reasonableness of the proposed amendments are as follows:

A. PROPOSED AMENDMENTS TO THE EXISTING RULES FOR REAL ESTATE BROKERS AND SALESPERSONS AND THE SECURITIES ACT.

SDiv 1501 (a) Overpayment of Fees.

The definition of overpayment is needed to clarify the intent of the rule to refund any monies submitted in error or for which a service is not rendered. Currently the department refunds only those monies submitted in excess of a specific fee. This proposed rule is of advantage to the public.

With regard to this matter we have on file letters requesting refunds and our denials of such requests due to lack of specific authority.

SDiv 1503 (b) Cancellation of a Salesperson's License.

The law requires a broker to maintain possession of a salesperson's license until it is cancelled or until the salesperson leaves the

broker. When the salesperson's license is cancelled for failure to satisfy the education requirements, the broker is sent a written notice of cancellation and instructed to return the salesperson's license. The proposed ten day period is consistent with the statutory requirements of time in which to return a terminated salesperson's license. The second portion of this proposal clarifies the procedure for reinstatement of a license within one year.

SDiv 1503 (c) Waivers.

The proposed rule on waivers is needed to specify the criteria for qualifying for a waiver and the filing of a request for a waiver of the real estate licensing requirement. The proposal will serve as a guideline to applicants for a waiver and thereby eliminate requests for additional information. It likewise will shorten the renewal period and provide a more uniform measure of qualifications in support of the action taken on the request. There is a need to eliminate requests from applicants with limited real estate experience and/or education. Approximately half of the applicants base their requests on experience or education unrelated to real estate, business and/or promotion opportunities or immediate success during their first year as a salesperson. Eliminating these types of requests will reduce the number of requests received and thereby expedite the reviewal of and responses to waiver requests submitted by qualified applicants.

Copies of correspondence requesting additional information from applicants as well as copies of deficiency letters can be provided if

necessary. Also, letters can be furnished showing lack of minimum qualifications for receiving a waiver.

SDiv 1505 (a) (4) Trust Funds.

The current (4) will be deleted since similar language currently exists in Minn. Stat., Section 82.24, Subd. 7. The proposed rule (a) (4) is needed to protect the interests of parties to a transaction where trust funds are not placed in the broker's trust account. It is necessary to specify disposition of funds in a written agreement to eliminate possible disputes between the parties. This change should also have the affect of avoiding complaints against brokers who are responsible for temporarily holding the trust funds. Under the existing rule, there is at least one telephone complaint weekly from a member of the public who is not satisfied with the disposition of monies.

SDiv 1506 (a) (3) (bb) Trust Account Records.

Although Minnesota Statutes §82.24 (1976) demands that an earnest money check be deposited "forthwith" into a trust account after delivery and although the rules and regulations presently demand that there be written instructions for non-deposit, there is no provision in the rules and regulations that parallels these provisions dealing with the handling of trust account funds, in the case of an acceptance or rejection of an offer. This proposed addition to the regulations would provide such regulations for each of the situations that could exist after receipt of an offer while clarifying the ambiguity that exists in the regulations read independently of §82.24.

SDiv 1508 (b) Fraudulent, Deceptive or Dishonest Practices.

(qq) This change was made to reflect the fact that the public generally relies on the licensee as an expert. As a consequence, the purchaser relies heavily on the licensee to disclose any material information. His decision as a purchaser will be heavily influenced by this reliance and thus the need for the new rule. As to (rr), this change reflects the need of the department to know for investigative purposes any change of information contained in the license application.

SDiv 1509 (a) Standards of Conduct.

All of these changes reflect the need for high standards of conduct in the real estate industry. While they might vary in effect, the goal is the same; that is to police the industry adequately by providing precise standards of conduct.

(ee) The proposed section (ee) replaces the present section (ee) and is necessary to allow the Securities Division to regulate more broadly the use of designations of membership in organizations. The present section is limited to the use of trade names and insigna, but other means of misrepresentation exist. The partial use of a name, or the use of a similar name which could work as a method of misconception or deception on the public would be included in Division regulation under the broadened language.

(qq) and (tt) Both proposed rules are needed because the public relies on the expertise of real estate licensees in all real estate matters. Because of this reliance, any information provided by a licensee must

be accurate. Furthermore, since licensees hold themselves out to be experts in the area of real estate, they should be accountable for their representations, i.e. in writing. Information regarding taxes, assessments and tax liabilities can be verified by licensees by contacting the appropriate regulatory agencies. If a licensee cannot verify information, representations should not be made. Complaints on file with the Division concerning misrepresentation of taxes, assessments and tax liabilities substantiate the need for these proposals.

(rr) This rule is necessary to clarify the licensee's responsibility as an agent to provide the seller with all written offers, thus enabling the seller to decide whether an offer should be accepted or rejected. It is an incumbent responsibility of a licensee to assure that all written offers are given equally fair treatment as a service to both potential buyers and sellers. The Division has received numerous complaints from licensees and members of the public indicating that in many cases only those written offers which are of most benefit to a seller or his agent are presented to the seller.

(ss) The public should clearly know with whom they are conducting business. In the event a common promotional plan and trade name is used by many brokers, the public is misled to believe that they are conducting business with one large company when in fact they are conducting business with an independent company who participates, with other companies, in common promotional plan of advertising and services. This rule is needed to give notice to the public that they will be or are doing business with an independently owned and operated business who participates with other businesses in providing services to the public.

B. AMENDMENTS AND NEW RULES RELATING TO NINETY (90) HOURS OF REAL ESTATE EDUCATION: SDiv 1511.

(a) Approval. (1) Requirements, (2) Extensions and (3) Waivers. These changes in the current regulations are designed to further implement the requirements of approval for a course of study in the real estate field. They update the former sixty (60) hour requirements to ninety (90) hour requirements. The amendments also provide for extensions and waivers upon appropriate showing of hardship. Thus these amendments, while expanding the criteria to be met in order to receive credit for a course of study in the real estate field, at the same time remain flexible enough so that the Commissioner may extend the time period for extensions and may waive mandatory classroom attendance for post-licensing education as well.

(b) Curriculum.

In Course I "Fundamentals of Real Estate" the schedule remains the same except that Real Estate Fundamentals is extended to include professional standards and mathematics replaces the optional course. The professional standards are added to this subject simply to identify professional standards as a subject to be taught and incorporated in the Real Estate Fundamentals. Under the adopted rules for the sixty (60) hours the course content for professional standards is incorporated in the subject of Real Estate Fundamentals but never clearly identified in the subject's heading. Professional standards includes the instruction of proper conduct which a salesperson should adhere to while acting in a fiduciary capacity in order to provide competent service to clients and other licensees. Mathematics is added since it is designed for students intending to enter the real estate field to either acquire or update their mathematical skills. Specific topics will include fractions, decimals, percentages, listing and sales prices,

commissions, mortgage interest and principle; points, purchase leases, taxes, insurance pro-ration, closing statements and settlements, appraisal methods, formula vary and volume, property description, and other areas. The course is needed not only for professional development but also as a preparation for the salesperson and broker's license examination. It is the experience of the department that more persons fail the salesperson's examination because of the mathematics than any other single factor.

Course II "Advanced Fundamentals of Real Estate" is changed somewhat. Advanced Marketing is deleted and replaced with a course called Law and Current Update on State and Federal Real Estate Laws. Marketing was deleted because it is the position of the office of the Commissioner of Securities that the state should not get involved in sales technique, marketing features, sales psychology, personal motivation courses, and other training courses that are presently largely relegated to employer and trade associations. Such courses are not directed towards protecting or even benefiting the public. These courses are the responsibility of in-house programs and professional organizations. The required curriculum is structured and intended primarily to impart substantive and procedural knowledge in the real estate field in order to insure that licensees keep abreast of current real estate data information and procedures belonging to present day trends and principals to safeguard the consumer in making real estate decisions. Communications is transferred to the optional subjects and replaced with the course Real Estate Management-Landlord Tenant Relationship

and Leases. This is done since there is a need to educationally satisfy a segment of the real estate industry who are property managers that must be licensed as real estate licensees. As a licensee they are required to take either a sixty (60) or ninety (90) hour course of education of which at least one course should be directed to their specialty area. Also, many people in residential real estate get involved in the leasing of duplexes and small commercial buildings and a course of this nature is imperative so that they represent the correct knowledge to the consumer. The hours under Advanced Legal Contracts has been changed from three (3) to four (4) because of the complexity, intensity and importance of the subject matter. Thus, more time allocation is required. The optional subjects were changed from nine (9) hours to three (3) hours with the six (6) hours of credit being transferred to required subjects. These required subjects were designated simply because there are licensees specializing in these areas of concentration who expressed an obvious need for diversification and primarily residential brokerage and direct emphasis on their area of concentration. This amendment was made to add flexibility to the curriculum and meet the specialty knowledge desired by numerous licensees throughout the state.

Course III is added to the sixty (60) hours as a thirty (30) hour course to meet the ninety (90) hour requirement; the addition is a list of courses that the Commissioner of Securities would consider for approval as a third thirty (30) hours of real estate education. The rule is

intended to provide a great deal of flexibility to address the educational needs of licensees in various concentrations of the industry. The third thirty (30) hour course will be designed by the Course Coordinator to meet licensees' needs, and will be submitted to the Commissioner of Securities for approval. The Commissioner of Securities will also consider courses that are directed to impart substantive and procedural knowledge in the real estate field in order to insure the licensee keeps abreast of the current real estate data, information and procedures belonging to the present day trends and principles to safeguard the consumer in making real estate decisions.

(1) This addition is included to clarify that Area Vocational-Technical Institutes come within the definition of being a secondary educational institution.

(2) Exclusions.

The intent of the required courses are not to prepare students to pass the state real estate broker's or salesperson's exam. These courses are designed usually as crash courses that concentrate on the examination. The intent of the education is to promote well constructed courses representing the theory of real estate, providing licensees with the comprehensive working knowledge to act within the law. Also, offerings in mechanical office business skills such as typing, speed reading, and memory improvement would thus not be considered subjects under the overall design as they are not designed to benefit the public.

(e) Student Textbook.

A student textbook will provide students with comprehensive, organized

and uniform information which is imperative in the learning process. Overall the previous textbook outlines have been inadequate and have not met what is to be considered minimal requirements in the view of the Commissioner of Securities.

(f) Fees.

This rule was amended to give notice to the student of all additional costs incurred and to identify what materials shall become the property of the student upon payment. Thus the purpose of the rule is to fully disclose all additional costs incurred and the status of ownership of the property at the close of the approved course.

(g) Examinations.

The purpose of this addition is to provide clarification as to what form an examination is acceptable, i.e. written form, and authorizes the approved institutions to set the successful completion criteria for an examination. While in the past the most often asked questions of the Real Estate Education Coordinator from school coordinators have been "What is a passing grade? How many questions must be asked? What type of examination?, etc.", the coordinators will establish their own criteria passing grades, format of the exam and types of questions.

(h) Application for Approval.

(2) This amendment involves the information that is required to understand the full scope of the course for evaluation purposes.

(4) This is amended for clarification of what is to be in the student notebooks for Course III. A comprehensive outline for Course III, or the title and author of the required textbook must be submitted to the Commissioner of Securities in order to understand the full scope of the course for evaluation purposes.

(5) This was amended to state that copies of the examination must be submitted prior to its "use", not necessarily prior to approval as in the past. Many coordinators have indicated to the department the importance of developing a test throughout the course. The coordinators help design examinations while listening to the lecturers and working with the lecturers in and out of the classrooms. Therefore, it was requested that the examinations be submitted for approval closer to the finalization of the course rather than before the course approval. If a proposed exam is not acceptable, the coordinator may immediately resubmit it for approval with the appropriate revisions.

(9) and (10) The Minnesota Department of Education advocates that it would be in the best interests of the citizens of Minnesota, of real estate salespersons and brokers, and the effective administration of the Department of Commerce's responsibilities as delineated by state statute, to add these provisions. They would serve to insure that the educational institution involved was in good standing and it would also insure quality control in the approval of new educational offerings. Also, prior to an educational offering being approved by the Department of Commerce it is important that the school be licensed and the instructors be approved as well as being in good standing with the Department of Education.

(i) Advertising.

This amendment is offered since many of the third thirty (30) hour courses seeking approval will be courses offered on a national basis. Thus, oftentimes the literature is already printed and it would be unreasonable to expect those involved to reprint their literature with

the above stated quotation. However, as noted earlier, it is not unreasonable to put the burden of responsibility on the approved entity to show evidence to the students that the course is in fact approved pursuant to the Minnesota Statutes in meeting their educational requirements.

(k) Annual Report.

The purpose of this amendment is to convenience the approved entity or applicant by furnishing them with an annual report form.

(l) Notice.

This is to amend the number of hours from sixty (60) to ninety (90) to conform to the new real estate education law relating to ninety (90) hours of real estate education.

(m) Course of Study to Certify Completion.

The period involved here has been changed from forty-five (45) days to fourteen (14) days following a request by the Real Estate Licensing Section as they had been cancelling licenses because the educational requirements had not been met by licensees to the best of their knowledge when in fact the grades had just not been recorded yet by the coordinators who were taking forty-five (45) days to record the grades. The Licensing Section also requested that the form be typewritten, alphabetized and double-spaced in the real estate Form M prescribed by the Commissioner of Securities for the purposes of organization and legibility.

(n) Facilities.

This has been added to avoid possible conflict of interest that might arise if brokers allowed schools to use their brokers' offices an an

improved classroom facility. This also avoids any misconstruing of a school as an in-house offering which is not recognized by the Commissioner of Securities.

(o) Conflict of Interest.

Many real estate franchisors offer or require real estate courses to their franchisees who are real estate licensees. If such courses were approved by the Commissioner, there would be an inherent conflict since franchisors would be hesitant to fail any person licensed to a broker who has entered into a franchise agreement and who pays a fee to that franchisor. The same argument can be made here as was made with the prohibition of in-house training when the sixty (60) hour rules were adopted.

(p) Suspension, Revocation or Denial of Course Approval.

The purpose of this addition is to make clear that while the Commissioner of Securities may approve an applicant, a course offering, an instructor, or coordinator, he will also have the authority to terminate an approval status of a course offering, coordinator or instructor if they are deemed inadequate and do not satisfy the state's standards of quality.

(q) Auditing.

The addition of this new rule is needed to provide the Commissioner or his designee the right to audit any courses that are seeking approval or approved for review in evaluation purposes since this is a service provided the entity. The State of New York has a similar provision. It was recommended by the Minnesota Real Estate Advisory Council that an auditing team be set up to review schools for evaluation purposes.

(r) Course Evaluation.

This rule has been added on evaluation in order that (1) it might be determined whether the approved courses are accomplishing the objectives they were designed to accomplish, and (2) to identify the strengths and weaknesses of the approved course so that the quality instruction can be improved in terms of curriculum, instructors, method of presentation, and the adequacy of teaching aids and facilities.

(s) Class Offerings--Enrollment.

This is being offered to make clear the professional quality standards needed to be met. However, it also recognizes the fact that in the proper environment some flexibility is possible provided in this particular case that each hour of lecture the student attains one hour of classroom discussion with a maximum of fifty (50) students.

C. IMPLEMENTATION OF MINNESOTA STATUTES, CHAPTER 345 -- UNCLAIMED PROPERTY. SDiv 1513 (a) -- SDiv 2011 (d) -- SDiv 2027 (a)(20)-- SDiv 2138.

In the past there has been virtually no enforcement of Minnesota's Unclaimed Property Act. As a consequence, banks, insurance companies, savings and loan associations, department stores, and major corporations among others are taking as income millions of dollars belonging to the residents and taxpayers of Minnesota. Thus, based on the experience of the other states which have instituted vigorous collection audit programs and the resulting voluntary compliance encouraged by such implementation of the law, it is estimated by the State Treasurer that Minnesota should be able to collect the estimated $50,000,000 now owing

and return a substantial portion to its rightful owners. All of Minnesota's taxpayers will benefit from the monies collected. Additionally, about $20,000,000 annually may well be realized from such a program. The program will also curtail the illegal business practices now in effect which are being used to take money from forgetful or unsuspecting owners. These observations concerning the Unclaimed Property Act apply to securities brokers and to real estate brokers as well.

It is the position of the Securities Division that this is a proper area of qualification under the laws for it to regulate. It is felt that it is entirely feasible that the securities broker dealers operating in this state and real estate brokers may have in their possession monies or other physical property of citizens in Minnesota. The issue then is one of implementation to insure that all of the individuals and companies coming in contact with the Securities Division through the licensing process or the registration process have fully complied with Chapter 345. Thus, in the area of new registrations, SDiv 1513 (a) and SDiv 2011 (d) provide that the applicant inform the Commissioner that he is in compliance with Chapter 345. On the other hand, regarding registrations currently in effect, SDiv 2027 (a) (20) provides that the issuer comply with the requirements set forth in Chapter 345, Minnesota Statutes relating to unclaimed property in its annual report which it files as long as a registration statement is effective. Finally, SDiv 2138 provides that upon application for any registration the applicant shall be required to inform the Commissioner of Securities that he complied with the requirements set forth in Chapter 345 of

Minnesota Statutes relating to unclaimed property. Thus, new licenses, annual reports and registration are all covered by these additions to existing Securities Division regulations, in implementing Chapter 345 of the Minnesota Statutes, the Unclaimed Property Act.

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE DEPARTMENT OF COMMERCE - SECURITIES DIVISION

In the Matter of the Proposed Amendments to the Existing Rules for Real Estate Brokers and Salespersons and the Securities Act; Adoption of New Rules Relating to Continuing Real Estate Education

FINDINGS OF FACT, CONCLUSIONS AND RECOMMENDATION

The above-entitled matter came on for hearing before George A. Beck, duly appointed as Hearing Examiner in this matter at 9:00 a.m. on Monday, March 27, 1978, in the hearing room of the Department of Commerce at 500 Metro Square Building, Seventh and Robert Streets, in the City of Saint Paul, County of Ramsey, State of Minnesota.

This proceeding is a rules hearing held pursuant to Minn. Stat. Ch. 15 to determine whether the proposed rules should be adopted and given the force of law. Copies of this Report are available for review from the Securities Division of the Department of Commerce and from the Office of Hearing Examiners.

Members of the agency panel appearing at the hearing included: John R. Larson, Commissioner of Securities; Harlee E. Goldsteen, Real Estate Director, Securities Division; Dana Shannon, Real Estate Education Director, Securities Division; and Robert C. Carlson, Special Assistant Attorney General, representing the Securities Division.

Eighteen public witnesses appeared and spoke at the hearing. Fifteen timely written comments were received subsequent to the mailing of the notice of hearing through the end of the ten-day period for written comments subsequent to the hearing.

Based upon all the testimony, exhibits and written comments, the Hearing Examiner makes the following:

FINDINGS OF FACT

1. On February 8, 1978, the Securities Division filed the following documents with the Chief Hearing Examiner:

(a) A copy of the proposed rules;
(b) A proposed Order for Hearing;
(c) A proposed Notice of Hearing; and
(d) A statement of the estiminated length of the hearing.

2. On February 20, 1978, a Notice of Hearing and a copy of the proposed rules were published at 2 State Register 1518.

3. On February 16, 1978, the Securities Division mailed the Notice of Hearing to all persons and associations who had registered their name with the Secretary of State for the purpose of receiving such notice as well as to all members of the Minnesota Legislature.

4. On February 28, 1978, the Securities Division filed the following documents with the Hearing Examiner:

(a) The Order for Hearing;
(b) The Notice of Hearing as mailed;
(c) The Affidavit of Receipt of the Secretary of State's List;
(d) The Affidavit of Mailing;
(e) The Secretary of State's Certificate;
(f) The Statement of Need and Summary of Evidence;
(g) The names of agency personnel representing the agency and a list of witnesses available to testify.

The documents were available for inspection at the Office of Hearing Examiners from the date of filing to the date of hearing.

5. The record remained open through April 6, 1978, for the receipt of written comments and statements.

6. The Securities Division cites Minn. Stat. § 82.28 as statutory authority to adopt the proposed amendments and newly proposed rules relating to real estate. That statute reads as follows:

> The commissioner may promulgate such rules and regulations as are reasonably necessary to carry out and make effective the provisions and purposes of this chapter.

The Division cites Minn. Stat. § 80A.25, subd. 1 as statutory authority for adoption of the proposed amendments relating to securities. The statute reads as follows:

> The commissioner may from time to time make, amend and rescind such rules, forms and orders as are necessary to carry out the provisions of section 80A.01 to 80A.31, including but not limited to rules and forms governing the conduct of business by broker-dealers, agents and investment advisers, registration statements, applications, and reports, and defining any terms, whether or not used in section 80A.01 to 80A.31, insofar as the definitions are not inconsistent with the provisions of sections 80A.01 to 80A.31. For the purpose of rules and forms, the commissioner may classify securities, persons, and matters within his jurisdiction, and prescribe different requirements for different classes.

7. There also exists further specific authority for promulgation of the rules relating to real estate education. Minn. Stat. § 82.22, subd. 6, enacted by the 1977 legislature, requires that after July 1, 1978 an applicant for a real estate salesperson's license must complete 30 hours of instruction before taking the examination. Minn. Stat. § 82.22, subd. 6(c) provides as follows:

> The commissioner may approve courses of study in the real estate field offered in educational institutions of higher learning in this state or courses of study in the real estate field developed by and offered under the auspices of the National Association of Realtors, its affiliates, or private real estate schools licensed by the State Department of Education. The commissioner may by rule prescribe the curriculum and qualification of those employed as instructors.

Minn. Stat § 82.22, subd. 13, passed by the 1977 legislature mandates 45 hours of real estate education for all licensed real estate salespersons and brokers over a three year period. Minn. Stat. § 82.22, subd. 13(c) states:

> The Commissioner shall adopt rules defining the standards for course and instructor approval, and may adopt rules for the proper administration of this subdivision.

PROPOSED AMENDMENTS TO RULES GOVERNING REAL ESTATE BROKERS AND SALESPERSONS

8. Minn. Rule SDiv 1501(a) is proposed for amendment in order to provide a definition of overpayment which is needed to clarify that money submitted in error or for which a service is not rendered is to be refunded. At the hearing the Securities

Division pointed out that an existing sentence in the rule was inadvertently omitted from the rule as proposed. (See Ex. 9.) The amendment attracted no comment and is needed and reasonable.

9. Proposed Minn. Rule SDiv 1503(b) sets out the procedure to be followed in the event of cancellation of a salespersons's license for failure to complete required instruction and is needed and reasonable.

10. Proposed Minn. Rule SDiv 1503(c) sets out the criteria for waiver of the experience requirement in regard to a broker's examination. It is needed to provide a more uniform measure of qualifications in regard to waivers and to eliminate requests for waivers from those persons having experience or education in areas unrelated to real estate. The proposed rule drew no comments and is needed and reasonable.

11. Proposed Rule SDiv 1505(a)(4) is needed to govern the placing of trust funds in interest bearing accounts and improves upon the previous rule in that it specifies that disposition of the trust funds must be consented to in writing. At the hearing the Securities Division suggested that the language "all parties to the transaction" in the proposed rule be replaced by the words "the buyer and seller" in order to clarify the intent of the rule. So amended the rule is needed and reasonable.

12. Minn. Rule SDiv 1506(a)(3) has been proposed for amendment by addition of a sentence which attempts to clarify the broker's duties upon receipt of a check from the buyer and provides that he shall deposit this check not later than the next business day after receipt. The rule is needed to clarify the meaning of the term "forthwith" in Minn. Stat. § 82.24. The rules currently provide no guidance as to the meaning of that term. While the addition of such language is needed and reasonable, the placement of the language does not add to the clarity of the rule. It is recommended that the following language

be inserted following the word "buyer" in the very first sentence of subd. 3:

> shall be deposited into the listing broker's trust account not later than the next business day after delivery of the check to the broker except that the check

13. Minn. Rule SDiv 1508(b), dealing with fraudulent, deceptive or dishonest practices, is proposed to be amended by the addition of two subsections. The first, (qq), makes it a prohibited practice for an agent to fail to disclose any material information which is of the licensee's knowledge to a purchaser. At the hearing the Division proposed including the word "prospective" before the word "purchaser" in the proposed rule. The Division stated that since the public relies on a licensee as an expert the licensee should be required to disclose any knowledge he has of a material defect in the property since not to do so would be deceptive. Insertion of the word prospective was proposed since the licensee would be dealing with a prospective purchaser prior to closing the sale.

14. Roger Sax criticized the proposed rule on the grounds that the phrase "material information" is too vague and might include any type of fact concerning the house. (T. 78-79) Mr. Sax also commented that the word "prospective" should not be added to the proposed rule since the rule should apply only when someone has actually purchased the property in question. (T. 80)

15. The phrase "any material information" was also criticized by William D. Foster who stated that it might lead some agents to have the belief that they need disclose information which a seller may have told them in confidence, such as a need to sell his property very quickly. Foster points out that Minnesota case law provides that the broker is the agent of the seller and that he must act solely for the seller's interest and not for his own or another's benefit. Kingsley v. Wheeler, 95 Minn. 360, 104 N.W. 543 (1905), Klawitter v. Billick,

242 N.W. 2nd 588 (1976). Foster stated that the proposed rule may well interfere with the agent-seller relationship by requiring the agent to represent the purchaser at least to some degree. (Ex. Z, T. 162-168) Foster states that Minnesota case law currently does not place an affirmative disclosure obligation upon the agent to disclose all material information within the agent's knowledge to a prospective purchaser. Foster suggested that the proposed rule be rewritten as follows:

> Failing to disclose to a prospective purchaser all material facts pertaining to the property, of which the agent is aware, which would adversely and significantly affect the purchaser's use or enjoyment of the property.

The Securities Division responded by recommending in its posthearing comments that Mr. Foster's proposed language be adopted except that the word "prospective" be deleted. So amended the proposed rule is needed and reasonable and does not represent a substantial change from the rule as originally proposed.

16. The Securities Division also proposed to add subsection (rr) to Minn. Rule SDiv 1508(b) which would require licensees to report any change of information contained in the license application. The rule is needed so that the Division has current information should it be needed for investigative purposes. The rule is reasonable.

17. Minn. Rule SDiv 1509(a)(1)(ee) is proposed for amendment to more broadly state the prohibition contained in the rule. The present section is limited to the use of tradenames and insignia while the proposed rule would also apply to the use of a similar name which could deceive the public. The rule is needed and reasonable.

18. At the hearing, the Securities Division withdrew proposed rules Minn. Rule SDiv 1509(a)(1)(qq)(ss)(tt) and (uu).

19. Minn. Rule SDiv 1509(a)(1)(rr) is a new proposed rule which requires an agent to present any written offer to

the owner within a reasonable period of time. The Division states it has received numerous complaints suggesting that in many cases only those written offers which are of most benefit to a seller or his agent are presented to the seller. The proposed rule requires the licensee to assure that all written offers are given equally fair treatment. The rule is needed and reasonable.

AMENDMENTS AND NEW RULES RELATING TO THE INITIAL 90 HOURS OF REAL ESTATE EDUCATION

20. Proposed Minn. Rule SDiv 1511(a)(1) sets out the requirements for the 90 hour course of study in real estate and divides the course of study into three 30 classroom hour courses. The rule is needed to increase the number of hours to 90 consistent with the statutory change and to set out the deadline within which the examination must be taken after completion of the first 30 hour course. One agent commented that the 30 hours of education before licensing should be geared to preparing a person to take the examination. (T. 92-93) The Division replied that it was intended that the first 30 hours be designed to impart substantive knowledge rather than being used as a "cram course" for the examination. (T. 98) Another speaker suggested that a person should be able to start with a more difficult course if he was qualified to do so. (T. 112-113) The Securities Division pointed out that a waiver can be granted. (T. 113) At the hearing the Securities Division suggested that the last sentence of Minn. Rule SDiv 1511(a)(1)(bb) be deleted since it was duplicative. (T. 23) With the deletion the rule is needed and reasonable as proposed.

21. Proposed Minn. Rule SDiv 1511(a)(2) and (3) deal with extensions and waivers and are needed so that the commissioner may extend the time period for extensions and waive mandatory classroom attendance upon an appropriate showing of hardship. The rules drew no comment and are reasonable.

22. Proposed Minn. SDiv 1511(b) amends the existing rule governing curriculum to 90 hours, changes course titles, and adds some new subjects. Marketing courses are deleted based on the belief that the state should not be involved in courses regarding sales techniques or marketing features. At the hearing the Securities Division proposed that all of the material on Page 6 of the Rules as proposed and consisting of a portion of the material listed under optional subjects should properly be presented as follows in order to reflect the fact that many of the subjects were retained:

OPTIONAL SUBJECTS

Property Management	3 hours maximum
Advertising	3 hours maximum
Trade-Ins & Exchanges	3 hours maximum
Farm Brokerage	3 hours maximum
Land Planning and Development	3 hours maximum
Resorts Brokerage	3 hours maximum
Insurance	3 hours maximum
Advanced Construction	3 hours maximum
Urban Renewal	3 hours maximum
Economics	3 hours maximum
Shopping Centers	3 hours maximum
Industrials	3 hours maximum
Guaranteed Sales Plans	3 hours maximum
Advanced Financing	3 hours maximum
Business Brokerage	3 hours maximum
Communication	3 hours maximum
Real Estate Marketing	3 hours maximum

*The content matter of this subject may be selected from the following optional subjects:

Farm Brokerage
Business Brokerage
Resort Brokerage
Industrials

The Commissioner of Securities will consider for approval courses for the third thirty (30) hours of educational requirements based on:

At the hearing one speaker suggested that the subject of commercial property brokerage be added to the list of optional subjects. (T. 61) The Securities Division concurred in this suggestion. (Ex. 10)

23. Proposed SDiv 1511(b)(1) is needed to provide explicitly that the commissioner may approve AVTI courses. Subsection (b)(2) deals with exclusions and is needed to set out those courses which will not be approved. At the hearing the

Securities Division proposed deleting the word "advertising" from the proposed rule since this was inadvertently included. Some concern was expressed at the hearing that certain courses at the Realtors National Marketing Institute (RNMI) dealing with sales practices and motivation might to some degree be in conflict with this rule. The amendments to Minn. Rule SDiv 1511(b) are, however, needed and reasonable.

24. Proposed Minn. SDiv 1511(e) is an amendment of the rule dealing with student textbooks and upgrades the type of text which is required for the first two courses since the outlines used in some courses have been inadequate. The rule is needed and reasonable.

25. Minn. SDiv 1511(f), dealing with fees, was proposed for amendment by adding a sentence which requires itemization of additional fees charged for supplies and materials. A number of comments at the hearing and subsequent thereto were directed at the portion of the rule which was not proposed for amendment, which provides that tuition of $75 or less for a 30 hour course is presumed to be reasonable, and any fee in excess of that must be justified to the Commissioner. The American Real Estate Schools, (T. 137-139), Security Schools, Inc., (Ex. GG), and the Institute of Real Estate Management (Ex. Y), and others (Ex. CC) urge that this presumption of reasonableness be deleted. In response, the Division suggested in its written comments that the $75 maximum on fees was no longer needed and could be deleted. However, since the matter of the presumptively reasonable fee was not proposed for amendment in the Notice of Hearing, the commissioner is unable to modify this provision in the course of this rule hearing procedure. Any attempt to do so would be a substantial change. The rule as proposed is needed and reasonable.

26. Minn. Rule SDiv 1511(g) is proposed for amendment by adding language which makes it plain that the examination must be written and that the criteria are to be developed by

each school. The proposed amendment is needed and reasonable. However, the commissioner may wish to consider deleting the first sentence of the amendment and simply inserting the word "written" before the word "examination" in the existing rule.

27. Minn. Rule SDiv 1511(h) sets out certain additional items which are to be submitted with the application for approval of a course. Each item is needed for the commissioner to properly evaluate the course and the rule as proposed is reasonable.

28. Minn. Rule SDiv 1511(i) regarding advertising is amended to provide an exemption for courses offered on a national basis where it would be unreasonable to expect the literature, which may be already printed, to contain the language specified in the rule concerning approval by the commissioner. The amendment is needed and reasonable.

29. The amendments to Minn. Rule SDiv 1511(k) and (l) merely add a cite to a form and change the 60 hour figure to 90 hours. The changes are needed and reasonable.

30. Minn. Rule SDiv 1511(m) is amended to shorten the time period within which a school must notify the licensing section of completion of a course and specifies subjects required on the form reporting course completion. The amendment also requires schools to maintain records of completion of courses for a minimum of three years. These amendments are needed for effective functioning of the real estate education program and are reasonable.

31. Minn. Rule SDiv 1511(n) dealing with facilities was proposed for amendment by adding a sentence prohibiting the presentation of approved courses in real estate brokerage offices. Rule SDiv 1511(o) dealing with conflict of interest was amended by adding the phrase "or franchise" at the end of the rule. The rule prohibits approved courses being affiliated with any real estate firm or company. At the hearing the

Securities Division suggested that the words "real estate" be inserted before the word "franchise" in the rule. These two proposed amendments have a counterpart in proposed Rule SDiv 1512 at (b)(1) dealing with continuing education which also provides that no course may be affiliated with any real estate firm, company or franchise nor presented in any office of a real estate company, firm or franchise.

32. These three rules drew the most comment during this rule hearing procedure. In regard to the conflict of interest provisions the Securities Division believes that there is a conflict of interest since real estate firms or franchisors would be hesitant to fail any person licensed to that firm or to fail a franchisee. It was pointed out that in the case of prelicensing training, real estate firms used such training as a recruitment and selection tool (T. 93-98; 143-146) and that in the case of continuing education it was unlikely that a real estate firm would fail one of their agents, especially if he was a good producer of business. (T. 56-59; 143-146) It was suggested that these factors make inhouse continuing education incompatible with sound educational practices. It was pointed out that professional educators are more likely to have an unbiased interest in the education of agents and that full-time schools are better able to retain records for lengthy periods of time. (T. 121,131) Two speakers pointed out that allowing large firms to conduct courses was unfair to the smaller broker. (T. 102,104) Harold Miller, the Dean of Continuing Education and Extension at the University of Minnesota, felt that the rule as proposed would encourage higher education institutions to become involved in real estate education and would result in an improvement of programs. (T. 56-59) The Minnesota Real Estate Education Association supported a strong rule on conflict of interest but also supported a definition of affiliation being included in the rules. (Ex. EE) One school suggested that

affiliation be defined so as to include schools which share profits with real estate firms, schools which are backed by officers or directors of a firm, and schools which are organized by a broker for purposes of recruitment. (Ex. GG)

33. One broker believed that real estate firms should be able to hold courses and that there would be no conflict of interest if a standard text and a standard test were used. (T. 93-98) Some concern was expressed that the rule as phrased would prevent professional real estate associations such as the Minnesota Association of Realtors, the Institute of Real Estate Management, or RMNI from having their courses approved. (T. 176-183; Ex. Y, p.2; T. 75-77) Century 21 and Realty World, both franchisors, stated that they believed that their training facilities in Minnesota should be available for use for continuing education programs even though they would not be able to teach courses themselves. (T. 169-174; 176-183).

34. After reviewing the testimony in this matter the Securities Division stated that it believes that allowing courses in the 30/60/90 hour sequence to be operated in real estate brokerage offices would lead to the courses simply becoming tools of recruiting by brokers who own the facilities. This recruiting would occur, according to the Division, in a period in the careers of individuals when they do not have the information necessary to make a reasoned decision as to future employment. The Division therefore supports SDiv 1511(n) as originally proposed. (While supporting a change in the similar provision in SDiv 1512(b)(1)(dd), however.) Based upon the record the amendment to SDiv 1511(n) is needed and reasonable.

35. Based upon the testimony the Securities Division commented in its written submission that the amendment to 1511(o) does not adequately deal with conflict of interest problems. The Division suggested that the following language, which is used by the State of Virginia, be substituted for all of SDiv 1511(o):

A course will not be approved if it is offered by an individual, firm or business organization, the primary income of which is derived from the real estate brokerage business.

The Division believes that the above language would minimize the conflict of interest problem yet allow private industry to offer courses which will be approved by the commissioner. It would also appear to solve some of the concerns regarding courses taught by professional associations. Based upon the record herein the proposed substitution is needed and reasonable and would not be a substantial change.

36. Minn. Rule SDiv (1511(p) and (q) are amended in order to clarify the authority of the Commissioner to terminate approval status of the course offering and to permit auditing of courses by the commissioner in order to evaluate the courses. Both amendments are needed and reasonable.

37. Proposed Rule SDiv 1511(r) sets up a method of course evaluation so that it may be determined whether approved courses are accomplishing their objectives and to identify strengths and weaknesses in the courses. This rule is needed and reasonable.

38. Proposed Rule SDiv 1511(s) which set a maximum on the class enrollment, was withdrawn by the Securities Division at the hearing. Two comments expressed disappointment that the rule was withdrawn and stated that a maximum on enrollment was an important component of proper education. (T. 190, Ex. GG, p. 2) Once having withdrawn the rule, however, the commissioner may not subsquently adopt it.

39. Forms C, H, K, M, and R, which are applications for instructors, courses, an annual report, course certification, and an evaluation form, are included with the rules. They are needed to properly implement the education program and are reasonable.

NEW RULES CONCERNING CONTINUING REAL ESTATE EDUCATION

40. General support for the concept and implementation of continuing education for real estate salespersons and brokers

was expressed by a number of persons and associations at the hearing including the Minnesota Real Estate Education Association (T. 64-61); the Minnesota Association of Realtors (Ex. D); The American Real Estate Schools (T. 147); and others (T. 55, 60, 90, Ex. C).

41. Proposed Minn. SDiv 1512(a) is introductory in nature and cites the relevant statutory provision. It is needed and reasonable.

42. Proposed Minn. Rule SDiv 1512(b) deals with curriculum. At the hearing the Securities Division suggested that the language "approved courses I, II and III" immediately following the first sentence in the initial paragraph of the proposed rule be deleted and that all parantheses be removed from the paragraph as a matter of form.

Two attorneys commented that this rule should specifically provide that legal education credits should satisfy the requirements of the rule (Ex. E) or that attorneys ought to be exempted as long as they comply with their legal continuing education requirements. (Ex. A) The Division replied that the language of this rule allows legal education courses to count for credit under the rule as long as they are related to real estate. (Ex. E, T. 159) Lee T. Peterson pointed out that, as a matter of drafting, the first sentence of 1512(b) does not in fact relate to curriculum. Mr. Peterson also commented that the second sentence is confusing and that some persons reading the rule may perceive a conflict between that sentence and 1512(b)(1)(aa). (Ex. B, 2)

Minn. Rule SDiv 1512(b)(1) sets out the course offerings which will not be considered for approval. It should be pointed out that as a matter of form there should not be a number (1) unless there is also a number (2). One person commented that for purposes of consistency the word "advertising" should be deleted from 1512(h)(1)(bb), and the Securities Division agree that this was proper. (T. 139) Minn. Rule SDiv 1512(b)(1)(dd) sets out the conflict of interest provision which has been dis-

cussed previously at Findings of Fact No. 31-35. Based upon the record, the Securities Division proposed in its posthearing comments that this rule be replaced by the following language:

> A course will not be approved if offered by an individual, firm, or a business organization, the primary income of which is derived from the real estate brokerage business.

43. The Securities Division commented that such a rule would allow private individuals who are brokers to offer courses, yet would somewhat eliminate the conflict of interest inherent in such a situation. The Division stated that it recognized that real estate brokerage firms may have quality classroom facilities and they should be allowed to use these offices for continuing education courses assuming the facilities are adequate. The Division stated that it does not feel that the potential for recruitment would exist in the continuing education program for students who will have had at least one year of experience in the real estate business. (Ex. 10, p. 2) Based upon the record herein SDiv 1511(b) as amended by the Securities Division both at the hearing and in its posthearing comments is needed and reasonable.

44. Proposed Minn. Rule SDiv 1512(c) sets out the criteria for continuing education approval. The Division proposed a number of changes in this section at the hearing. The Division suggested that the word "approve" be replaced by the phrase "consider approval of" in the first paragraph of this subsection. The Division also suggested that the phrase "or administrator" be deleted from Minn. Rule SDiv 1512(c)(5).

45. Minn. Rule SDiv 1512(c)(1), (2) and (3) set the time limits for an offering and govern attendance and records. Mr. Peterson suggested that the entity be required to certify attendance through a written list. He also stated that records should be kept for a minimum of four years since licensees are required to report every three years. (Ex. B, 3) These subsections

are needed to administer the program and are reasonable as proposed.

46. At the hearing the Securities Division proposed to change the word "may" to "shall" in SDiv 1512(c)(4)(aa) and to delete all except the first sentence of 1512(c)(4)(bb). The effect of this deletion is to delete any requirement for an examination and to allow credit to be earned solely on the basis of attendance. A number of speakers and commenters including the Minnesota Real Estate Education Association (Ex. EE, 4) and the Minnesota Chapter of the American Institute of Real Estate Appraisers, and others, (Ex. BB, p. 1, Ex. GG, p. 2, T. 66, 129, 140, 161 and 191) expressed the belief that testing by examination was necessary and expressed disappointment at the deletion of this provision by the Securities Division. Once a withdrawal of a rule is announced, however, it can no longer be considered in the course of a rule hearing procedure since those who assume the rule is withdrawn would no longer have reason to follow the rule hearing procedure and would not have notice of any further consideration of the rule. In order to adopt an examination provision, the Division will have to initiate a new rule hearing procedure.

47. At the hearing the Division also stated that the language "(Form C under SDiv 11.)" should be replaced by the language "Form C under SDiv 1511.)" With the amendments and deletions announced by the Securities Division, the proposed Rule SDiv 1512(c) is needed and reasonable.

48. Proposed Rule SDiv 1512(d) governs the content of the application for approval of offerings. The items requested are needed to add uniformity, organization and clarity in the application for approval and will make it easier to understand the full scope of the course for evaluation purposes and to provide information to licensees regarding real estate education. One comment observed that the rule set no deadline for approval of offerings, and for action by the commissioner

on other items, and suggested that a rule be included to require a written response by the commissioner setting forth his reasons within a specified period of time. (Ex. B, 3) SDiv 1512(d) is needed and reasonable as proposed.

49. Proposed Rule SDiv 1512(e) requires the coordinator to notify the commissioner of any material changes in an application for approval and is necessary so that the commissioner may inform licensees of any change in programs. It is reasonable.

50. SDiv 1512(f) permits a request for approval of a course subsquent to the course offering and is needed and reasonable. It should be noted that this subdivision lacks an introductory title.

51. Proposed SDIV 1512(g) permits the commissioner to deny, suspend or revoke approval of a course, coordinator, or instructor and is necessary to clarify the commissioner's authority to revoke approval of inadequate courses so that a standard of quality may be maintained in the continuing education programs. The rule received support at the hearing (T. 126) and is reasonable.

52. Proposed Rule 1512(h) prohibits credit for taking the same course more than once during any reporting period and is needed and reasonable.

53. Proposed Rule 1512(i) allows credit for preparation for teaching on the basis of two hours credit for each one hour of actual teaching. The Division believes that this rule will encourage licensees to participate in instruction. The Division stated that the credit for preparation time is limited since it is virtually impossible to monitor the actual amount of time spent in preparation. (T. 45) One attorney commented that the two hour limitation on preparation time was far too low and that credit should actually be given for all time spent in preparation as is the case for teaching continuing legal education. (Ex. E, X, p. 2) One school stated that the rule as proposed was reasonable. (Ex. GG, p. 3) and an association stated that credit for four to five hours preparation per actual

hour of teaching would be more reasonable (Ex. Y, p. 2).

54. The Division stated that a limitation is proposed because many courses are offered more than once and repetitive approval of such instruction would not educationally benefit the licensee. The Division also stated that the continuing legal education method was too liberal. (Ex. E) The Rule is needed and it cannot be said that the rule as proposed is unreasonable. However, the commissioner may wish to consider some modification based on the record herein.

55. Proposed Rule 1512(j) sets out the conditions for an extension where the licensee is prevented from completing his continuing education requirements and is needed to provide an exception in the case of hardship. It is reasonable.

56. Proposed SDiv 1512(k) and (l) provide for advertising and notice respectively and are needed for effective regulation of the continuing education program. No comments were addressed to the rules and they are needed and reasonable.

57. Proposed Rule SDiv 1512(m) mandates adequate facilities for courses. At the hearing the Securities Division suggested deletion of the final sentence of the proposed rule since this matter was dealt with in a prior rule. So amended the rule is needed and reasonable.

58. SDiv 1512(n) allows the Commissioner to audit courses and is necessary to monitor the quality of programs. It is reasonable.

59. Proposed Rule SDiv 1512(o) which governs maximum class size was withdrawn by the Securities Division at the hearing. A number of comments at the hearing (T. 130, 141, 190, 197) stated that a maximum enrollment is needed to insure quality education and expressed disappointment at the deletion of this provision. Written comments also indicated a belief that a maximum enrollment figure is needed (Ex. EE, p. 4; Ex. FF, Ex. GG, p. 2) One comment felt that the Securities Division had not shown a need for the rule. (Ex. B, p. 3-4)

Having withdrawn the rule, the commissioner must consider any promulgation concerning class size in a subsequent rule hearing procedure.

60. Proposed Rule SDIV 1512(p) requires submission of a form showing continuing education course attendance at the time of relicensure. One comment observed that under Minn. Stat. § 82.22, subd. 13(b), the first two classes of licenses will not be required to submit 45 hours during their initial education periods. (Ex. B, p. 1-2) Although the rule is needed and reasonable as proposed, the commissioner may wish to consider modification which specifically takes cognizance of the statutory language.

61. Form D, application for approval offering, Form D-11 appointment of attorney for service of process, Form I, affidavit of teaching in approved continuing real estate courses, and Form P, affidavit of attendance, were each submitted with the continuing education rules. They are needed to properly administer the program, drew no comments, and are needed and reasonable.

AMENDMENTS AND NEW RULES RELATED TO THE UNCLAIMED PROPERTY ACT

62. Proposed Rule SDiv 1513(a) provides that upon application or renewal of a real estate license the applicant must allege compliance with the unclaimed property statute contained in Ch. 345 of Minnesota Statutes which generally requires that unclaimed property or monies be turned over to the State of Minnesota for safekeeping. The Securities Division also proposes a similar requirement in regard to applications for a securities license or an investment advisor license by so amending Minn. Rule SDiv 2011(d). The same provision is made applicable to registrations upon applications by proposing new Rule SDiv 2138 and is applied to registration statements currently in effect by amending Minn. Rule SDiv 2027(a) by adding a number (20).

63. The Securities Division suggests that the proposed rules will aid in the enforcement of the unclaimed property act which has been largely unenforced in the past. The rules were supported by the director of the unclaimed property division within the State Treasurer's Office. (Ex. 8) The Division proposes to provide each applicant with a written explanation of the requirements of Ch. 345. The amendments are needed and reasonable.

64. It should be noted that the proposed rules are not consistent with the State Register numbering system and that they should be renumbered and relettered accordingly before submission to the State Register.

Based upon the foregoing Findings of Fact, the Hearing Examiner makes the following:

CONCLUSIONS

1. That the Securities Division gave proper notice of the promulgation of the proposed rules.

2. That the Securities Division has statutory authority to take the action proposed, towit, the promulgation and amendment of the proposed rules.

3. That the Securities Division has fulfilled all relevant, substantive and procedural requirements of law or rule. That the Securities Division has demonstrated the need for and reasonableness of the proposed rules and rule amendments by an affirmative presentation of facts in the record.

4. That the Securities Division is not precluded from and should not neglect to consider further modification of a proposed rule despite a finding of need and reasonableness by the Hearing Examiner, provided that the modification is not substantial and is based upon evidence contained in this rule-hearing record.

Based upon the foregoing conclusions, the Hearing Examiner makes the following:

RECOMMENDATION

It is recommended that the proposed rules be adopted by the Commissioner of Securities with attention given to the Findings of Fact herein.

Dated: April 28, 1978.

George Beck

GEORGE BECK
Hearing Examiner

- NOTICE -

Pursuant to Minn. Stat. § 15.0412, subd. 4, this Report shall be available for review to all affected individuals upon request for at least five days.

The Commissioner of Securities shall, if he proposes to adopt the rules as originally proposed or amended, submit the complete hearing record, including his Findings and Order, to the Chief Hearing Examiner no earlier than five days subsequent to the receipt of this Report. This submission shall clearly indicate any changes made to the rules as originally proposed, preferably in the format that will be submitted to the State Register for publication. The Chief Hearing Examiner shall complete his review and submit his report to the Commissioner of Securities on the issues of substantial changes in the rule and compliance with Minn. Stat. § 15.0412 within ten calendar days. Thereafter, the Commissioner shall be responsible for filing the rules with the Attorney General and for notifying persons who have indicated that they wish to be notified of such filing.

Department of Commerce
Securities Division
Proposed Rules for Real Estate Brokers
and Salespersons and the Securities Act

SDiv 1501 (M.S. 82.21) (a) Overpayment of ~~License~~ Fees. "Overpayment" shall mean any payment of monies in excess of a statutory fee or for an examination or license for which a person does not qualify.

SDiv 1503 (M.S. 82.22)

(b) Cancellation of a salesperson's license. A salesperson's license which has been cancelled for failure of a salesperson to complete required instruction must be returned to the commissioner by the salesperson's broker within ten days of notice of cancellation. Such license may be reinstated without re-examination by completing the required instruction and filing an application and fee for a salesperson's license within one year of the cancellation date.

(c) Waivers. The commissioner may waive the real estate licensing experience requirement for the broker's examination.

(1) Qualifications. An applicant for a waiver shall provide evidence of either:

(aa) successful completion of a minimum of ninety (90) quarter credits or two hundred and seventy (270) classroom hours of real estate related studies, or

(bb) a minimum of five (5) consecutive years of practical experience in real estate related areas, or

(cc) successful completion of thirty (30) credits or ninety (90) classroom hours and three (3) consecutive years of practical experience in real estate related areas.

(2) Requests. A request for a waiver shall be submitted to the commissioner in writing and be accompanied by such documents as necessary to evidence qualification as set forth in (1).

SDiv 1505 (M.S. 82.24) (a) Trust Funds.

~~(4)--Trust-funds-which-are-subject-to-Minnesota-Laws-1973,-Chapter 561,-relating-to-security-deposits,-may-be-placed-by-the-broker-in-an interest-bearing-account-or-certificate-of-deposit,-provided-all parties-to-a-transaction-consent-to-such-account-or-certificate.~~

(4) Trust funds may be placed by the broker in an interest-bearing account or certificate of deposit, provided all parties to the transaction consent in writing to such account or deposit and to the disposition of such trust funds.

SDiv 1506 (M.S. 82.24) (a) Trust Account Records.

(3) A check received from the potential buyer may be held by the listing broker until acceptance or rejection of the offer if:

(aa) the check by its terms is not negotiable by the broker or if the potential buyer has given written instructions that the check shall not be deposited nor cashed until acceptance or shall be immediately returned if the offer is rejected, and;

(bb) the potential seller is informed that the check is being so held before or at the time the offer is presented to him for acceptance.

If the offer is accepted, the check shall be deposited in a neutral escrow depository or the trust fund account of the listing broker not later than the next business day following acceptance of the offer unless said broker has received written authorization from all parties to the transaction to continue to hold the check. If the offer is rejected, the check shall be returned to the potential buyer not later than the next business day after rejection. If no such written instructions to hold a check exist, such check shall be deposited not later than the next business day after delivery of such check into the listing broker's trust account.

SDiv 1508 (M.S. 82.27) (b) Fraudulent, Deceptive or Dishonest Practices.

The methods, acts or practices set forth herein shall be presumed fraudulent, deceptive or dishonest when engaged in by a real estate broker or salesperson and shall constitute grounds for denial, suspension or revocation of the license of such person, or censure of said licensee:

(qq) Failing to disclose any material information which is of the licensee's knowledge to a purchaser.

(rr) Failing within a reasonable time to notify the commissioner of any change of information contained in a license application on file with the commissioner.

SDiv 1509 (M.S. 82.27) (a) Standards of Conduct.

(1) The methods, acts, or practices set forth herein shall be standards of conduct governing the activities of real estate brokers and salespersons under this chapter. The failure to comply with said standards shall constitute grounds for denial, suspension or revocation of the license of such person, or censure of said licensee. Licensees shall:

~~(ee)--Not-use-any-tradename-or-insignia-of-membership-in-any organization-in-which-said-licensee-is-not-a-member;~~

(ee) Not represent membership in any organization in which said licensee is not a member;

(qq) Not misrepresent the nature and amount of any taxes and/or assessments to a party in any transaction. Any representations by a licensee regarding taxes and/or assessments must be in writing and furnished to all parties of the transaction;

(rr) Not fail to present any written offer to purchase to the owner within a reasonable period of time;

(ss) Clearly identify said licensee's business is independently owned and operated, if applicable, on all real estate documents and advertising, excepting one inch classified ads;

(tt) Knowingly providing a buyer any information which misstates any tax liabilities of the seller or the property, or potential tax liabilities of the buyer;

(uu) Knowingly providing a buyer any information which indicates that the seller has been misrepresenting records to decrease tax liabilities.

SDiv 1511 (M.S. 82.22) Real Estate Education.

(a) Approval. A course of study in the real estate field will be approved by the Commissioner of Securities, pursuant to Minn. Stat. Section 82.22, Subdivision 6, upon compliance with the following requirements.

(1) REQUIREMENTS. (aa) The 90 hour course of study in real estate prescribed by Minnesota Statutes, Section 82.22, Subd. 6, shall consist of three (3) thirty classroom hour courses (Course I, Course II and III). Each applicant or salesperson shall be required to complete all courses successfully. Courses I, II and III must be taken in sequence and may not be taken concurrently. Applicants who elect to successfully complete an approved course of real estate education while not licensed may receive credit for such education if a real estate salesperson's license is obtained within one year after the successful completion date of the course.

(bb) Applicants will have one year from the successful completion date of the course to successfully complete the salesperson's examination. After this date, credit for Course I will expire and successful completion of the first thirty (30) hour course must be repeated before applying for the salesperson's examination. Every salesperson licensed after July 1, 1978, shall within one year of the date the license was first issued, be required to successfully complete Courses II and III. Courses II and III must be taken in sequence and may not be taken concurrently. Applicants who elect to successfully complete Courses II and III while not licensed may receive credit for such education if a real estate salesperson's license is obtained within one (1) year after the successful completion date of Course I.

(2) EXTENSIONS. Upon appropriate showing of hardship, the commissioner may extend the time period during which the post-licensing real estate instruction must be successfully completed. A request for an extension shall be submitted in writing to the commissioner no later than forty-five (45) days prior to the date of license cancellation. The request shall include: 1) an explanation and verification of hardship, and 2) verification of enrollment in an approved course of study and the dates during which the course will be held. Loss of income resulting from the cancellation of a license is not an acceptable hardship.

(3) WAIVERS. Upon appropriate showing of hardship, the commissioner may waive mandatory classroom attendance for post-licensing education. A request for a waiver shall be submitted in writing to the commissioner at least six (6) months prior to the date of cancellation and shall include: 1) an explanation and verification of hardship, and 2) verification of enrollment in approved independent study.

(b) CURRICULUM. ~~The 60 hour course of study in real estate prescribed by Minnesota Statutes 1974, Section 82.22, Subd. 6 shall consist of two (2) thirty hour courses. Each salesperson shall be required to complete both courses successfully. The first thirty (30) hour course, or Course I, must be successfully completed before the second thirty (30) hour course, or Course II. They may not be taken concurrently.~~ The curriculum for the ~~sixty (60)~~ ninety (90) hour course of study shall be as follows:

COURSE I (30 HOURS)

"FUNDAMENTALS OF REAL ESTATE"

Real Estate Fundamentals and Professional Standards	3 hours
Real Estate Marketing	3 hours
Real Estate Financing	3 hours
Residential Market Evaluation	3 hours
Legal Aspects (Contracts)	4 hours
Closing (Mechanics of)	3 hours
Construction	3 hours
Zoning	2 hours
Discrimination in Housing	1 hour
Real Estate License Law & Subdivided Land Act	2 hours
Mathematics	3 hours
	30 hours

COURSE II (30 HOURS)

"ADVANCED FUNDAMENTALS OF REAL ESTATE"

~~Advanced-Marketing.....3-hours~~
~~Advanced-Appraising.....3-hours~~
~~Advanced-Legal-Aspects.....3-hours~~
~~Taxation.....3-hours~~
~~Selling-Investment-Property.....3-hours~~
~~Communications.....3-hours~~
~~Condominiums,-Townhouses-&-Cooperatives.....2-hours~~
~~Application-of-Securities-Laws-to-Real-Estate.....1-hour~~
~~Optionals.....9-hours~~

~~30-hours~~

Law (2 hours) - Deeds (Types, Characteristics, Validity) and Current Update on State and Federal Real Estate Laws (1 hour)	3 hours
Advanced Legal Contracts (Listing, Purchase and Leasing Agreements)	4 hours
Real Estate Taxation	3 hours
Introduction to Investment Property	3 hours
Real Estate Management - Landlord/Tenant Relationship and Leases	3 hours
Land Development	3 hours
Condominiums, Cooperatives and Townhouses	2 hours
Introduction to Appraising	3 hours
Minnesota Real Estate Security Law	1 hour
*Introduction of Major Specialty Brokerages	2 hours
Choice of Optional Hours	3 hours
	30 hours

OPTIONAL SUBJECTS

~~Property-Management.....3-hours-maximum~~
~~Advertising---Public-Relations.....3-hours-maximum~~
~~Trade-Ins-&-Exchanges.....3-hours-maximum~~
~~Farm-Brokerage.....3-hours-maximum~~
~~Land-Planning-and-Development.....3-hours-maximum~~
~~Resorts-Brokerage.....3-hours-maximum~~
~~Insurance.....3-hours-maximum~~
~~Advanced-Construction.....3-hours-maximum~~
~~Urban-Renewal.....3-hours-maximum~~
~~Economies.....3-hours-maximum~~
~~Shopping-Centers.....3-hours-maximum~~
~~Industrials.....3-hours-maximum~~
~~Guaranteed-Sales-Plans.....3-hours-maximum~~
~~Advanced-Financing.....3-hours-maximum~~
~~Professional-Standards.....3-hours-maximum~~
~~Business-Brokerage.....3-hours-maximum~~

Business Brokerage.....3 hours maximum
Advertising.....3 hours maximum
Communication.....3 hours maximum
Guaranteed Sales Plan.....3 hours maximum
Trade-Ins - Exchanges.....3 hours maximum
Farm Brokerage.....3 hours maximum
Resort Brokerage.....3 hours maximum
Insurance.....3 hours maximum
Economics.....3 hours maximum
Property Management.....3 hours maximum
Shopping Centers.....3 hours maximum
Industrials.....3 hours maximum
Land Planning and Development.....3 hours maximum
Advanced Financing.....3 hours maximum
Real Estate Marketing.....3 hours maximum
Advanced Construction.....3 hours maximum

*The content matter of this subject may be selected from the following optional subjects:

Farm Brokerage
Business Brokerage
Resort Brokerage
Industrials

The Commissioner of Securities will consider for approval courses for the third thirty (30) hours of educational requirements based on:

Function and Operation of Calculators and Computers
Government in Real Estate
Finance
Real Estate Law
Real Estate Appraisal
Real Estate Investment
Property Management
Mathematics of Real Estate
Residential Real Estate
Principal Agency Relationships
Farm and Ranch Real Estate
Industrial and Commercial Property
Taxation
Real Estate Securities and Syndication
Estate Building and Portfolio Management
Real Estate Brokerage Administration
Economics
Business Brokerage
Resort Brokerage
Land Planning and Development
Urban Renewal
Closing Techniques and Procedures
Advanced Construction
Exchanging Relating to Real Estate

(1) The Commissioner may approve courses of study in the real estate field offered in an Area Vocational-Technical Institute.

(2) EXCLUSIONS. The following course offerings will not be acceptable by the Commissioner of Securities as meeting the third thirty (30) hours of real estate education: Courses of instruction designed to prepare a student for passing the State real estate broker or salesperson examination. Offerings in mechanical office and business skills such as typing, speed-reading, memory improvement, language report writing, advertising, personal motivation, salesmanship and sales psychology.

The subjects of "Real Estate License Law and Subdivided Land Act" and "Application of Securities Laws to Real Estate" shall be instructed by the Commissioner or his designee. ~~The optional subjects listed above may be offered in either Course I or Course II, but may not be offered in both. One recommended outline for each of the subjects listed in Course I, Course II or as an optional subject will be furnished to a bona fide applicant at no cost.~~

~~(e) STUDENT NOTEBOOKS. Each student attending an approved real estate course shall receive, at a minimum, a notebook containing an outline of each subject to be covered at the beginning of the course. In the event a course of study has an approved textbook required for the course, a student notebook shall be optional.~~

(e) STUDENT TEXTBOOK. Each student attending an approved real estate course I and II shall be required, at minimum, to have a textbook(s) cross-referencing the course subjects to the textbook(s). Each student attending an approved real estate course III shall have at a minimum, a notebook containing thorough outlines on each subject, or a required textbook(s) cross-referencing the course subjects to the textbook(s).

(f) FEES. The commissioner shall be informed in detail of all fees charged by each approved real estate course of study. A fee or tuition of $75.00 or less for a thirty (30) hour course shall be presumed as reasonable. Any fee in excess of that must be justified to the Commissioner. Additional fees charged for supplies and materials or books needed in course work shall be itemized by the school and the materials shall upon payment become the property of the student.

(g) EXAMINATIONS. Each student must successfully complete an examination before credit will be given to completion of a thirty (30) hour course or segment. Passing a written examination shall be the measurement of successful completion of a course. The criteria for passing of an examination may be developed by each school based on each school's educational concept.

(h) APPLICATION FOR APPROVAL. (Form H.) Any person seeking initial approval from the Commissioner of a real estate course of study shall submit the following:

(2) ~~Course of curriculum with outlines of each subject.~~

The name and author of the required textbook for Course I and II.

(4) Copy of student notebook. containing comprehensive outlines for Course III, or the name and author of the required textbook.

(5) ~~Copy of the examination.~~ Copies of examinations for all courses complete with questions and answers must be submitted prior to their use.

(9) If applicable, proof of being registered and approved to legally do business in the State of Minnesota.

(10) If applicable, proof of licensure or exemption from Minnesota Statute, Chapter 141.

(i) ADVERTISING. No advertisement, pamphlet, circular or other advertising material pertaining to an approved course of study may be circulated or distributed unless it is first approved by the Commissioner. All such advertisements, pamphlets, circulars, etc. shall contain the following language prominently displayed on the front:

"THIS COURSE HAS BEEN APPROVED BY THE COMMISSIONER OF SECURITIES PURSUANT TO MINN. STAT., SECTION 82.22."

The preceding language need not be prominently displayed on the front of any out-of-state Course III offering advertisements. However, it is the responsibility of the entity to show evidence of an approval letter from the Commissioner of Securities approving the course pursuant to the Minnesota Statutes, Section 82.22, Subdivision 6. This approval letter must be maintained in the entity's records evidencing that the course is approved.

(k) ANNUAL REPORT. (Form K.) Between January 1 and January 10 of each calendar year, every approved real estate course of study shall submit to the Commissioner the following information:

(1) NOTICE. At the beginning and end of each course or segment of the ~~sixty-(60)~~ ninety (90) hour course of study in real estate, it shall be the responsibility of the coordinator or his representative to read the following notice to the students:

"This thirty hour course of study in real estate is recognized by the Commissioner of Securities as applying in satisfaction of the educational requirements for real estate salespersons pursuant to the "Real Estate License Law". Since it is the concern of the Commissioner that students receive a quality education, the comments of each student would be appreciated. If you have any comments about this real estate course of study, your comments should be sent to the Commissioner of Securities, 500 Metro Square Building, St. Paul, Minnesota 55101."

(m) COURSE OF STUDY TO CERTIFY COMPLETION. Each course of study shall within ~~45~~ fourteen (14) days of the completion of a course, notify the Licensing Section of the Department of Commerce of the names and addresses of the students who took the course and the grade they received on the examination. Student names should be alphabetized, typewritten and double-spaced on Real Estate Education Certification Form M. Only passing grades of licensees or those who will be licensed within one year should be reported to the Licensing Section in a language or symbols that can be interpreted as a passing grade. Send the course certification Form M to: Real Estate Licensing Section, 500 Metro Square Building, St. Paul, Minnesota 55101.

(1) Each approved school shall maintain records of students successfully completing any course for a minimum of three years. In the event that a school should cease operation for any reason, the ownership shall be responsible for maintaining said records or providing a custodian for said records acceptable to the Commissioner of Securities. In no circumstances will the Commissioner of Securities take custody of such records. Custodians in order to be acceptable to the Commissioner of Securities must be notaries and agree to make copies of acknowledgments available to students at a fee in effect for duplicate transcripts at the time the school ceases operation.

(n) FACILITIES. Each course of study shall have such classrooms and such other facilities and supportive personnel as is necessary to adequately implement the programs. Courses operating under the approval of the Commissioner of Securities may not be presented in Real Estate Brokerage offices.

(o) CONFLICT OF INTEREST. No real estate course of study seeking approval pursuant to this rule may be affiliated with any real estate firm or company~~.~~ or franchise.

(p) ~~STUDENTS-NOT-LICENSED.--Students-who-successfully-complete-an approved-course-of-real-estate-education-while-not-licensed-may-receive credit-for-such-education-if-a-real-estate-salesperson's-license-is obtained-within-180-days-after-completion-of-the-course.~~ SUSPENSION, REVOCATION OR DENIAL OF COURSE APPROVAL. The Commissioner may deny, suspend or revoke approval of a real estate course offering coordinator or instructor if it is determined that they are not in compliance with the law and rules. If disciplinary action is taken a written order of suspension, revocation or denial of approval will be issued.

(q) ~~PENALTIES.--Failure-of-a-course-of-study-to-comply-with-the requirements-set-forth-herein-may-result-in-a-temporary-or-permanent loss-of-approval-from-the-Commissioner.~~ AUDITING. The Commissioner of Securities, or his designee, reserves the right to audit subject offerings.

(r) COURSE EVALUATION. The Course Coordinator is responsible for regular and consistent evaluation of the course and the instructor(s). The Coordinator shall implement an instructor evaluation form (Form R) for completion by the students which will be transmitted to the Commissioner of Securities in the following manner:

(1) Each time any school uses an instructor for the first time, along with the original student instructor evaluation forms, the Course Coordinator shall submit his or her evaluation of the instructor.

(2) Subsequent evaluations on instructors previously qualified shall be completed at the discretion of the Coordinator and should be used to measure any change in the quality of the instructor.

(3) Upon the receipt of a complaint, the Commissioner of Securities may request, and the Coordinator shall supply, additional student and Coordinator evaluations on specific individual instructors in question.

(s) CLASS OFFERINGS--ENROLLMENT. To insure that professional quality standards are met, each class shall have a maximum of fifty (50) students. However, if a lecture is given in a proper environment, the maximum shall be four hundred (400), provided that for each hour of lectures the student obtains one hour of classroom discussion with a maximum of fifty (50) students.

Form C

APPLICATION FOR REAL ESTATE INSTRUCTOR AND COORDINATOR APPROVAL
Pursuant to Minnesota Statutes, Section 82.22, Subdivisions 6 and 13.

Please Print or Type

1. Name _____

2. Present Address _____
(Street) (City) (State) (Zip Code)

3. Permanent Address _____
(Street) (City) (State) (Zip Code)

4. Education: Summary of all schooling, including education for subject you teach

Kind of School	Name of School	School Address (Street, City, State, Zip)	Number of Full Years' Attendance	Parts of Years in Months	Summer Sessions in Weeks	Dates of Attend-ance	Year of Graduation
High School or Academy							
Trade or Technical School							
College or University							

5. If a graduate of a 4-year college or university, indicate:
Major _____ Minor _____

6. PRACTICAL EXPERIENCE: If employed by same employer in more than one capacity indicate each capacity or job title separately as to dates and length of employment. (Or attach resume.)

EMPLOYER'S NAME	EMPLOYER'S ADDRESS (Street, City, State, Zip)	JOB TITLE OR CLASSIFICATION	LENGTH OF EMPLOYMENT YRS. MO'S.	DATES OF EMPLOYMENT FROM TO

7. TEACHING EXPERIENCE: Record of all teaching experience.

NAME OF SCHOOL	SCHOOL ADDRESS (Street, City, State, Zip)	SUBJECTS TAUGHT	NAME OF SUPERVISOR	NUMBER OF YEARS	DATES OF SERVICE

8. WHAT SUBJECTS WILL YOU TEACH IN THIS SCHOOL? _____

9. Give supplemental information on your current practical experience directly related to the subject you will teach in this course. (Use additional paper if required.)

_____

_____

_____

10. If approved as an Instructor for Real Estate Education would you be interested in teaching at other conveniently located schools?

_____ YES _____ NO

11. Have you ever had a real estate license, in this or any other State, denied, suspended, or revoked? _____ YES _____ NO (If yes, please explain.)

_____

_____

12. Have you ever had any other business or professional license, in this or any other State, denied, suspended, or revoked? _____ YES _____ NO

13. Have you ever been disbarred from the practice of law? _____ YES _____ NO

Date _____ Signature _____
Your name as you usually sign it.

To the Commissioner of Securities:

I expect to employ this applicant to teach a course in Real Estate. I have examined this applicant and am satisfied that the information provided by the applicant is true and correct.

Date _____ Signature _____
Real Estate Coordinator

_____
Name of School

Approved _____ Rejected _____ Date _____

Remarks _____

_____

By: _____

Position: _____

FORM H

APPLICATION FOR COURSE APPROVAL

Pursuant to Minnesota Statutes, Section 82.22, Subdivision 6,
Relating to Ninety (90) Hours Real Estate Education (H)

Please fill in the following:

Application for Course I II III (Circle One).

School Name _____

Location _____

Course Registration Telephone Number _____

Coordinator Name _____

Telephone Number _____

Address _____

Dates of Course Offerings _____

Location of Off-Campus Offerings _____

Location of On-Campus Offerings _____

Course Fee

Course I _____

Course II _____

Course III _____

Required Textbook

Course I _____

Course II _____

Course III (Optional) _____

Please Note:

If you will not be using a required textbook in Course III, submit, as an enclosure, a comprehensive outline that you would like to use in Course III. The Commissioner will examine your outline and notify you of his position.

Enclosures needed:

The following enclosures will be needed to enable the Commissioner of Securities to understand the full scope of your courses:

1) A list of your instructors, the subjects they will teach and their background resumes (use State resume forms - incomplete resumes will not be reviewed).

2) A copy of a comprehensive outline for Course III for courses not using a textbook.

3) A copy of the examinations complete with questions and answers for each course.

4) Copies of all advertising materials.

5) Written evidence that the school seeking approval, if applicable, is: a. registered and approved to legally do business in the State of Minnesota, b. that the school is in good standing with the Department of Education.

THE COORDINATOR OF EACH APPROVED REAL ESTATE COURSE OF STUDY SHALL IMMEDIATELY REPORT ANY CHANGES IN THE INFORMATION CONTAINED IN THE APPLICATION FOR APPROVAL OR THE EXHIBITS APPENDED THERETO. SUCH CHANGE SHALL BE DEEMED ACCEPTABLE BY THE COMMISSIONER IF NO ACTION HAS BEEN TAKEN AFTER FIFTEEN (15) DAYS FROM THE DATE RECEIVED BY THE COMMISSIONER.

As Coordinator of the above school seeking approval from the Commissioner of Securities to conduct the required Real Estate Education pursuant to Minnesota Statutes, SDiv. 1511 (82.22), I affirm that the following statements are true:

1) If applicable, the above school seeking approval is registered and approved to legally do business in the State of Minnesota.

2) If applicable, the above school seeking approval is in good standing with the Department of Education.

3) The above school seeking approval has not or will not become affiliated with, controlled by, or is a subsidiary of any real estate broker or real estate franchise licensed to do business in this State.

_____
Signature of Applicant

Please remit this application and all enclosures to:

Real Estate Education Coordinator
334 B.A. Tower, West Bank
University of Minnesota
Minneapolis, Minnesota 55455

FORM K

ANNUAL REPORT

MINNESOTA REAL ESTATE EDUCATION

Pursuant to (L) of the Minnesota Real Estate Rules and Regulations SDiv. 1511 (82.22) course coordinators are required to submit by January 10, 1979 the following information to the Commissioner of Securities in care of the Real Estate Education Coordinator at the following address:

Coordinator, Real Estate Education
334 Business Administration Tower
University of Minnesota
Minneapolis, Minnesota 55455

(1) Indicate the number of times the course of study was offered in the preceding year.

Course I _____ Course II _____ Course III _____

(2) Identify the location of each offering.

_____

_____

(3) Indicate the number of students attending each offering.

Course I _____ Course II _____ Course III _____

(4) The number of students certified as successfully completing each offering.

Course I _____ Course II _____ Course III _____

5A Indicate the following information of the course of study.

Name of School _____
Address _____
_____
Registration telephone number _____

5B Indicate the course coordinator's:

Name _____
Address _____
_____
Telephone number _____

5C Indicate the upcoming year's courses, dates, fees and times.

COURSES	DATES	FEES	TIMES
I			
II			
III			
I			
II			
III			
I			
II			
III			
I			
II			
III			

FORM M

COURSE CERTIFICATION STATEMENT

rsuant to Minnesota Statutes, Section 82.22, Subdivision 6, Relating to Ninety (90) Hours Real Estate ucation (M)

rcle Course Number	Instructions	Send To:
I II III	Double Spaced Typewritten Names Listed Alphabetically	Real Estate Licensing Division

NAME	ADDRESS	COMPANY	GRADE	LICENSED	TO BE LICENSED WITHIN 1 YEAR

FORM R

STUDENT EVALUATION OF INSTRUCTOR AND COURSE CONTENT

Pursuant to Minnesota Statutes, Section 82.22, Subdivision 6,
Relating to Ninety (90) Hours Real Estate Education (R)

SUBJECT_____ DATE_____ INSTRUCTOR_____

DEAR STUDENT:

You have just attended a session in real estate recognized by the Commissioner of Securities as complying with the educational requirement for real estate salespersons pursuant to the REAL ESTATE LICENSE LAW. Since it is the concern of the Commissioner that students receive a quality education, an evaluation from each student is requested. Your constructive comments on the instructor, course content, and classroom environment will help us improve the quality of future offerings.

1. INSTRUCTOR

	Excellent	Good	Fair	Poor
Instructor's knowledge of the subject was:	( )	( )	( )	( )
The organization of material was:	( )	( )	( )	( )
The techniques in presenting the material were:	( )	( )	( )	( )
The quality of new ideas was:	( )	( )	( )	( )
The instructor's ability to answer questions was:	( )	( )	( )	( )
The instructor's enthusiasm for the subject was:	( )	( )	( )	( )
The relevancy of the examples given was:	( )	( )	( )	( )

	Yes	Somewhat	No
Was the instructor able to stimulate your interest?	( )	( )	( )
Will the instruction help you professionally?	( )	( )	( )
Would you want that instructor back?	( )	( )	( )

Other comments on how the instructor could improve this session are:

_____

_____

_____

2. COURSE CONTENT

Please check each of the following that most adequately describes your opinion:

Was the Course:	Yes	Some-what	No		Yes	Some-what	No
Up to your expectations?	( )	( )	( )	Too theoretical?	( )	( )	( )
Generally disappointing?	( )	( )	( )	Too long?	( )	( )	( )
Too sophisticated?	( )	( )	( )	Too fast paced?	( )	( )	( )
Understandable?	( )	( )	( )	Worth the price?	( )	( )	( )
Too short to cover material?	( )	( )	( )				

Other comments on how the material or presentation could be improved are:

_____

_____

_____

3. CLASSROOM ENVIRONMENT

	Yes	Some-what	No
Was the class presented in an atmosphere conducive to learning?	( )	( )	( )
Do you feel the course was well supervised and coordinated?	( )	( )	( )

4. STUDENT'S EXPERIENCE:

How long have you been in the real estate business? _____

SDIV 1512 (M.S. 82.22) CONTINUING EDUCATION

(a) APPROVAL. An offering of study in the real estate field will be approved by the Commissioner of Securities, pursuant to Minnesota Statutes, Section 82.22, Subdivision 13, upon compliance with the following requirements.

(b) CURRICULUM. All real estate salespersons not subject to, or who have completed the education requirements contained in Minnesota Statutes, Section 82.20, Subdivision 6, and all real estate brokers shall be required to successfully complete forty-five (45) hours of real estate education, either as a student or a lecturer in courses of study approved by the Commissioner of Securities within three years after their annual renewal date. Approved Courses I, II, and III (Continuing Education Credit for approved Courses I, II, and III, may be given to a licensee provided the licensee has not received credit previously for these courses as meeting the initial educational requirement.) The Commissioner of Securities will also consider courses that are directed to primarily impart substantive and procedural knowledge in the real estate field.

(1) Exclusions. The following course offerings will not be considered by the Commissioner of Securities for continuing education purposes:

(aa) Courses of instruction designed to prepare a student for passing the State real estate broker or salesperson examination.

(bb) Offerings in mechanical office and business skills such as typing, speed-reading, memory improvement, language report writing, advertising, personal motivation, salesmanship and sales psychology.

(cc) Sales promotion, or other meetings held in conjunction with the general business of the licensee's broker.

(dd) No real estate course of study seeking approval pursuant to this rule may be affiliated with any real estate firm or company or real estate franchise, nor controlled by a subsidiary of any real estate broker or real estate franchise, nor presented in any office of a real estate company, firm, or franchise.

(ee) Time devoted to breakfasts, luncheons, dinners or other refreshments.

(c) CRITERIA FOR CONTINUING EDUCATION OFFERING APPROVAL. The Commissioner will approve any course, seminar, conference, correspondence course, or equivalent, (offering) that is provided by a public or private school, organization, association, person, corporation, society, or similar arrangement (entity). The Commissioner, when acting on an application for approval of an offering, will consider, but not be limited to, the following criteria:

(1) Time Limits. Offerings will not be approved by the Commissioner if the total instruction time of the offering is less than one hour.

(2) Attendance. An entity shall certify to the best of its knowledge, the attendance of each student at the offering. The entity's criteria for measuring attendance shall be submitted in the application for course approval under Form D., Number 6.

(3) Records. The entity shall maintain records of students successfully completing any offering for a minimum of three years.

(4) Measure of Successful Completion.

(aa) Attendance. Credit may be earned on the basis of attendance.

(bb) Examinations. Students need not successfully complete a written examination before credit will be given for completion of a continuing education offering. However, if passing an examination is the measurement of successful completion of an offering, the student credited with successful completion shall be credited with one and one-half hours of continuing education credit for every one hour of attendance. The examination shall be a written, closed book examination and administered by the coordinator or an instructor at the offering site. The entity shall submit the written examination to the Commissioner prior to its use in the course for approval if the aforementioned credit is to be given. Students who take the course and fail the written examination will not be given credit as successfully completing the course by the attendance measure. If a student notifies the coordinator in advance that he is attending the course and will not be examined as a measure of successful completion of the course, he may receive credit as successfully completing the course through attendance measures.

(5) Coordinator. Each course of study shall have a coordinator or administrator supervising the program. Such coordinator shall be qualified, either through previous education or experience, to administer a real estate course of study, to evaluate course content and instructors and to analyze examinations (Form C under SDiv 1511).

(6) Instructors. All instructors in a real estate course of study shall file with the Commissioner a resume noting such person has the necessary specialized preparation, training and experience to insure competent instruction. Approval of each instructor will be on an individual basis, and such approval must be obtained from the Commissioner prior to the instructor's lecture in an approved course of study (Form C under SDiv 11.).

(d) APPLICATION FOR APPROVAL OF OFFERINGS. An entity shall apply for approval on Form D, prescribed by the Commissioner of Securities. The application form shall include, but not be limited to, the following information and enclosures:

(1) Name, address, and telephone number of the entity.

(2) Title of the offering.

(3) Complete description of all materials to be distributed to the participants (copies may be submitted in lieu of description).

(4) Date and exact location (city, building, room number and seating capacity) of each presentation of the offering.

(5) Duration and time of offering.

(6) A comprehensive, detailed outline of the subject matter together with the time sequence of each segment, faculty for each segment, teaching technique used in each segment.

(7) Sample of any proposed advertising used for promotional purposes.

(8) The method of evaluation of the program (e.g., participant critique, independent evaluator, etc.).

(9) Procedure for measuring attendance.

(10) Bibliography sketch on the faculty, including name, professional educational background, and practical or teaching experience or a completed resume (Form C.).

(11) If applicable, Service of Process Form D-11 (for out of state offerings only).

(12) Written evidence that the entity seeking approval is:

(aa) If applicable, registered and approved to legally do business in the State of Minnesota.

(bb) If applicable, that the school is licensed or has been determined to be exempt from Minnesota Statutes, Chapter 141.

(e) MATERIAL CHANGE. The entity's coordinator of each approved real estate offering shall immediately notify the Commissioner of any material changes contained in the application for approval or the attached exhibits. Such changes shall be deemed acceptable by the Commissioner if no action has been taken after seven (7) days from the date received by the Commissioner.

(f) An entity or person may seek approval of a course subsequent to a course offering by submitting all information requested on Form D.

(g) SUSPENSION, REVOCATION OR DENIAL OF COURSE APPROVAL. The Commissioner may deny, suspend or revoke approval of a real estate course offering coordinator or instructor if it is determined that they are not in compliance with the law and rules. If disciplinary action is taken a written order of suspension, revocation or denial of approval will be issued.

(h) SUBSTANTIVELY IDENTICAL OFFERINGS. Credit for a substantively identical offering may be given only once to any individual during any reporting period.

(i) CREDIT FOR TEACHING. Credit for teaching in an approved offering shall be awarded on the basis of two hours credit for each one hour of actual teaching in the approved offerings. Record of credit must be submitted on Form I.

(j) CONDITIONS FOR EXTENSIONS. The Commissioner may grant an extension to any person who evidences bona fide hardship, financial or medical, which prevented completion of the continuing education requirements. The person shall file the appropriate license fee with the renewal application along with the evidence showing hardship and a written request for a specific extension of time.

(k) ADVERTISING. No advertisement, pamphlet, circular or other advertising material pertaining to an approved offering may be circulated or distributed unless it is first approved by the Commissioner. All such advertisements, pamphlets, circulars, etc., shall contain the following language prominently displayed on the front:

> "THIS OFFERING HAS BEEN APPROVED BY THE COMMISSIONER OF SECURITIES PURSUANT TO THE MINNESOTA STATUTES, SECTION 82.22, SUBDIVISION 13, RELATING TO CONTINUING REAL ESTATE EDUCATION."

The preceding language need not be prominently displayed on the front of any out of state offering advertisement, however, it is the responsibility of the entity to show evidence of an approval letter from the Commissioner of Securities approving the course pursuant to the Minnesota Statutes, Section 82.22, Subdivision 13. This approval letter must be maintained in the entity's records evidencing that the course is approved.

(l) NOTICE. At the beginning of each offering, it shall be the responsibility of the entity's coordinator or representative to read the following notice to the students:

"This real estate educational offering of study is recognized by the Commissioner of Securities as applying in satisfaction of _____ hours of credit toward continuing real estate education requirements for real estate licensees pursuant to the "Real Estate License Law." Since it is the concern of the Commissioner that students receive a quality education, the comments of each student would be appreciated. If you have any comments about this real estate offering of study, your comments should be sent to the Commissioner of Securities, 500 Metro Square Building, St. Paul, Minnesota 55101."

(m) FACILITIES. Each course offering shall have such classrooms and other facilities and supportive personnel as is necessary to adequately implement the offerings. Courses operating under the approval of the Commissioner may not be presented in real estate brokers' offices.

(n) AUDITING. The Commissioner of Securities, or his designee, reserves the right to audit subject offerings.

(o) CLASS OFFERINGS--ENROLLMENT. To insure that professional quality standards are met, each class should have a maximum of fifty (50) students. However, if a lecture is given in a proper environment, the maximum could be four hundred (400), provided that each hour of lecture the student obtains one hour of classroom discussion with a maximum of fifty (50) students.

(p) OFFERING COMPLETION CERTIFICATION--LICENSE RENEWAL PROCEDURE. Applicants for relicensure must itemize all continuing education courses and the hours of attendance on the form prescribed by the Commissioner and attach this form to the license renewal form showing a total of no less than forty-five (45) clock hours (Form P).

FORM D

APPLICATION FOR APPROVAL OFFERINGS
Pursuant to the Minnesota Statutes, Section 82.22, Subdivision 13,
Relating to Continuing Real Estate Education (D)

All of the following information and enclosures must be submitted typewritten.

1. Name, address and telephone number of the entity_____

_____

2. Title of the Offering_____

3. Date and Exact Location of Each Offering:

   Date_____

   City_____

   Building_____

   Room_____

   Seating Capacity_____

4. Duration and Time of Offering_____

5. Indicate the method of evaluation of the program (e.g., participant critique, independent evaluator, etc.)

_____

6. Indicate procedure for measuring attendance_____

ENCLOSURES NEEDED:

The following enclosures will be needed to enable the Commissioner of Securities to understand the full scope of your courses:

1) Complete description of all materials to be distributed to the participants (copies may be submitted in lieu of description).

2) A sample of any proposed advertising to be used for promotional purposes.

3) A bibliography of the faculty, including name, professional educational background, and practical teaching experience, or a completed resume Form C "Application for Real Estate Instructor and Coordinator Approval" provided by the Commissioner.

4) A comprehensive detail outline of the subject matter together with a time sequence of each segment, faculty for each segment, teaching technique used in each segment. (Please complete outline of course presentation.)

5) If applicable, Service of Process Form D-11 (for out of state offerings only).

6) Written evidence that the entity seeking approval is, 1. if applicable, registered and approved to do business in the State of Minnesota and, 2. if applicable, that the school is licensed pursuant to or exempt from Minnesota Statutes, Chapter 141.

THE COORDINATOR OF EACH APPROVED REAL ESTATE COURSE OF STUDY SHALL IMMEDIATELY REPORT ANY SUBSTANTIAL CHANGES IN THE INFORMATION CONTAINED IN THE APPLICATION FOR APPROVAL OR THE EXHIBITS APPENDED THERETO. SUCH CHANGES SHALL BE DEEMED ACCEPTABLE BY THE COMMISSIONER IF NO ACTION HAS BEEN TAKEN AFTER SEVEN (7) DAYS FROM THE DATE RECEIVED BY THE COMMISSIONER.

As coordinator of the above school seeking approval from the Commissioner of Securities to conduct the required real estate education pursuant to Minnesota Statutes, Section 82.22, Subdivision 13, I affirm that the following statement is true:

The above school seeking approval is not affiliated with, controlled by, nor a subsidiary of any real estate broker or real estate franchise.

_____

Signature of Coordinator

OUTLINE OF COURSE PRESENTATION

Time during which each segment will be offered	Subject content of each segment	Faculty for each segment	Teaching technique used in each segment	Total no. of hours devoted to each segment

Please remit this application and all enclosures to:

Real Estate Education Coordinator
334 B.A. Tower, West Bank
University of Minnesota
Minneapolis, Minnesota 55455

FORM D-11

APPOINTMENT OF ATTORNEY FOR SERVICE OF PROCESS

KNOW ALL MEN BY THESE PRESENTS:

That in compliance with the Laws of the State of Minnesota, _____ _____ a non-resident, does hereby appoint the Commissioner of Securities of the State of Minnesota, his successor or successors, as his true and lawful attorney upon whom may be served all legal process in any action or proceeding in which he may be a party and which relates to or involves any transaction covered by Chapter 82, Minnesota Statutes, and does hereby expressly consent and agree that service upon such attorney shall be as valid and binding as if due and personal service had been made upon him and that such appointment shall be irrevocable.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 19__.

_____

_____

STATE OF _____)
)SS.
COUNTY OF _____)

On this _____ day of _____, 19___, personally appeared before me, a notary public in and for said County and State, _____ _____ to me known to be the person described in and who executed the foregoing instrument and who, being by me first sworn, acknowledged that he executed the same as his free act and deed.

_____

Notary Public, _____ County _____

(NOTARIAL SEAL)

My Commission expires _____

FORM I

STATE OF MINNESOTA

SECURITIES DIVISION

AFFIDAVIT OF TEACHING IN APPROVED CONTINUING REAL ESTATE COURSES

Pursuant to Minnesota Statutes, Section 82.22, Subdivision 13, Relating to Continuing Real Estate Education (1)

1. Name and address of person seeking credit _____

_____

2. Name of licensee's real estate company _____

_____

3. Title of course in which teaching has been done _____

_____

4. Name of sponsoring entity _____

5. Dates when course was presented _____

6. Place (city and exact location) where course was presented _____

_____

7. Subject matter taught _____

8. Type of instruction (lecture, leading of discussion, etc.) _____

_____

9. Number of clock hours spent in teaching _____

10. Description of the content of all written material prepared for the course. A copy of such material may be submitted in lieu of a description _____

_____

_____

I swear or affirm that the information hereon is, to the best of my knowledge, complete and accurate.

_____

NOTE: This completed form must be attached to your license renewal form for credit toward Real Estate Continuing Education requirements and sent to:

Licensing Section
500 Metro Square Building
St. Paul, Minnesota 55101

FORM P

STATE OF MINNESOTA

SECURITIES DIVISION

AFFIDAVIT OF ATTENDANCE AT APPROVED CONTINUING REAL ESTATE EDUCATION COURSES

Pursuant to Minnesota Statutes, Section 82.22, Subdivision 13, Relating to Continuing Real Estate Education (P)

1. Name and address of person seeking credit (licensee) _____

_____

2. Name of licensee's real estate company _____

_____

3. Approved courses attended during 3 year period.

Sponsoring Entity	Name of Course	Date of Attendance	No. of Hours Actually Attended

I swear or affirm that the information hereon is, to the best of my knowledge, complete and accurate and that I did in fact attend, for the number of hours indicated, the courses listed.

_____

Applicants for relicensure must itemize all continuing education courses and the hours of attendance on this form and attach this form to the license renewal form showing a total of no less than forty-five (45) clock hours.

NOTE: This completed form must be attached to your license renewal form for credit toward Real Estate Continuing Education requirements and sent to:

Licensing Section
500 Metro Square Building
St. Paul, Minnesota 55101

SDiv 1513 (M.S. 82.20) (a) Unclaimed Property Act.

Upon the initial application for a real estate broker's license and upon each annual application for renewal, the applicant or broker shall be required to inform the Commissioner of Securities that he has complied with the requirements set forth in Chapter 345 of Minnesota Statutes relating to unclaimed property.

SDiv 2011

(d) As a condition of being granted a license, every broker-dealer or investment advisor shall inform the Commissioner of Securities that it has complied with the requirements set forth in Chapter 345 of Minnesota Statutes relating to unclaimed property.

SDiv 2027 (a) So long as a registration statement is effective, the issuer shall file an annual report in such form, and containing such information as the Commissioner prescribes. At a minimum, the annual report shall contain the following:

(20) A statement by the issuer that it has complied with the requirements set forth in Chapter 345 of Minnesota Statutes relating to unclaimed property.

SDiv 2138

Upon application for any registration the applicant shall be required to inform the Commissioner of Securities that he has complied with the requirements set forth in Chapter 345 of Minnesota Statutes relating to unclaimed property.

Department of Commerce

Securities Division

Adopted Rules for Real Estate Brokers and Salespersons and the Securities Act

The rules published in the State Register, Vol. 2, p. 1518, February 20, 1978, (2 S.R. 1518) are adopted and are identical to their proposed form, except for the following changes.

SDiv 1501 (M.S. 82.21) ~~(a)~~ A. Overpayment of Fees. "Overpayment" shall mean any payment of monies in excess of a statutory fee or for an examination or license for which a person does not qualify. An overpayment of any fee paid pursuant to this chapter shall be refunded within a reasonable time after a letter requesting said refund is received by the commissioner and signed by the person making the overpayment.

SDiv 1503 (M.S. 82.22)

~~(b)~~ B. Cancellation of a salesperson's license. A salesperson's license which has been cancelled for failure of a salesperson to complete required instruction must be returned to the commissioner by the salesperson's broker within ten days of notice of cancellation. Such license may be reinstated without re-examination by completing the required instruction and filing an application and fee for a salesperson's license within one year of the cancellation date.

~~(c)~~ C. Waivers. The commissioner may waive the real estate licensing experience requirement for the broker's examination.

{1}. Qualifications. An applicant for a waiver shall provide evidence of either:

{aa}. successful completion of a minimum of ninety (90) quarter credits or two hundred and seventy (270) classroom hours of real estate related studies, or

{bb}. a minimum of five (5) consecutive years of practical experience in real estate related areas, or

{cc}. successful completion of thirty (30) credits or ninety (90) classroom hours and three (3) consecutive years of practical experience in real estate related areas.

{2}. Requests. A request for a waiver shall be submitted to the commissioner in writing and be accompanied by such documents as necessary to evidence qualification as set forth in {1}.

SDiv 1505 (M.S. 82.24) {a} A. Trust Funds.

{4}. Trust funds may be placed by the broker in an interest-bearing account or certificate of deposit, provided ~~all parties to the transaction~~ the buyer and the seller consent in writing to such account or deposit and to the disposition of such trust funds.

SDiv 1506 (M.S. 82.24) {a} A. Trust Account Records.

{3}. A check received from the potential buyer shall be deposited into the listing broker's trust account not later than the next business day after delivery of the check to the broker except that the check may be held by the listing broker until acceptance or rejection of the offer if:

~~(aa)~~ the check by its terms is not negotiable by the broker or if the potential buyer has given written instructions that the check shall not be deposited nor cashed until acceptance or shall be immediately returned if the offer is rejected, and;

~~(bb)~~ the potential seller is informed that the check is being so held before or at the time the offer is presented to him for acceptance.

If the offer is accepted, the check shall be deposited in a neutral escrow depository or the trust fund account of the listing broker not later than the next business day following acceptance of the offer unless said broker has received written authorization from all parties to the transaction to continue to hold the check. If the offer is rejected, the check shall be returned to the potential buyer not later than the next business day after rejection. ~~If no such written instructions to hold a check exist, such check shall be deposited not later than the next business day after delivery of such check into the listing broker's trust account.~~

SDiv 1508 (M.S. 82.27) ~~(b)~~ A. Fraudulent, Deceptive or Dishonest Practices.

The methods, acts or practices set forth herein shall be presumed fraudulent, deceptive or dishonest when engaged in by a real estate broker or salesperson and shall constitute grounds for denial, suspension or revocation of the license of such person, or censure of said licensee:

~~(qq)~~ 17. ~~Failing to disclose any material information which is of the licensee's knowledge to a purchaser.~~ Failing to disclose to a purchaser all material facts pertaining to the property, of which the agent is aware, which would adversely and significantly affect the purchaser's use or enjoyment of the property.

~~(rr)~~ 18. Failing within a reasonable time to notify the commissioner of any change of information contained in a license application on file with the commissioner.

SDiv 1509 (M.S. 82.27) ~~(a)~~ A. Standards of Conduct.

~~(1)~~. The methods, acts, or practices set forth herein shall be standards of conduct governing the activities of real estate brokers and salespersons under this chapter. The failure to comply with said standards shall constitute grounds for denial, suspension or revocation of the license of such person, or censure of said licensee. Licensees shall:

~~(ee)~~. Not represent membership in any organization in which said licensee is not a member;

~~(qq) Not misrepresent the nature and amount of any taxes and/or assessments to a party in any transaction. Any representations by a licensee regarding taxes and/or assessments must be in writing and furnished to all parties of the transaction;~~

~~(rr)~~ q. Not fail to present any written offer to purchase to the owner within a reasonable period of time;

~~(ss) Clearly identify said licensee's business is independently owned and operated, if applicable, on all real estate documents and advertising, excepting one inch classified ads;~~

~~(tt)--Knowingly-providing-a-buyer-any-information-which misstates-any-tax-liabilities-of-the-seller-or-the-property,-or potential-tax-liabilities-of-the-buyer;~~

~~(uu)--Knowingly-providing-a-buyer-any-information-which indicates-that-the-seller-has-been-misrepresenting-records-to-decrease tax-liabilities.~~

SDiv 1511 (M.S. 82.22) Real Estate Education.

~~(a)~~ A. Approval. A course of study in the real estate field will be approved by the commissioner of securities, pursuant to Minn. Stat § 82.22, subd. 6, upon compliance with the following requirements.

~~(1)~~. REQUIREMENTS. ~~(aa)~~. The 90 hour course of study in real estate prescribed by Minn. Stat. § 82.22, subd. 6 shall consist of three (3) thirty classroom hour courses (Course I, Course II and III). Each applicant or salesperson shall be required to complete all courses successfully. Courses I, II and III must be taken in sequence and may not be taken concurrently. Applicants who elect to successfully complete an approved course of real estate education while not licensed may receive credit for such education if a real estate salesperson's license is obtained within one year after the successful completion date of the course.

~~(bb)~~. Applicants will have one year from the successful completion date of the course to successfully complete the salesperson's examination. After this date, credit for Course I will expire and successful completion of the first thirty (30) hour course must be repeated before applying for the salesperson's examination. Every

salesperson licensed after July 1, 1978, shall within one year of the date the license was first issued, be required to successfully complete Courses II and III. Courses II and III must be taken in sequence and may not be taken concurrently. ~~Applicants who elect to successfully complete Courses II and III while not licensed may receive credit for such education if a real estate salesperson's license is obtained within one (1) year after the successful completion date of Course I.~~

~~(2)~~ EXTENSIONS. Upon appropriate showing of hardship, the commissioner may extend the time period during which the post-licensing real estate instruction must be successfully completed. A request for an extension shall be submitted in writing to the commissioner no later than forty-five (45) days prior to the date of license cancellation. The request shall include: 1) an explanation and verification of hardship, and 2) verification of enrollment in an approved course of study and the dates during which the course will be held. Loss of income resulting from the cancellation of a license is not an acceptable hardship.

~~(3)~~ WAIVERS. Upon appropriate showing of hardship, the commissioner may waive mandatory classroom attendance for post-licensing education. A request for a waiver shall be submitted in writing to the commissioner at least six (6) months prior to the date of cancellation and shall include: 1) an explanation and verification of hardship, and 2) verification of enrollment in approved independent study.

~~(b)~~ B. CURRICULUM. The curriculum for the ninety (90) hour course of study shall be as follows:

COURSE I (30 HOURS)

"FUNDAMENTALS OF REAL ESTATE"

Real Estate Fundamentals and Professional Standards	3 hours
Real Estate Marketing	3 hours
Real Estate Financing	3 hours
Residential Market Evaluation	3 hours
Legal Aspects (Contracts)	4 hours
Closing (Mechanics of)	3 hours
Construction	3 hours
Zoning	2 hours
Discrimination in Housing	1 hour
Real Estate License Law & Subdivided Land Act	2 hours
Mathematics	3 hours
	30 hours

COURSE II (30 HOURS)

"ADVANCED FUNDAMENTALS OF REAL ESTATE"

Law (2 hours) - Deeds (Types, Characteristics, Validity) and Current Update on State and Federal Real Estate Laws (1 hour).....3 hours

Advanced Legal Contracts (Listing, Purchase and Leasing Agreements.....4 hours

Real Estate Taxation.....3 hours

Introduction to Investment Property.....3 hours

Real Estate Management - Landlord/Tenant Relationship and Leases.....3 hours

Land Development.....3 hours

Condominiums, Cooperatives and Townhouses.....2 hours

Introduction to Appraising.....3 hours

Minnesota Real Estate Security Law.....1 hour

*Introduction of Major Specialty Brokerages.....2 hours

Choice of Optional Hours.....3 hours

30 hours

OPTIONAL SUBJECTS

~~Business-Brokerage.....3-hours-maximum~~

~~Advertising.....3-hours-maximum~~

~~Communication.....3-hours-maximum~~

~~Guaranteed-Sales-Plan.....3-hours-maximum~~

~~Trade-Ins---Exchanges.....3-hours-maximum~~

~~Farm-Brokerage.....3-hours-maximum~~

~~Resort-Brokerage.....3-hours-maximum~~

~~Insurance.....3-hours-maximum~~

~~Economics.....3-hours-maximum~~

~~Property-Management.....3-hours-maximum~~

~~Shopping-Centers.....3-hours-maximum~~

~~Industrials.....3-hours-maximum~~

~~Land-Planning-and-Development.....3-hours-maximum~~

~~Advanced-Financing.....3-hours-maximum~~

~~Real-Estate-Marketing.....3-hours-maximum~~

~~Advanced-Construction.....3-hours-maximum~~

Property Management.....3 hours maximum

Advertising.....3 hours maximum

Trade-Ins & Exchanges.....3 hours maximum

Farm Brokerage.....3 hours maximum

Land Planning and Development.....3 hours maximum

Resort Brokerage.....3 hours maximum

Insurance.....3 hours maximum

Advanced Construction.....3 hours maximum

Urban Renewal.....3 hours maximum

Economics.....3 hours maximum

Shopping Centers.....3 hours maximum

Industrials.....3 hours maximum

Guaranteed Sales Plans.....3 hours maximum

Advanced Financing.....3 hours maximum

Business Brokerage.....3 hours maximum

Communication.....3 hours maximum

Real Estate Marketing.....3 hours maximum

*The content matter of this subject may be selected from the following optional subjects:

Farm Brokerage

Business Brokerage

Resort Brokerage

Industrials

Commercial Property Brokerage

The commissioner of securities will consider for approval courses for the third thirty (30) hours of educational requirements based on:

Function and Operation of Calculators and Computers

Government in Real Estate

Finance

Real Estate Law

Real Estate Appraisal

Real Estate Investment

Property Management

Mathematics of Real Estate

Residential Real Estate

Principal Agency Relationships

Farm and Ranch Real Estate

Industrial and Commercial Property

Taxation

Real Estate Securities and Syndication

Estate Building and Portfolio Management

Real Estate Brokerage Administration

Economics

Business Brokerage

Resort Brokerage

Land Planning and Development

Urban Renewal

Closing Techniques and Procedures

Advanced Construction

Exchanging Relating to Real Estate

(1). The commissioner may approve courses of study in the real estate field offered in an Area Vocational-Technical Institute.

(2). EXCLUSIONS. The following course offerings will not be acceptable by the commissioner of securities as meeting the third thirty (30) hours of real estate education: Courses of instruction designed to prepare a student for passing the State real estate broker or salesperson examination. Offerings in mechanical office and business skills such as typing, speed-reading, memory improvement, language report writing, ~~advertising,~~ personal motivation, salesmanship and sales psychology.

The subjects of "Real Estate License Law and Subdivided Land Act" and "Application of Securities Laws to Real Estate" shall be instructed by the commissioner or his designee.

(e) E. STUDENT TEXTBOOK. Each student attending an approved real estate Course I and II shall be required, at minimum, to have a textbook(s) cross-referencing the course subjects to the textbook(s). Each student attending an approved real estate Course III shall have at a minimum, a notebook containing thorough outlines on each subject, or a required textbook(s) cross-referencing the course subjects to the textbook(s).

~~(e)~~ F. FEES. The commissioner shall be informed in detail of all fees charged by each approved real estate course of study. A fee or tuition of $75.00 or less for a thirty (30) hour course shall be presumed as reasonable. Any fee in excess of that must be justified to the commissioner. Additional fees charged for supplies and materials or books needed in course work shall be itemized by the school and the materials shall upon payment become the property of the student.

~~(g)~~ G. EXAMINATIONS. Each student must successfully complete ~~an~~ written examination before credit will be given for completion of a thirty (30) hour course or segment. ~~Passing-a-written-examination shall-be-the-measurement-of-sueeessful-eompletion-of-a-eourse.~~ The criteria for passing of an examination may be developed by each school based on each school's educational concept.

~~(h)~~ H. APPLICATION FOR APPROVAL. (Form H.) Any person seeking initial approval from the commissioner of a real estate course of study shall submit the following:

~~(2)~~. The name and author of the required textbook for Course I and II.

~~(4)~~. Copy of student notebook~~.~~ containing comprehensive outlines for Course III, or the name and author of the required textbook.

~~(5)~~. Copies of examinations for all courses complete with questions and answers must be submitted prior to their use.

~~(9)~~. If applicable, proof of being registered and approved to legally do business in the State of Minnesota.

~~(10)~~. If applicable, proof of licensure or exemption from Minn. Stat. ch. 141.

~~(i)~~ I. ADVERTISING. No advertisement, pamphlet, circular or other advertising material pertaining to an approved course of study may be circulated or distributed unless it is first approved by the commissioner. All such advertisements, pamphlets, circulars, etc. shall contain the following language prominently displayed on the front:

"THIS COURSE HAS BEEN APPROVED BY THE COMMISSIONER OF SECURITIES PURSUANT TO MINN. STAT., SECTION 82.22."

The preceding language need not be prominently displayed on the front of any out-of-state Course III offering advertisements. However, it is the responsibility of the entity to show evidence of an approval letter from the commissioner of securities approving the course pursuant to Minn. Stat. § 82.22, subd. 6. This approval letter must be maintained in the entity's records evidencing that the course is approved.

~~(k)~~ K. ANNUAL REPORT. (Form K.) Between January 1 and January 10 of each calendar year, every approved real estate course of study shall submit to the commissioner the following information:

~~(l)~~ L. NOTICE. At the beginning and end of each course or segment of the ninety (90) hour course of study in real estate, it shall be the responsibility of the coordinator or his representative to read the following notice to the students:

"This thirty hour course of study in real estate is recognized by the commissioner of securities as applying in satisfaction of the educational requirements for real estate salespersons pursuant to the "Real Estate License Law". Since it is the concern of the commissioner that students receive a quality education the

comments of each student would be appreciated. If you have any comments about this real estate course of study, your comments should be sent to the Commissioner of Securities, 500 Metro Square Building, St. Paul, Minnesota 55101."

~~(m)~~ M. COURSE OF STUDY TO CERTIFY COMPLETION. Each course of study shall within fourteen (14) days of the completion of a course, notify the Licensing Section of the Department of Commerce of the names and addresses of the students who took the course and the grade they received on the examination. Student names should be alphabetized, typewritten and double-spaced on Real Estate Education Certification Form M. Only passing grades of licensees or those who will be licensed within one year should be reported to the Licensing Section in a language or symbols that can be interpreted as a passing grade. Send the course certification Form M to: Real Estate Licensing Section, 500 Metro Square Building, St. Paul, Minnesota 55101.

~~(1)~~. Each approved school shall maintain records of students successfully completing any course for a minimum of three years. In the event that a school should cease operation for any reason, the ownership shall be responsible for maintaining said records or providing a custodian for said records acceptable to the commissioner of securities. In no circumstances will the commissioner of securities take custody of such records. Custodians in order to be acceptable to the commissioner of securities must be notaries and agree to make copies of acknowledgments available to students at a fee in effect for duplicate transcripts at the time the school ceases operation.

~~(n)~~ N. FACILITIES. Each course of study shall have such classrooms and such other facilities and supportive personnel as is necessary to adequately implement the programs. Courses operating under the approval of the commissioner of securities may not be presented in real estate brokerage offices.

~~(o)~~ O. CONFLICT OF INTEREST. ~~No real estate course of study seeking approval pursuant to this rule may be affiliated with any real estate firm or company, or franchise.~~ A course will not be approved if it is offered by an individual, firm or business organization, the primary income of which is derived from the real estate brokerage business.

~~(p)~~ P. SUSPENSION, REVOCATION OR DENIAL OF COURSE APPROVAL. The commissioner may deny, suspend or revoke approval of a real estate course offering coordinator or instructor if it is determined that they are not in compliance with the law and rules. If disciplinary action is taken a written order of suspension, revocation or denial of approval will be issued.

~~(q)~~ Q. AUDITING. The commissioner of securities, or his designee, reserves the right to audit subject offerings.

~~(r)~~ R. COURSE EVALUATION. The course coordinator is responsible for regular and consistent evaluation of the course and the instructor(s). The coordinator shall implement an instructor evaluation form (Form R) for completion by the students which will be transmitted to the commissioner of securities in the following manner:

~~(1)~~. Each time any school uses an instructor for the first time, along with the original student instructor evaluation forms, the course coordinator shall submit his or her evaluation of the instructor.

(2). Subsequent evaluations on instructors previously qualified shall be completed at the discretion of the coordinator and should be used to measure any change in the quality of the instructor.

(3). Upon the receipt of a complaint, the commissioner of securities may request, and the coordinator shall supply, additional student and coordinator evaluations on specific individual instructors in question.

~~(s) CLASS-OFFERINGS--ENROLLMENT.--To-insure-that-professional-quality standards-are-met,-each-class-shall-have-a-maximum-of-fifty-(50) students.--However,-if-a-lecture-is-given-in-a-proper-environment,-the maximum-shall-be-four-hundred-(400),-provided-that-for-each-hour-of lectures-the-student-obtains-one-hour-of-classroom-discussion-with-a maximum-of-fifty-(50)-students.~~

Form C

APPLICATION FOR REAL ESTATE INSTRUCTOR AND COORDINATOR APPROVAL
Pursuant to Minnesota Statutes, Section 82.22, Subdivisions 6 and 13.

Please Print or Type

1. Name _____

2. Present Address _____
(Street) (City) (State) (Zip Code)

3. Permanent Address _____
(Street) (City) (State) (Zip Code)

4. Education: Summary of all schooling, including education for subject you teach

Kind of School	Name of School	School Address (Street, City, State, Zip)	Number of Full Years' Attendance	Parts of Years in Months	Summer Sessions in Weeks	Dates of Attend-ance	Year of Gradua-tion
High School or Academy							
Trade or Technical School							
College or University							

5. If a graduate of a 4-year college or university, indicate:
Major_____ Minor_____

6. PRACTICAL EXPERIENCE: If employed by same employer in more than one capacity indicate each capacity or job title separately as to dates and length of employment. (Or attach resume.)

EMPLOYER'S NAME	EMPLOYER'S ADDRESS (Street, City, State, Zip)	JOB TITLE OR CLASSIFICATION	LENGTH OF EMPLOYMENT YRS. MO'S.	DATES OF EMPLOYMENT FROM TO

7. TEACHING EXPERIENCE: Record of all teaching experience.

NAME OF SCHOOL	SCHOOL ADDRESS (Street, City, State, Zip)	SUBJECTS TAUGHT	NAME OF SUPERVISOR	NUMBER OF YEARS	DATES OF SERVICE

8. WHAT SUBJECTS WILL YOU TEACH IN THIS SCHOOL? _____

_____

(See Reverse Side)

9. Give supplemental information on your current practical experience directly related to the subject you will teach in this course. (Use additional paper if required.)

_____

_____

_____

10. If approved as an Instructor for Real Estate Education would you be interested in teaching at other conveniently located schools?

_____ YES _____ NO

11. Have you ever had a real estate license, in this or any other State, denied, suspended, or revoked? _____ YES _____ NO (If yes, please explain.)

_____

_____

12. Have you ever had any other business or professional license, in this or any other State, denied, suspended, or revoked? _____ YES _____ NO

13. Have you ever been disbarred from the practice of law? _____ YES _____ NO

Date _____ Signature _____
Your name as you usually sign it.

To the Commissioner of Securities:

I expect to employ this applicant to teach a course in Real Estate. I have examined this applicant and am satisfied that the information provided by the applicant is true and correct.

Date _____ Signature _____
Real Estate Coordinator

_____
Name of School

Approved _____ Rejected _____ Date _____

Remarks _____

_____

By: _____

Position: _____

FORM H

APPLICATION FOR COURSE APPROVAL

Pursuant to Minnesota Statutes, Section 82.22, Subdivision 6,
Relating to Ninety (90) Hours Real Estate Education (H)

Please fill in the following:

Application for Course I II III (Circle One).

School Name _____

Location _____

Course Registration Telephone Number _____

Coordinator Name _____

Telephone Number _____

Address _____

Dates of Course Offerings _____

Location of Off-Campus Offerings _____

Location of On-Campus Offerings _____

Course Fee

Course I _____

Course II _____

Course III _____

Required Textbook

Course I _____

Course II _____

Course III (Optional) _____

Please Note:

If you will not be using a required textbook in Course III, submit, as an enclosure, a comprehensive outline that you would like to use in Course III. The Commissioner will examine your outline and notify you of his position.

(See Reverse Side)

Enclosures needed:

The following enclosures will be needed to enable the Commissioner of Securities to understand the full scope of your courses:

1) A list of your instructors, the subjects they will teach and their background resumes (use State resume forms - incomplete resumes will not be reviewed).

2) A copy of a comprehensive outline for Course III for courses not using a textbook.

3) A copy of the examinations complete with questions and answers for each course.

4) Copies of all advertising materials.

5) Written evidence that the school seeking approval, if applicable, is: a. registered and approved to legally do business in the State of Minnesota, b. that the school is in good standing with the Department of Education.

THE COORDINATOR OF EACH APPROVED REAL ESTATE COURSE OF STUDY SHALL IMMEDIATELY REPORT ANY CHANGES IN THE INFORMATION CONTAINED IN THE APPLICATION FOR APPROVAL OR THE EXHIBITS APPENDED THERETO. SUCH CHANGE SHALL BE DEEMED ACCEPTABLE BY THE COMMISSIONER IF NO ACTION HAS BEEN TAKEN AFTER FIFTEEN (15) DAYS FROM THE DATE RECEIVED BY THE COMMISSIONER.

As Coordinator of the above school seeking approval from the Commissioner of Securities to conduct the required Real Estate Education pursuant to Minnesota Statutes, SDiv. 1511 (82.22), I affirm that the following statements are true:

1) If applicable, the above school seeking approval is registered and approved to legally do business in the State of Minnesota.

2) If applicable, the above school seeking approval is in good standing with the Department of Education.

3) The above school seeking approval has not or will not become affiliated with, controlled by, or is a subsidiary of any real estate broker or real estate franchise licensed to do business in this State.

_____
Signature of Applicant

Please remit this application and all enclosures to:

Real Estate Education Coordinator
334 B.A. Tower, West Bank
University of Minnesota
Minneapolis, Minnesota 55455

FORM K

ANNUAL REPORT

MINNESOTA REAL ESTATE EDUCATION

Pursuant to (L) of the Minnesota Real Estate Rules and Regulations SDiv. 1511 (82.22) course coordinators are required to submit by January 10, 1979 the following information to the Commissioner of Securities in care of the Real Estate Education Coordinator at the following address:

Coordinator, Real Estate Education
334 Business Administration Tower
University of Minnesota
Minneapolis, Minnesota 55455

(1) Indicate the number of times the course of study was offered in the preceding year.

Course I _____ Course II _____ Course III _____

(2) Identify the location of each offering.

_____

_____

(3) Indicate the number of students attending each offering.

Course I _____ Course II _____ Course III _____

(4) The number of students certified as successfully completing each offering.

Course I _____ Course II _____ Course III _____

(Continued)

5A Indicate the following information of the course of study.

Name of School _____
Address _____
_____
Registration telephone number _____

5B Indicate the course coordinator's:

Name _____
Address _____
_____
Telephone number _____

5C Indicate the upcoming year's courses, dates, fees and times.

COURSES	DATES	FEES	TIMES
I			
II			
III			
I			
II			
III			
I			
II			
III			
I			
II			
III			

FORM M

COURSE CERTIFICATION STATEMENT

Pursuant to Minnesota Statutes, Section 82.22, Subdivision 6, Relating to Ninety (90) Hours Real Estate Education (M)

Circle Course Number

I
II
III

Instructions

Double Spaced
Typewritten
Names Listed Alphabetically

Send To:

Real Estate Licensing Division

NAME	ADDRESS	COMPANY	GRADE	LICENSED	TO BE LICENSED WITHIN 1 YEAR

FORM R

STUDENT EVALUATION OF INSTRUCTOR AND COURSE CONTENT

Pursuant to Minnesota Statutes, Section 82.22, Subdivision 6,
Relating to Ninety (90) Hours Real Estate Education (R)

SUBJECT_____ DATE_____ INSTRUCTOR_____

DEAR STUDENT:

You have just attended a session in real estate recognized by the Commissioner of Securities as complying with the educational requirement for real estate salespersons pursuant to the REAL ESTATE LICENSE LAW. Since it is the concern of the Commissioner that students receive a quality education, an evaluation from each student is requested. Your constructive comments on the instructor, course content, and classroom environment will help us improve the quality of future offerings.

1. INSTRUCTOR

	Excellent	Good	Fair	Poor
Instructor's knowledge of the subject was:	( )	( )	( )	( )
The organization of material was:	( )	( )	( )	( )
The techniques in presenting the material were:	( )	( )	( )	( )
The quality of new ideas was:	( )	( )	( )	( )
The instructor's ability to answer questions was:	( )	( )	( )	( )
The instructor's enthusiasm for the subject was:	( )	( )	( )	( )
The relevancy of the examples given was:	( )	( )	( )	( )

	Yes	Somewhat	No
Was the instructor able to stimulate your interest?	( )	( )	( )
Will the instruction help you professionally?	( )	( )	( )
Would you want that instructor back?	( )	( )	( )

Other comments on how the instructor could improve this session are:

_____

_____

_____

2. COURSE CONTENT

Please check each of the following that most adequately describes your opinion:

Was the Course:	Yes	Some-what	No		Yes	Some-what	No
Up to your expectations?	( )	( )	( )	Too theoretical?	( )	( )	( )
Generally disappointing?	( )	( )	( )	Too long?	( )	( )	( )
Too sophisticated?	( )	( )	( )	Too fast paced?	( )	( )	( )
Understandable?	( )	( )	( )	Worth the price?	( )	( )	( )
Too short to cover material?	( )	( )	( )				

Other comments on how the material or presentation could be improved are:

_____

_____

_____

3. CLASSROOM ENVIRONMENT

	Yes	Some-what	No
Was the class presented in an atmosphere conducive to learning?	( )	( )	( )
Do you feel the course was well supervised and coordinated?	( )	( )	( )

4. STUDENT'S EXPERIENCE:

How long have you been in the real estate business? _____

SDiv 1512 (M.S. 82.22) CONTINUING EDUCATION.

~~(a)~~ A. APPROVAL. An offering of study in the real estate field will be approved by the commissioner of securities, pursuant to Minn. Stat. § 82.22, subd. 13, upon compliance with the following requirements. Continuing education credits may be earned either as a student or a lecturer in approved courses. Continuing education credit for approved Courses I, II, and III may be given to a licensee provided the licensee has not received credit previously for these courses.

~~(b)~~ B. CURRICULUM. ~~All real estate salespersons not subject to, or who have completed the education requirements contained in Minnesota Statutes, Section 82.20, Subdivision 6, and all real estate brokers shall be required to successfully complete forty five (45) hours of real estate education, either as a student or a lecturer in courses of study approved by the Commissioner of Securities within three years after their annual renewal date. --Approved Courses I, II, and III (Continuing Education Credit for approved Courses I, II, and III, may be given to a licensee provided the licensee has not received credit previously for these courses as meeting the initial educational requirement.)~~ The commissioner of securities will also consider courses that are directed to primarily impart substantive and procedural knowledge in the real estate field. ~~(1)--Exclusions.~~ The following course offerings will not be considered by the commissioner of securities for continuing education purposes.

~~(aa)~~ 1. Courses of instruction designed to prepare a student for passing the state real estate broker or salesperson examination.

~~(bb)~~ 2. Offerings in mechanical office and business skills such as typing, speed-reading, memory improvement, language report writing, ~~advertising,~~ personal motivation, salesmanship and sales psychology.

~~(cc)~~ 3. Sales promotion, or other meetings held in conjunction with the general business of the licensee's broker.

~~(dd)~~ 4. ~~No real estate course of study seeking approval pursuant to this rule may be affiliated with any real estate firm or company or real estate franchise, nor controlled by a subsidiary of any real estate broker or real estate franchise, nor presented in any office of a real estate company, firm, or franchise.~~ A course will not be approved if offered by an individual, firm or business organization, the primary income of which is derived from the real estate brokerage business.

~~(ee)~~ 5. Time devoted to breakfasts, luncheons, dinners or other refreshments.

~~(e)~~ C. CRITERIA FOR CONTINUING EDUCATION OFFERING APPROVAL. The commissioner will ~~approve~~ consider approval of any course, seminar, conference, correspondence course, or equivalent, (offering) that is provided by a public or private school, organization, association, person, corporation, society, or similar arrangement (entity). The commissioner, when acting on an application for approval of an offering, will consider, but not be limited to, the following criteria:

~~(1)~~. Time Limits. Offerings will not be approved by the commissioner if the total instruction time of the offering is less than one hour.

(2). Attendance. An entity shall certify to the best of its knowledge, the attendance of each student at the offering. The entity's criteria for measuring attendance shall be submitted in the application for course approval under Form D., Number 6.

(3). Records. The entity shall maintain records of students successfully completing any offering for a minimum of three years.

(4). Measure of Successful Completion.

(aa). Attendance. Credit may shall be earned on the basis of attendance.

(bb). Examinations. Students need not successfully complete a written examination before credit will be given for completion of a continuing education offering. However, if passing an examination is the measurement of successful completion of an offering, the student credited with successful completion shall be credited with one and one-half hours of continuing education credit for every one hour of attendance. The examination shall be a written, closed-book examination and administered by the coordinator or an instructor at the offering site. The entity shall submit the written examination to the commissioner prior to its use in the course for approval if the aforementioned credit is to be given. Students who take the course and fail the written examination will not be given credit as successfully completing the course by the attendance measure. If a student notifies the coordinator in advance that he is attending the course and will not be examined as a measure of successful completion of the course, he may receive credit as successfully completing the course through attendance measures.

(5). Coordinator. Each course of study shall have a coordinator ~~or administrator~~ supervising the program. Such coordinator shall be qualified, either through previous education or experience, to administer a real estate course of study, to evaluate course content and instructors and to analyze examinations (Form C under SDiv 1511).

(6). Instructors. All instructors in a real estate course of study shall file with the commissioner a resume noting such person has the necessary specialized preparation, training and experience to insure competent instruction. Approval of each instructor will be on an individual basis, and such approval must be obtained from the commissioner prior to the instructor's lecture in an approved course of study (Form C under SDiv 1511.).

~~(d)~~ D. APPLICATION FOR APPROVAL OF OFFERINGS. An entity shall apply for approval on Form D, prescribed by the commissioner of securities. The application form shall include, but not be limited to, the following information and enclosures:

(1). Name, address, and telephone number of the entity.

(2). Title of the offering.

(3). Complete description of all materials to be distributed to the participants (copies may be submitted in lieu of description).

(4). Date and exact location (city, building, room number and seating capacity) of each presentation of the offering.

(5). Duration and time of offering.

(6). A comprehensive, detailed outline of the subject matter together with the time sequence of each segment, faculty for each segment, teaching technique used in each segment.

(7). Sample of any proposed advertising used for promotional purposes.

{8}. The method of evaluation of the program (e.g., participant critique, independent evaluator, etc.).

{9}. Procedure for measuring attendance.

{10}. Bibliography sketch on the faculty, including name, professional educational background, and practical or teaching experience or a completed resume (Form C.).

{11}. If applicable, Service of Process Form D-11 (for out of state offerings only).

{12}. Written evidence that the entity seeking approval is:

{aa}. If applicable, registered and approved to legally do business in the State of Minnesota.

{bb}. If applicable, that the school is licensed or has been determined to be exempt from Minn. Stat. ch. 141.

{e} E. MATERIAL CHANGE. The entity's coordinator of each approved real estate offering shall immediately notify the commissioner of any material changes contained in the application for approval or the attached exhibits. Such changes shall be deemed acceptable by the commissioner if no action has been taken after seven (7) days from the date received by the commissioner.

{f} F. APPLICATION FOR POST COURSE APPROVAL. An entity or person may seek approval of a course subsequent to a course offering by submitting all information requested on Form D.

{g} G. SUSPENSION, REVOCATION OR DENIAL OF COURSE APPROVAL. The commissioner may deny, suspend or revoke approval of a real estate course offering coordinator or instructor if it is determined that they are not in compliance with the law and rules. If disciplinary action is taken a written order of suspension, revocation or denial of approval will be issued.

~~(h)~~ H. SUBSTANTIVELY IDENTICAL OFFERINGS. Credit for a substantively identical offering may be given only once to any individual during any reporting period.

~~(i)~~ I. CREDIT FOR TEACHING. ~~Credit for teaching in an approved offering shall be awarded on the basis of two hours credit for each one hour of actual teaching in the approved offerings.~~ Credit shall be awarded for teaching in an approved offering. Credit for the first instruction of a subject shall be awarded on the basis of ten hours credit for each one hour of actual teaching. Credit for any repeated instruction of the same subject shall be awarded on the basis of two hours credit for each one hour of actual teaching. Record of credit must be submitted on Form I.

~~(j)~~ J. CONDITIONS FOR EXTENSIONS. The commissioner may grant an extension to any person who evidences bona fide hardship, financial or medical, which prevented completion of the continuing education requirements. The person shall file the appropriate license fee with the renewal application along with the evidence showing hardship and a written request for a specific extension of time.

~~(k)~~ K. ADVERTISING. No advertisement, pamphlet, circular or other advertising material pertaining to an approved offering may be circulated or distributed unless it is first approved by the commissioner. All such advertisements, pamphlets, circulars, etc., shall contain the following language prominently displayed on the front:

"THIS OFFERING HAS BEEN APPROVED BY THE COMMISSIONER OF SECURITIES PURSUANT TO MINN. STAT., SECTION 82.22, SUBD. 13, RELATING TO CONTINUING REAL ESTATE EDUCATION."

The preceding language need not be prominently displayed on the front of any out of state offering advertisement, however, it is the responsibility of the entity to show evidence of an approval letter from the commissioner of securities approving the course pursuant to Minn. Stat. § 82.22, subd. 13. This approval letter must be maintained in the entity's records evidencing that the course is approved.

~~(l)~~ L. NOTICE. At the beginning of each offering, it shall be the responsibility of the entity's coordinator or representative to read the following notice to the students:

"This real estate educational offering of study is recognized by the commissioner of securities as applying in satisfaction of hours of credit toward continuing real estate education requirements for real estate licensees pursuant to the 'Real Estate License Law.' Since it is the concern of the commissioner that students receive a quality education, the comments of each student would be appreciated. If you have any comments about this real estate offering of study, your comments should be sent to the Commissioner of Securities, 500 Metro Square Building, St. Paul, Minnesota 55101."

~~(m)~~ M. FACILITIES. Each course offering shall have such classrooms and other facilities and supportive personnel as is necessary to adequately implement the offerings. ~~Courses-operating-under-the approval-of-the-Commissioner-may-not-be-presented-in-real-estate brokers'-offices.~~

~~(n)~~ N. AUDITING. The commissioner of securities, or his designee, reserves the right to audit subject offerings.

~~(e)--CLASS-OFFERINGS--ENROLLMENT.--To-insure-that-professional quality-standards-are-met,-each-class-should-have-a-maximum-of fifty-(50)-students.--However,-if-a-lecture-is-given-in-a-proper environment,-the-maximum-could-be-four-hundred-(400),-provided-that each-hour-of-lecture-the-student-obtains-one-hour-of-classroom discussion-with-a-maximum-of-fifty-(50)-students.~~

~~(p)~~ O. OFFERING COMPLETION CERTIFICATION--LICENSE RENEWAL PROCEDURE. Applicants for relicensure must itemize all continuing education courses and the hours of attendance on the form prescribed by the commissioner and attach this form to the license renewal form showing a total of no less than ~~forty-five-(45)~~ the required clock hours (Form P O).

FORM D

APPLICATION FOR APPROVAL OFFERINGS
Pursuant to the Minnesota Statutes, Section 82.22, Subdivision 13,
Relating to Continuing Real Estate Education (D)

All of the following information and enclosures must be submitted typewritten.

1. Name, address and telephone number of the entity _____

_____

2. Title of the Offering _____

3. Date and Exact Location of Each Offering:

   Date _____

   City _____

   Building _____

   Room _____

   Seating Capacity _____

4. Duration and Time of Offering _____

5. Indicate the method of evaluation of the program (e.g., participant critique, independent evaluator, etc.)

_____

6. Indicate procedure for measuring attendance _____

ENCLOSURES NEEDED:

The following enclosures will be needed to enable the Commissioner of Securities to understand the full scope of your courses:

1) Complete description of all materials to be distributed to the participants (copies may be submitted in lieu of description).

2) A sample of any proposed advertising to be used for promotional purposes.

3) A bibliography of the faculty, including name, professional educational background, and practical teaching experience, or a completed resume Form C "Application for Real Estate Instructor and Coordinator Approval" provided by the Commissioner.

4) A comprehensive detail outline of the subject matter together with a time sequence of each segment, faculty for each segment, teaching technique used in each segment. (Please complete outline of course presentation on the reverse side).

5) If applicable, Service of Process Form D-11 (for out of state offerings only).

6) Written evidence that the entity seeking approval is, 1. if applicable, registered and approved to do business in the State of Minnesota and, 2. if applicable, that the school is licensed pursuant to or exempt from Minnesota Statutes, Chapter 141.

THE COORDINATOR OF EACH APPROVED REAL ESTATE COURSE OF STUDY SHALL IMMEDIATELY REPORT ANY SUBSTANTIAL CHANGES IN THE INFORMATION CONTAINED IN THE APPLICATION FOR APPROVAL OR THE EXHIBITS APPENDED THERETO. SUCH CHANGES SHALL BE DEEMED ACCEPTABLE BY THE COMMISSIONER IF NO ACTION HAS BEEN TAKEN AFTER SEVEN (7) DAYS FROM THE DATE RECEIVED BY THE COMMISSIONER.

As coordinator of the above school seeking approval from the Commissioner of Securities to conduct the required real estate education pursuant to Minnesota Statutes, Section 82.22, Subdivision 13, I affirm that the following statement is true:

The above school seeking approval is not affiliated with, controlled by, nor a subsidiary of any real estate broker or real estate franchise.

_____

Signature of Coordinator

OUTLINE OF COURSE PRESENTATION

Time during which each segment will be offered	Subject content of each segment	Faculty for each segment	Teaching technique used in each segment	Total no. of hours devoted to each segment

Please remit this application and all enclosures to:

Real Estate Education Coordinator
334 B.A. Tower, West Bank
University of Minnesota
Minneapolis, Minnesota 55455

FORM D-11

APPOINTMENT OF ATTORNEY FOR SERVICE OF PROCESS

KNOW ALL MEN BY THESE PRESENTS:

That in compliance with the Laws of the State of Minnesota, _____

_____ a non-resident, does hereby appoint the Commissioner of Securities of the State of Minnesota, his successor or successors, as his true and lawful attorney upon whom may be served all legal process in any action or proceeding in which he may be a party and which relates to or involves any transaction covered by Chapter 82, Minnesota Statutes, and does hereby expressly consent and agree that service upon such attorney shall be as valid and binding as if due and personal service had been made upon him and that such appointment shall be irrevocable.

IN WITNESS WHEREOF, I have hereunto set my hand this _____

day of _____, 19__.

_____

_____

STATE OF_____)
)SS.
COUNTY OF_____)

On this _____day of_____, 19___, personally appeared before me, a notary public in and for said County and State, _____

_____ to me known to be the person described in and who executed the foregoing instrument and who, being by me first sworn, acknowledged that he executed the same as his free act and deed.

_____

Notary Public, _____County_____

(NOTARIAL SEAL)

My Commission expires_____

FORM I

STATE OF MINNESOTA

SECURITIES DIVISION

AFFIDAVIT OF TEACHING IN APPROVED CONTINUING REAL ESTATE COURSES

Pursuant to Minnesota Statutes, Section 82.22, Subdivision 13, Relating to Continuing Real Estate Education (I)

1. Name and address of person seeking credit _____

_____

2. Name of licensee's real estate company _____

_____

3. Title of course in which teaching has been done _____

_____

4. Name of sponsoring entity _____

5. Dates when course was presented _____

6. Place (city and exact location) where course was presented _____

_____

7. Subject matter taught _____

8. Type of instruction (lecture, leading of discussion, etc.) _____

_____

9. Number of clock hours spent in teaching _____

10. Description of the content of all written material prepared for the course. A copy of such material may be submitted in lieu of a description _____

_____

_____

I swear or affirm that the information hereon is, to the best of my knowledge, complete and accurate.

_____

NOTE: This completed form must be attached to your license renewal form for credit toward Real Estate Continuing Education requirements and sent to:

Licensing Section
500 Metro Square Building
St. Paul, Minnesota 55101

FORM P O

STATE OF MINNESOTA

SECURITIES DIVISION

AFFIDAVIT OF ATTENDANCE AT APPROVED CONTINUING REAL ESTATE EDUCATION COURSES

Pursuant to Minnesota Statutes, Section 82.22, Subdivision 13, Relating to Continuing Real Estate Education (P)

1. Name and address of person seeking credit (licensee) _____

_____

2. Name of licensee's real estate company _____

_____

3. Approved courses attended during 3 year period.

Sponsoring Entity	Name of Course	Date of Attendance	No. of Hours Actually Attended

I swear or affirm that the information hereon is, to the best of my knowledge, complete and accurate and that I did in fact attend, for the number of hours indicated, the courses listed.

_____

Applicants for relicensure must itemize all continuing education courses and the hours of attendance on this form and attach this form to the license renewal form showing a total of no less than forty-five (45) clock hours.

NOTE: This completed form must be attached to your license renewal form for credit toward Real Estate Continuing Education requirements and sent to:

Licensing Section
500 Metro Square Building
St. Paul, Minnesota 55101

SDiv 1513 (M.S. 82.20) ~~(a)~~ A. Unclaimed Property Act.

Upon the initial application for a real estate broker's license and upon each annual application for renewal, the applicant or broker shall be required to inform the commissioner of securities that he has complied with the requirements set forth in Minn. Stat. ch. 345 relating to unclaimed property.

SDiv 2011

(d) As a condition of being granted a license, every broker-dealer or investment advisor shall inform the commissioner of securities that it has complied with the requirements set forth in Minn. Stat. ch. 345 relating to unclaimed property.

SDiv 2027 (a) So long as a registration statement is effective, the issuer shall file an annual report in such form, and containing such information as the commissioner prescribes. At a minimum, the annual report shall contain the following:

(20) A statement by the issuer that it has complied with the requirements set forth in Minn. Stat. ch. 345 relating to unclaimed property.

SDiv 2138

Upon application for any registration the applicant shall be required to inform the commissioner of securities that he has complied with the requirements set forth in Minn. Stat. ch. 345 relating to unclaimed property.

STATE OF MINNESOTA

DEPARTMENT OF COMMERCE

SECURITIES DIVISION

IN THE MATTER OF THE PROPOSED AMENDMENTS TO THE EXISTING RULES FOR REAL ESTATE BROKERS AND SALESPERSONS AND THE SECURITIES ACT; ADOPTION OF NEW RULES RELATING TO CONTINUING REAL ESTATE EDUCATION	)	ORDER FOR HEARING

IT IS HEREBY ORDERED that a public hearing on the above-captioned rules be held in the Hearings Room, 500 Metro Square Building, 7th and Robert Streets, St. Paul, Minnesota on March 27, 1978 commencing at 9:00 a.m., and continuing until all persons have had an opportunity to be heard.

IT IS FURTHER ORDERED that a Notice of Hearing be mailed to all persons or representatives of associations or other interested groups who have registered their names with the Secretary of State for that purpose.

IT IS FURTHER ORDERED that the Notice of Hearing be published in the State Register.

John R. Larson

JOHN R. LARSON
Commissioner of Securities

Dated this 6th day of

1978.

Division EXHIBIT NO. 1

DATE 3-27-78

NANCY J. DUEHN

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
SECURITIES DIVISION

IN THE MATTER OF THE PROPOSED AMENDMENTS TO THE EXISTING RULES FOR REAL ESTATE BROKERS AND SALESPERSONS AND THE SECURITIES ACT; ADOPTION OF NEW RULES RELATING TO CONTINUING REAL ESTATE EDUCATION

NOTICE OF HEARING

Notice is hereby given that a public hearing in the above-entitled matter will be held pursuant to Minn. Stat. §15.0412, Subd. 4, at the following date, location and time, and will continue until all persons have had an opportunity to be heard:

March 27, 1978, Hearings Room, 5th Floor Metro Square Building, 7th and Robert Streets, St. Paul, Minnesota at 9:00 a.m., a summary of the amendments to the existing rules and the newly proposed continuing real estate education rules and regulations will be presented by the Securities Division. Copies of the Statement of Need and Summary of Evidence will be available for review. The primary purpose of the hearing is to allow interested persons to comment on the proposals.

All interested or affected persons will have the opportunity to participate concerning the amendments to the existing rules and the adoption of the proposed new rules. Statements may be made orally and written material may be submitted, whether or not an appearance is made at the hearings, by mail to George Beck, Office of the Hearings Examiner, Room 300, 1745 University Avenue, St. Paul, Minnesota 55104. The record will remain open for 5 working days following the last hearing date unless the Hearing Examiner orders more time but which cannot exceed 20 calendar days.

NOTICE

All persons have the right to be notified of the date on which the Hearing Examiner's Report will be available, after which date the agency may not take any final action on the rules for a period of five working days. All persons have the right to be informed of the date on which the hearing record has been submitted to the Attorney General by the agency. If you desire to be so notified, you may do

Division EXHIBIT NO. 2

DATE 3-27-78

NANCY J. DUEHN

so by so indicating at the hearing or by written request sent to the Hearing Examiner prior to the close of the record.

Notice is hereby given that 25 days prior to the first hearing date, a Statement of Need and Summary of Evidence will be available for review at the Securities Division, Department of Commerce and at the Office of the Hearing Examiners. Such Statement has been prepared as a single document but in separate parts. The first part relates solely to the proposed amendments to the existing rules relating to real estate license applications and fees, trust funds, fraudulent, deceptive or dishonest practices, standards of conduct, real estate education and securities registration and licensing applications. The second part relates solely to the new proposed rules relating to continuing real estate education. Copies of these documents will be available for review at the hearing. These documents include the verbatim testimony intended to be presented at the hearing on March 27, 1978, justifying both the need for and reasonableness of the proposed rules. Copies of the statements may be obtained from the Securities Division, Department of Commerce by sending a written request, together with a check or money order payable to: Treasurer, State of Minnesota, in the following amounts:

1. Amendments to Existing Rules only: $2.65

2. Adoption of New Rules for Continuing Real Estate Education only: $2.35

3. Complete document: $5.00

Copies of the proposed amendments to the existing rules and the new rules are now available, and one free copy may be obtained by writing the Securities Division, 500 Metro Square Building, St. Paul, Minnesota 55101. Persons desiring copies should indicate whether they desire all proposals or which portions they desire in order to conserve costs. Copies will also be available at the hearing.

Statutory authority to adopt the proposed amendments and newly proposed rules relating to real estate is contained in Minn. Stat. §82.28. Statutory authority to adopt the proposed amendments relating to securities is contained in Minn. Stat. §80A.25, Subd. 1.

The proposed amendments to existing substantive rules, if adopted, would clarify the definition of overpayment of fees; explain the procedure for reinstating a salesperson's license which was cancelled for noncompliance with the education requirements; delineate the qualifications for receiving a waiver of the salesperson's requirements;

delete language already included in the statute which provides for the placement of trust funds into an interest bearing account; specify the period in which trust funds must be deposited; make the failure to disclose material information to a potential buyer a fraudulent, deceptive or dishonest practice; make the failure to notify the Commissioner of changes in information on an application grounds for disciplinary action; prohibit representation of membership in an organization if not a member; prohibit misrepresentation of taxes and assessments and require any representations to be in writing; require written offers to purchase to be presented within a reasonable time; require, when applicable, disclosure that a business is independently owned and operated in advertising; prohibit knowingly misstating tax liabilities of a seller or property; prohibit providing information which indicates that a seller has been misrepresenting records to decrease tax liabilities.

The proposed rule relating to the unclaimed property act, if adopted, would require applicants for a broker's license and brokers to inform the Commissioner that they are in compliance with the unclaimed property act.

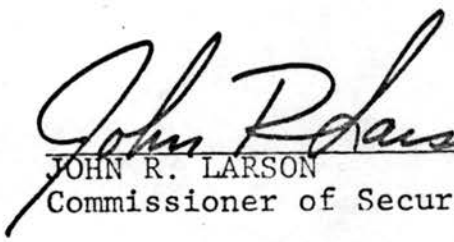
The proposed amendments to the existing rules relating to real estate education for salespersons, if adopted, would divide the course of study into three (3) thirty (30) hour courses; require approved courses to be taken in sequence; allow credit for courses taken up to one year before a license is issued; provide for extensions and waivers; outline the curriculum for the courses of study; exclude courses designed to prepare persons for passing real estate examinations; delete the prohibition of using optional subjects in both Courses I and II; delete language requiring, at a minimum, a notebook containing an outline of each subject to be used in courses; require textbooks to be used in Courses I and II and, at a minimum, a notebook with an outline in Course III; require schools to itemize additional fees for materials needed in course work; require additional materials purchased by a student to become the property of the student; measure successful completion of a course by the passing of a written examination; require a person seeking approval of Courses I, II and III to submit the name and author of the required textbook for Courses I and II and the comprehensive outline for Course III, copies of examinations prior to their use and, when applicable, proof of being registered to legally do business in the State of Minnesota and/or proof of licensure or exemption from Minnesota Statutes, Chapter 141; except out of state offerings of Course III from including approval language on their advertisements; require courses to file within fourteen (14) days a list of students who are licensed or intend to be licensed and have passed the course; require schools to maintain records of passing grades for a minimum of three (3) years and provide a custodian in the event operations cease; prohibit approved courses from being presented in real estate brokerage offices; prohibit approved courses from being affiliated with a franchise; provide for the suspension,

revocation or denial of a course offering, coordinator or instructor by the issuance of a written order by the Commissioner; provide the Commissioner with the right to audit offerings; place responsibility for evaluation of courses and instructors on course coordinators including the use of instructor evaluation forms to be completed by students; limit class size to fifty (50) students except in the case of a lecture where the limit shall be four-hundred (400) students provided that for each hour of lectures, there will be one (1) hour of classroom discussion with a limitation of fifty (50) students per classroom; contain the forms for instructor and coordinator approval, course approval, filing an annual report, certifying those students who have passed a course, and student evaluation of instructor and course content.

The proposed adoption of rules relating to continuing education, if adopted, would set forth the curriculum for an approved continuing education course; would exclude courses designed to prepare students for real estate examinations, courses in mechanical office and business skills, sales promotion meetings, courses affiliated with real estate companies and franchises and time devoted to meals or refreshments offered during a course; establish criteria for approval including time limits, attendance, record keeping, measurement of successful completion, coordinator approval, and instructor approval; set forth the information to be contained in an application for approval; require notification to the Commissioner of any material changes of information contained in the application for approval; provide for application for approval of a course subsequent to attendance at a course offering; provide for the suspension, revocation or denial of a course offering, coordinator or instructor by written order of the Commissioner; prohibit credit for substantively identical offerings, provide for credit for teaching in an approved offering; set forth conditions for extensions; set forth criteria for advertising similar to the rule for the ninety (90) hour course of study; require a notice to be read at the beginning of each offering which states that the offering is recognized by the Commissioner towards satisfaction of the continuing education requirement; prohibit approved courses from being presented in real estate brokers' offices; provide the Commissioner with the right to audit offerings; limit class size to fifty (50) students except in the case of lectures where the limitation would be four-hundred (400) students provided that for each hour of lecture, there will be one hour of classroom discussion with a limitation of fifty (50) students. Would require licensees to certify a minimum of forty-five (45) clock hours of attendance at approved continuing education courses on a form prescribed by the Commissioner and filed with license renewal applications; contain the forms for application for approval of offerings, appointment of attorney for service of process, certifying credits for teaching approved continuing real estate courses and certifying attendance at approved continuing real estate education courses.

The proposed amendments to the existing rules for the Securities Act, if adopted, would require an applicant for a broker dealer or investment advisor to inform the Commissioner that the applicant has complied with the Unclaimed Property Act; require an annual report to contain a statement by the issuer that the issuer has complied with the Unclaimed Property Act; require, upon application for registration, an applicant to inform the Commissioner that the applicant has complied with the Unclaimed Property Act.

Please be advised that Minn. Stat. Ch. 10A requires each lobbyist to register with the Ethical Practices Board within five (5) days after he commences lobbying. Lobbying includes attempting to influence rule-making by communicating or urging others to communicate with public officials. A lobbyist is generally any individual who spends more than $250 per year for lobbying or any individual who is engaged for pay or authorized to spend money by another individual or association and who spends more than $250 per year or five (5) hours per month at lobbying. The statute provides certain exceptions. Questions should be directed to the Ethical Practices Board, 41 State Office Building, Saint Paul, Minnesota 55155, phone (612) 296-5615.



JOHN R. LARSON
Commissioner of Securities

STATE OF MINNESOTA

DEPARTMENT OF COMMERCE

SECURITIES DIVISION

IN THE MATTER OF THE PROPOSED AMENDMENTS TO THE EXISTING RULES FOR REAL ESTATE BROKERS AND SALESPERSONS AND THE SECURITIES ACT; ADOPTION OF NEW RULES RELATING TO CONTINUING REAL ESTATE EDUCATION	)	AFFIDAVIT

Carol Groppoli, being duly sworn on oath, deposes and says:

1. That she is a Clerk Stenographer Senior for the State of Minnesota, Department of Commerce, Securities Division.

2. That on the 14th day of February 1978 she went to the Secretary of State's Office of the State of Minnesota and requested a current list of all representatives of associations or other interested groups or persons who had registered their names with the Secretary of State for the purpose of obtaining notices of public hearings relating to the promulgation of rules pursuant to Minn. Stat. 15.0412;

3. That on the 14th day of February 1978, in response to the above request, the Secretary of State provided her with such a list, a copy of which is attached and incorporated by reference.

Further affiant sayeth not.

Carol Groppoli
CAROL GROPPOLI

Subscribed and sworn to before me
this 14th day of February, 1978.

Lori Fleming
Notary Public

LORI FLEMING
NOTARY PUBLIC-MINNESOTA
RAMSEY COUNTY
My Comm. Expires Sept. 1, 1982

Division EXHIBIT NO. 5

DATE 3-22-78

NANCY J. DUEHN

STATE OF MINNESOTA

DEPARTMENT OF COMMERCE

SECURITIES DIVISION

IN THE MATTER OF THE PROPOSED AMENDMENTS TO THE EXISTING RULES FOR REAL ESTATE BROKERS AND SALESPERSONS AND THE SECURITIES ACT; ADOPTION OF NEW RULES RELATING TO CONTINUING REAL ESTATE EDUCATION	)	CERTIFICATE

I hereby certify that the attached 8 sheets, containing and 484 mailing labels, constitute the complete list of persons, associations, and other interested groups who as of 4:30 o'clock p.m., this 14 day of February 1978, have requested that their names be placed on file with the Secretary of State for the purpose of receiving notice of public hearing on the proposed rules on the subject captioned above.

JOAN ANDERSON GROWE
Secretary of State

By Randall W Sayers

Division EXHIBIT NO. 6

DATE 3-27-78

NANCY J. DUEHN

STATE OF MINNESOTA

DEPARTMENT OF COMMERCE

SECURITIES DIVISION

IN THE MATTER OF THE PROPOSED AMENDMENTS TO THE EXISTING RULES FOR REAL ESTATE BROKERS AND SALESPERSONS AND THE SECURITIES ACT; ADOPTING OF NEW RULES RELATING TO CONTINUING REAL ESTATE EDUCATION	)	AFFIDAVIT OF MAILING

Carol Groppoli, being first duly sworn, deposes and says:

That on the 16th day of February 1978, at the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached Notice of Hearing by depositing in the Central Mailing Section of the Publications and General Services Division of the Minnesota Department of Administration at the City of St. Paul, a true and correct copy thereof, properly enveloped, to all persons and associations at the addresses listed on the Secretary of State's list as well as to all members of the Minnesota Legislature.

Carol Groppoli
CAROL GROPPOLI

Subscribed and sworn to before me
this 16th day of February 1978.

Lori Fleming

LORI FLEMING
NOTARY PUBLIC-MINNESOTA
RAMSEY COUNTY
My Comm. Expires Sept. 1, 1982

Division EXHIBIT NO. 7

DATE 3-27-78

NANCY J. DUEHN

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
SECURITIES DIVISION

In the Matter of the Proposed Amendments to the Existing Rules for Real Estate Brokers and Salespersons and the Securities Act; Adoption of New Rules Relating to Continuing Real Estate Education

FINDINGS OF FACT, CONCLUSIONS AND ORDER ADOPTING RULES

The above-entitled matter came on for hearing before Hearing Examiner George A. Beck, duly appointed as hearing examiner in this matter, at 9:00 a.m. on Monday, March 27, 1978 in the hearing room of the Department of Commerce, 500 Metro Square Building, Seventh and Robert Streets, in the City of St. Paul, County of Ramsey, State of Minnesota. The record was closed on April 6, 1978.

After affording all interested persons an opportunity to present written and oral data, statements and arguments, having heard all of the testimony, having carefully considered all of the evidence adduced and the report of the hearing examiner dated April 28, 1978, and upon the records, files and proceedings herein, the Commissioner of Securities concurs with, adopts and incorporates the attached Findings of Fact, Conclusions and Recommendation of the Hearing Examiner in this matter except as specified in the following Findings and Conclusions:

1. SDiv. 1506(a) (3). It is found and concluded that the Examiner's clarification to this rule should be adopted for the reasons stated in the Report, and that, therefore, the first paragraph of that rule will read as follows:

> A check received from the potential buyer shall be deposited into the listing broker's trust account not later than the next business day after delivery of the check to the broker except that the check may be held by the listing broker until acceptance or rejection of the offer if:

2. SDiv. 1511(g). It is found and concluded that the Examiner's proposed clarification to this rule should be adopted and that the rule would read as follows:

> Each student must successfully complete a written examination before credit will be given for completion of a thirty (30) hour course or segment. The criteria for passing of an examination may be developed by each school based on each school's educational concept.

3. SDiv. 1512(f). The Examiner recommended adding an introductory title to this subdivision. The introductory title should read as follows: "Application for Post-Course Approval."

4. SDiv. 1512(i). The Examiner recommended that the Commissioner consider a modification based on the record as to this rule. As amended, the rule will read as follows:

> Credit shall be awarded for teaching in an approved course. Credit for the first instruction of a subject shall be awarded on the basis of ten hours credit for each one hour of actual teaching. Credit for any repeated instruction of the same subject shall be awarded on the basis of two hours credit for each one hour of actual teaching.

5. It is found and concluded that the Examiner's recommendation that the proposed rules are not consistent with the State Register numbering system is correct and that the rules will therefore be renumbered and relettered accordingly before submission to the State Register.

NOW, THEREFORE, IT IS ORDERED that the rules as recommended for adoption by the Hearing Examiner, as modified herein, be adopted.

Dated this 10th day of May, 1978.

updated to 01/06/78

John R. Larson

JOHN R. LARSON
Commissioner of Securities

WHEREAS, in May, 1978, the Department of Commerce submitted the above entitled rules to the Chief Hearing Examiner for review pursuant to Minn. Stat. § 15.052, Subd. 4, and Rule HE 107; and

WHEREAS, on May 10, 1978, the Chief Hearing Examiner issued his report finding that the rules as proposed to be adopted were not substantially different from those proposed at the public hearing and that the Department of Commerce had met all requirements of Minn. Stat. § 15.0412, Subd. 4; and

WHEREAS, the Department of Commerce subsequently submitted the rules and the record of the proceedings to the Attorney General for his review as to form and legality pursuant to Minn. Stat. § 15.0412, Subd. 4; and

WHEREAS, the Attorney General recommended to the Department of Commerce that certain of the rules be amended; and

WHEREAS, the Department of Commerce has now resubmitted the rules to the Chief Hearing Examiner for his review; and

WHEREAS, the Chief Hearing Examiner finds that the changes made in the rules do not make the rules substantially different from those proposed at the public hearing.

NOW, THEREFORE, upon receipt of this report, the Department of Commerce has the responsibility of resubmitting the complete hearing record and the rules as adopted by the Department to the Attorney General and to publish in the State Register, all pursuant to Minn. Stat. § 15.0412, Subd. 4.

Dated this 12 day
of June, 1978.

DUANE R. HARVES
Chief Hearing Examiner

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
ST. PAUL, MINNESOTA 55101

TEL. NO. 296-6319

June 16, 1978

Mr. Michael B. Miller
Special Assistant Attorney General
Office of the Attorney General
G-19 Administration Building
50 Sherburne Avenue
St. Paul, Minnesota 55155

Re: In the Matter of the Proposed Amendments to the Existing Rules for Real Estate Brokers and Salespersons and the Security Act; Adoption of New Rules Relating to Continuing Real Estate Education

Dear Mr. Miller:

The Department of Commerce, Securities Division, hereby submits for your review amended pages 6, 18 and 20 to the rules as adopted in the above matter. We are additionally enclosing the Order Adopting Rules.

Very truly yours,

JOHN R. LARSON
Commissioner of Securities

By: Harlee E Goldsteen
(MISS) HARLEE E. GOLDSTEEN
Real Estate Director

HEG:cg

Encls.

ADMIN 1000 (Rev. 1/78)

STATE OF MINNESOTA

DEPARTMENT Attorney General

Office Memorandum

TO : Robert C. Carlson,
Special Assistant
Attorney General
5th Floor
Metro Square Building

DATE: June 6, 1978

FROM : Michael B. Miller,
Special Assistant
Attorney General

PHONE: 296-4692

SUBJECT: Real Estate Education Rules

Bob,

The above-captioned Rules are returned herewith for revision to the following sections:

1511 A.3.: There are two problems with this rule.

1. The use of "may" rather than "shall" leaves the rule without an actual standard of application; the wording should be changed from "may" to "shall".

2. The phrase "appropriate showing of hardship" is vague for two reasons:

   a. what is "appropriate"?
   b. what is "hardship"?

1512 C.1.: The phrase "consider, but not be limited to..." is vague for two reasons:

1. If the commissioner considers these standards, is he bound to rely on them in making a decision? If not, then what?

2. If he is not limited to these standards, what other standards will be applied?

If you have any question regarding these sections, please feel free to call me.

MBM/cc

424

Robert S. Carlson,
Special Assistant
Attorney General
5th Floor Metro Square Building

June 19, 1978

/ Adopted Rules for Real Estate Brokers and Salespersons and the Securities Act.

Robert C. Carlson,
Special Assistant
Attorney General
5th Floor Metro Square Building

June 19, 1978

/ Adopted Rules for Real Estate Brokers and Salespersons and the Securities Act.

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE DEPARTMENT OF COMMERCE - SECURITIES DIVISION

IN THE MATTER OF THE PROPOSED AMENDMENTS TO THE EXISTING RULES FOR REAL ESTATE BROKERS AND SALES-PERSONS AND THE SECURITIES ACT; ADOPTION OF NEW RULES RELATING TO CONTINUING REAL ESTATE EDUCATION.

SUPPLEMENTAL REPORT OF THE CHIEF HEARING EXAMINER

WHEREAS, in May, 1978, the Department of Commerce submitted the above entitled rules to the Chief Hearing Examiner for review pursuant to Minn. Stat. § 15.052, Subd. 4, and Rule HE 107; and

WHEREAS, on May 10, 1978, the Chief Hearing Examiner issued his report finding that the rules as proposed to be adopted were not substantially different from those proposed at the public hearing and that the Department of Commerce had met all requirements of Minn. Stat. § 15.0412, Subd. 4; and

WHEREAS, the Department of Commerce subsequently submitted the rules and the record of the proceedings to the Attorney General for his review as to form and legality pursuant to Minn. Stat. § 15.0412, Subd. 4; and

WHEREAS, the Attorney General recommended to the Department of Commerce that certain of the rules be amended; and

WHEREAS, the Department of Commerce has now resubmitted the rules to the Chief Hearing Examiner for his review; and

WHEREAS, the Chief Hearing Examiner finds that the changes made in the rules do not make the rules substantially different from those proposed at the public hearing.

NOW, THEREFORE, upon receipt of this report, the Department of Commerce has the responsibility of resubmitting the complete hearing record and the rules as adopted by the Department

Department of Commerce

Securities Division

Adopted Rules for Real Estate Brokers

and Salespersons and the Securities Act

The rules published in the State Register, Vol. 2, p. 1518, February 20, 1978, (2 S.R. 1518) are adopted and are identical to their proposed form, except for the following changes.

SDiv 1501 (M.S. 82.21) ~~(a)~~ A. Overpayment of Fees. "Overpayment" shall mean any payment of monies in excess of a statutory fee or for an examination or license for which a person does not qualify. An overpayment of any fee paid pursuant to this chapter shall be refunded within a reasonable time after a letter requesting said refund is received by the commissioner and signed by the person making the overpayment.

SDiv 1503 (M.S. 82.22)

~~(b)~~ B. Cancellation of a salesperson's license. A salesperson's license which has been cancelled for failure of a salesperson to complete required instruction must be returned to the commissioner by the salesperson's broker within ten days of notice of cancellation. Such license may be reinstated without re-examination by completing the required instruction and filing an application and fee for a salesperson's license within one year of the cancellation date.

~~(c)~~ C. Waivers. The commissioner may waive the real estate licensing experience requirement for the broker's examination.

{1}. Qualifications. An applicant for a waiver shall provide evidence of either:

{aa}. successful completion of a minimum of ninety (90) quarter credits or two hundred and seventy (270) classroom hours of real estate related studies, or

{bb}. a minimum of five (5) consecutive years of practical experience in real estate related areas, or

{cc}. successful completion of thirty (30) credits or ninety (90) classroom hours and three (3) consecutive years of practical experience in real estate related areas.

{2}. Requests. A request for a waiver shall be submitted to the commissioner in writing and be accompanied by such documents as necessary to evidence qualification as set forth in {1}.

SDiv 1505 (M.S. 82.24) {a} A. Trust Funds.

{4}. Trust funds may be placed by the broker in an interest-bearing account or certificate of deposit, provided ~~all-parties-to-the-trans-action~~ the buyer and the seller consent in writing to such account or deposit and to the disposition of such trust funds.

SDiv 1506 (M.S. 82.24) {a} A. Trust Account Records.

{3}. A check received from the potential buyer shall be deposited into the listing broker's trust account not later than the next business day after delivery of the check to the broker except that the check may be held by the listing broker until acceptance or rejection of the offer if:

~~(aa)~~ the check by its terms is not negotiable by the broker or if the potential buyer has given written instructions that the check shall not be deposited nor cashed until acceptance or shall be immediately returned if the offer is rejected, and;

~~(bb)~~ the potential seller is informed that the check is being so held before or at the time the offer is presented to him for acceptance.

If the offer is accepted, the check shall be deposited in a neutral escrow depository or the trust fund account of the listing broker not later than the next business day following acceptance of the offer unless said broker has received written authorization from all parties to the transaction to continue to hold the check. If the offer is rejected, the check shall be returned to the potential buyer not later than the next business day after rejection. ~~If no such written instructions to hold a check exist, such check shall be deposited not later than the next business day after delivery of such check into the listing broker's trust account.~~

SDiv 1508 (M.S. 82.27) ~~(b)~~ A. Fraudulent, Deceptive or Dishonest Practices.

The methods, acts or practices set forth herein shall be presumed fraudulent, deceptive or dishonest when engaged in by a real estate broker or salesperson and shall constitute grounds for denial, suspension or revocation of the license of such person, or censure of said licensee:

~~(qq)~~ 17. ~~Failing-to-disclose-any-material-information-which is-of-the-licensee's-knowledge-to-a-purchaser.~~ Failing to disclose to a purchaser all material facts pertaining to the property, of which the agent is aware, which would adversely and significantly affect the purchaser's use or enjoyment of the property.

~~(rr)~~ 18. Failing within a reasonable time to notify the commissioner of any change of information contained in a license application on file with the commissioner.

SDiv 1509 (M.S. 82.27) ~~(a)~~ A. Standards of Conduct.

~~(1)~~. The methods, acts, or practices set forth herein shall be standards of conduct governing the activities of real estate brokers and salespersons under this chapter. The failure to comply with said standards shall constitute grounds for denial, suspension or revocation of the license of such person, or censure of said licensee. Licensees shall:

~~(ee)~~. Not represent membership in any organization in which said licensee is not a member;

~~(qq)--Not-misrepresent-the-nature-and-amount-of-any-taxes and/or-assessments-to-a-party-in-any-transaction.--Any-representations by-a-licensee-regarding-taxes-and/or-assessments-must-be-in-writing and-furnished-to-all-parties-of-the-transaction;~~

~~(rr)~~ q. Not fail to present any written offer to purchase to the owner within a reasonable period of time;

~~(ss)--Clearly-identify-said-licensee's-business-is independently-owned-and-operated,-if-applicable,-on-all-real-estate documents-and-advertising,-excepting-one-inch-classified-ads;~~

~~(tt)--Knowingly-providing-a-buyer-any-information-which misstates-any-tax-liabilities-of-the-seller-or-the-property,-or potential-tax-liabilities-of-the-buyer;~~

~~(uu)--Knowingly-providing-a-buyer-any-information-which indicates-that-the-seller-has-been-misrepresenting-records-to-decrease tax-liabilities.~~

SDiv 1511 (M.S. 82.22) Real Estate Education.

~~(a)~~ A. Approval. A course of study in the real estate field will be approved by the commissioner of securities, pursuant to Minn. Stat § 82.22, subd. 6, upon compliance with the following requirements.

~~(1)~~. REQUIREMENTS. ~~(aa)~~. The 90 hour course of study in real estate prescribed by Minn. Stat. § 82.22, subd. 6 shall consist of three (3) thirty classroom hour courses (Course I, Course II and III). Each applicant or salesperson shall be required to complete all courses successfully. Courses I, II and III must be taken in sequence and may not be taken concurrently. Applicants who elect to successfully complete an approved course of real estate education while not licensed may receive credit for such education if a real estate salesperson's license is obtained within one year after the successful completion date of the course.

~~(bb)~~. Applicants will have one year from the successful completion date of the course to successfully complete the salesperson's examination. After this date, credit for Course I will expire and successful completion of the first thirty (30) hour course must be repeated before applying for the salesperson's examination. Every

salesperson licensed after July 1, 1978, shall within one year of the date the license was first issued, be required to successfully complete Courses II and III. Courses II and III must be taken in sequence and may not be taken concurrently. ~~Applicants who elect to successfully complete Courses II and III while not licensed may receive credit for such education if a real estate salesperson's license is obtained within one (1) year after the successful completion date of Course I.~~

~~(2)~~ Extensions. Upon appropriate showing of hardship, the commissioner may extend the time period during which the post-licensing real estate instruction must be successfully completed. A request for an extension shall be submitted in writing to the commissioner no later than forty-five (45) days prior to the date of license cancellation. The request shall include: 1) an explanation and verification of hardship, and 2) verification of enrollment in an approved course of study and the dates during which the course will be held. Loss of income resulting from the cancellation of a license is not an acceptable hardship.

~~(3)~~ Waivers of Post-Licensing Classroom Attendance. Minn. Stat. § 82.22. ~~Upon appropriate showing of hardship, the commissioner may waive mandatory classroom attendance for post-licensing education.~~ A request for a waiver shall be submitted in writing to the commissioner at least six (6) months prior to the date of cancellation and shall include: 1) an explanation and verification of hardship, and 2) verification of enrollment in approved independent study.

~~(b)~~ B. CURRICULUM. The curriculum for the ninety (90) hour course of study shall be as follows:

COURSE I (30 HOURS)

"FUNDAMENTALS OF REAL ESTATE"

Real Estate Fundamentals and Professional Standards	3 hours
Real Estate Marketing	3 hours
Real Estate Financing	3 hours
Residential Market Evaluation	3 hours
Legal Aspects (Contracts)	4 hours
Closing (Mechanics of)	3 hours
Construction	3 hours
Zoning	2 hours
Discrimination in Housing	1 hour
Real Estate License Law & Subdivided Land Act	2 hours
Mathematics	3 hours
	30 hours

COURSE II (30 HOURS)

"ADVANCED FUNDAMENTALS OF REAL ESTATE"

Law (2 hours) - Deeds (Types, Characteristics, Validity) and Current Update on State and Federal Real Estate Laws (1 hour).....3 hours

Advanced Legal Contracts (Listing, Purchase and Leasing Agreements.....4 hours

Real Estate Taxation.....3 hours

Introduction to Investment Property.....3 hours

Real Estate Management - Landlord/Tenant Relationship and Leases.....3 hours

Land Development.....3 hours

Condominiums, Cooperatives and Townhouses.....2 hours

Introduction to Appraising.....3 hours

Minnesota Real Estate Security Law.....1 hour

*Introduction of Major Specialty Brokerages.....2 hours

Choice of Optional Hours.....3 hours

30 hours

OPTIONAL SUBJECTS

~~Business-Brokerage.....3-hours-maximum~~

~~Advertising.....3-hours-maximum~~

~~Communication.....3-hours-maximum~~

~~Guaranteed-Sales-Plan.....3-hours-maximum~~

~~Trade-Ins---Exchanges.....3-hours-maximum~~

~~Farm-Brokerage.....3-hours-maximum~~

~~Resort-Brokerage.....3-hours-maximum~~

~~Insurance.....3-hours-maximum~~

~~Economics.....3-hours-maximum~~

~~Property-Management.....3-hours-maximum~~

~~Shopping-Centers.....3-hours-maximum~~

~~Industrials.....3-hours-maximum~~

~~Land-Planning-and-Development.....3-hours-maximum~~

~~Advanced-Financing.....3-hours-maximum~~

~~Real-Estate-Marketing.....3-hours-maximum~~

~~Advanced-Construction.....3-hours-maximum~~

Property Management.....3 hours maximum

Advertising.....3 hours maximum

Trade-Ins & Exchanges.....3 hours maximum

Farm Brokerage.....3 hours maximum

Land Planning and Development.....3 hours maximum

Resort Brokerage.....3 hours maximum

Insurance.....3 hours maximum

Advanced Construction.....3 hours maximum

Urban Renewal.....3 hours maximum

Economics.....3 hours maximum

Shopping Centers.....3 hours maximum

Industrials.....3 hours maximum

Guaranteed Sales Plans.....3 hours maximum

Advanced Financing.....3 hours maximum

Business Brokerage.....3 hours maximum

Communication.....3 hours maximum

Real Estate Marketing.....3 hours maximum

*The content matter of this subject may be selected from the following optional subjects:

Farm Brokerage

Business Brokerage

Resort Brokerage

Industrials

Commercial Property Brokerage

The commissioner of securities will consider for approval courses for the third thirty (30) hours of educational requirements based on:

Function and Operation of Calculators and Computers

Government in Real Estate

Finance

Real Estate Law

Real Estate Appraisal

Real Estate Investment

Property Management

Mathematics of Real Estate

Residential Real Estate

Principal Agency Relationships

Farm and Ranch Real Estate

Industrial and Commercial Property

Taxation

Real Estate Securities and Syndication

Estate Building and Portfolio Management

Real Estate Brokerage Administration

Economics

Business Brokerage

Resort Brokerage

Land Planning and Development

Urban Renewal

Closing Techniques and Procedures

Advanced Construction

Exchanging Relating to Real Estate

~~(1)~~. The commissioner may approve courses of study in the real estate field offered in an Area Vocational-Technical Institute.

~~(2)~~. EXCLUSIONS. The following course offerings will not be acceptable by the commissioner of securities as meeting the third thirty (30) hours of real estate education: Courses of instruction designed to prepare a student for passing the State real estate broker or salesperson examination. Offerings in mechanical office and business skills such as typing, speed-reading, memory improvement, language report writing, ~~advertising,~~ personal motivation, salesmanship and sales psychology.

The subjects of "Real Estate License Law and Subdivided Land Act" and "Application of Securities Laws to Real Estate" shall be instructed by the commissioner or his designee.

~~(e)~~ E. STUDENT TEXTBOOK. Each student attending an approved real estate Course I and II shall be required, at minimum, to have a textbook(s) cross-referencing the course subjects to the textbook(s). Each student attending an approved real estate Course III shall have at a minimum, a notebook containing thorough outlines on each subject, or a required textbook(s) cross-referencing the course subjects to the textbook(s).

~~(f)~~ F. FEES. The commissioner shall be informed in detail of all fees charged by each approved real estate course of study. A fee or tuition of $75.00 or less for a thirty (30) hour course shall be presumed as reasonable. Any fee in excess of that must be justified to the commissioner. Additional fees charged for supplies and materials or books needed in course work shall be itemized by the school and the materials shall upon payment become the property of the student.

~~(g)~~ G. EXAMINATIONS. Each student must successfully complete ~~an~~ written examination before credit will be given for completion of a thirty (30) hour course or segment. ~~Passing-a-written-examination shall-be-the-measurement-of-successful-completion-of-a-course.~~ The criteria for passing of an examination may be developed by each school based on each school's educational concept.

~~(h)~~ H. APPLICATION FOR APPROVAL. (Form H.) Any person seeking initial approval from the commissioner of a real estate course of study shall submit the following:

~~(2)~~. The name and author of the required textbook for Course I and II.

~~(4)~~. Copy of student notebook~~,~~ containing comprehensive outlines for Course III, or the name and author of the required textbook.

~~(5)~~. Copies of examinations for all courses complete with questions and answers must be submitted prior to their use.

~~(9)~~. If applicable, proof of being registered and approved to legally do business in the State of Minnesota.

~~(10)~~. If applicable, proof of licensure or exemption from Minn. Stat. ch. 141.

~~(i)~~ I. ADVERTISING. No advertisement, pamphlet, circular or other advertising material pertaining to an approved course of study may be circulated or distributed unless it is first approved by the commissioner. All such advertisements, pamphlets, circulars, etc. shall contain the following language prominently displayed on the front:

"THIS COURSE HAS BEEN APPROVED BY THE COMMISSIONER OF SECURITIES PURSUANT TO MINN. STAT., SECTION 82.22."

The preceding language need not be prominently displayed on the front of any out-of-state Course III offering advertisements. However, it is the responsibility of the entity to show evidence of an approval letter from the commissioner of securities approving the course pursuant to Minn. Stat. § 82.22, subd. 6. This approval letter must be maintained in the entity's records evidencing that the course is approved.

~~(k)~~ K. ANNUAL REPORT. (Form K.) Between January 1 and January 10 of each calendar year, every approved real estate course of study shall submit to the commissioner the following information:

~~(l)~~ L. NOTICE. At the beginning and end of each course or segment of the ninety (90) hour course of study in real estate, it shall be the responsibility of the coordinator or his representative to read the following notice to the students:

"This thirty hour course of study in real estate is recognized by the commissioner of securities as applying in satisfaction of the educational requirements for real estate salespersons pursuant to the "Real Estate License Law". Since it is the concern of the commissioner that students receive a quality education the

comments of each student would be appreciated. If you have any comments about this real estate course of study, your comments should be sent to the Commissioner of Securities, 500 Metro Square Building, St. Paul, Minnesota 55101."

~~(m)~~ M. COURSE OF STUDY TO CERTIFY COMPLETION. Each course of study shall within fourteen (14) days of the completion of a course, notify the Licensing Section of the Department of Commerce of the names and addresses of the students who took the course and the grade they received on the examination. Student names should be alphabetized, typewritten and double-spaced on Real Estate Education Certification Form M. Only passing grades of licensees or those who will be licensed within one year should be reported to the Licensing Section in a language or symbols that can be interpreted as a passing grade. Send the course certification Form M to: Real Estate Licensing Section, 500 Metro Square Building, St. Paul, Minnesota 55101.

~~(1)~~. Each approved school shall maintain records of students successfully completing any course for a minimum of three years. In the event that a school should cease operation for any reason, the ownership shall be responsible for maintaining said records or providing a custodian for said records acceptable to the commissioner of securities. In no circumstances will the commissioner of securities take custody of such records. Custodians in order to be acceptable to the commissioner of securities must be notaries and agree to make copies of acknowledgments available to students at a fee in effect for duplicate transcripts at the time the school ceases operation.

~~(n)~~ N. FACILITIES. Each course of study shall have such classrooms and such other facilities and supportive personnel as is necessary to adequately implement the programs. Courses operating under the approval of the commissioner of securities may not be presented in real estate brokerage offices.

~~(o)~~ O. CONFLICT OF INTEREST. ~~No real estate course of study seeking approval pursuant to this rule may be affiliated with any real estate firm or company, or franchise.~~ A course will not be approved if it is offered by an individual, firm or business organization, the primary income of which is derived from the real estate brokerage business.

~~(p)~~ P. SUSPENSION, REVOCATION OR DENIAL OF COURSE APPROVAL. The commissioner may deny, suspend or revoke approval of a real estate course offering coordinator or instructor if it is determined that they are not in compliance with the law and rules. If disciplinary action is taken a written order of suspension, revocation or denial of approval will be issued.

~~(q)~~ Q. AUDITING. The commissioner of securities, or his designee, reserves the right to audit subject offerings.

~~(r)~~ R. COURSE EVALUATION. The course coordinator is responsible for regular and consistent evaluation of the course and the instructor(s). The coordinator shall implement an instructor evaluation form (Form R) for completion by the students which will be transmitted to the commissioner of securities in the following manner:

~~(1)~~. Each time any school uses an instructor for the first time, along with the original student instructor evaluation forms, the course coordinator shall submit his or her evaluation of the instructor.

(2). Subsequent evaluations on instructors previously qualified shall be completed at the discretion of the coordinator and should be used to measure any change in the quality of the instructor.

(3). Upon the receipt of a complaint, the commissioner of securities may request, and the coordinator shall supply, additional student and coordinator evaluations on specific individual instructors in question.

~~(s) CLASS-OFFERINGS--ENROLLMENT.--To-insure-that-professional-quality standards-are-met,-each-class-shall-have-a-maximum-of-fifty-(50) students.--However,-if-a-lecture-is-given-in-a-proper-environment,-the maximum-shall-be-four-hundred-(400),-provided-that-for-each-hour-of lectures-the-student-obtains-one-hour-of-classroom-discussion-with-a maximum-of-fifty-(50)-students.~~

Form C

APPLICATION FOR REAL ESTATE INSTRUCTOR AND COORDINATOR APPROVAL
Pursuant to Minnesota Statutes, Section 82.22, Subdivisions 6 and 13.

Please Print or Type

1. Name _____

2. Present Address _____
(Street) (City) (State) (Zip Code)

3. Permanent Address _____
(Street) (City) (State) (Zip Code)

4. Education: Summary of all schooling, including education for subject you teach.

Kind of School	Name of School	School Address (Street, City, State, Zip)	Number of Full Years' Attendance	Parts of Years in Months	Summer Sessions in Weeks	Dates of Attend-ance	Year of Gradua-tion
High School or Academy							
Trade or Technical School							
College or University							

5. If a graduate of a 4-year college or university, indicate:
Major_____ Minor_____

6. PRACTICAL EXPERIENCE: If employed by same employer in more than one capacity indicate each capacity or job title separately as to dates and length of employment. (Or attach resume.)

EMPLOYER'S NAME	EMPLOYER'S ADDRESS (Street, City, State, Zip)	JOB TITLE OR CLASSIFICATION	LENGTH OF EMPLOYMENT YRS. MO'S.	DATES OF EMPLOYMENT FROM TO

7. TEACHING EXPERIENCE: Record of all teaching experience.

NAME OF SCHOOL	SCHOOL ADDRESS (Street, City, State, Zip)	SUBJECTS TAUGHT	NAME OF SUPERVISOR	NUMBER OF YEARS	DATES OF SERVICE

8. WHAT SUBJECTS WILL YOU TEACH IN THIS SCHOOL? _____

(See Reverse Side)

9. Give supplemental information on your current practical experience directly related to the subject you will teach in this course. (Use additional paper if required.)

_____

_____

_____

10. If approved as an Instructor for Real Estate Education would you be interested in teaching at other conveniently located schools?

_____ YES _____ NO

11. Have you ever had a real estate license, in this or any other State, denied, suspended, or revoked? _____ YES _____ NO (If yes, please explain.)

_____

_____

12. Have you ever had any other business or professional license, in this or any other State, denied, suspended, or revoked? _____ YES _____ NO

13. Have you ever been disbarred from the practice of law? _____ YES _____ NO

Date _____ Signature _____
Your name as you usually sign it.

To the Commissioner of Securities:

I expect to employ this applicant to teach a course in Real Estate. I have examined this applicant and am satisfied that the information provided by the applicant is true and correct.

Date _____ Signature _____
Real Estate Coordinator

_____
Name of School

Approved _____ Rejected _____ Date _____

Remarks _____

_____

By: _____

Position: _____

FORM H

APPLICATION FOR COURSE APPROVAL

Pursuant to Minnesota Statutes, Section 82.22, Subdivision 6,
Relating to Ninety (90) Hours Real Estate Education (H)

Please fill in the following:

Application for Course I II III (Circle One).

School Name _____

Location _____

Course Registration Telephone Number _____

Coordinator Name _____

Telephone Number _____

Address _____

Dates of Course Offerings _____

Location of Off-Campus Offerings _____

Location of On-Campus Offerings _____

Course Fee

Course I _____

Course II _____

Course III _____

Required Textbook

Course I _____

Course II _____

Course III (Optional) _____

Please Note:

If you will not be using a required textbook in Course III, submit, as an enclosure, a comprehensive outline that you would like to use in Course III. The Commissioner will examine your outline and notify you of his position.

(See Reverse Side)

Enclosures needed:

The following enclosures will be needed to enable the Commissioner of Securities to understand the full scope of your courses:

1) A list of your instructors, the subjects they will teach and their background resumes (use State resume forms - incomplete resumes will not be reviewed).

2) A copy of a comprehensive outline for Course III for courses not using a textbook.

3) A copy of the examinations complete with questions and answers for each course.

4) Copies of all advertising materials.

5) Written evidence that the school seeking approval, if applicable, is: a. registered and approved to legally do business in the State of Minnesota, b. that the school is in good standing with the Department of Education.

THE COORDINATOR OF EACH APPROVED REAL ESTATE COURSE OF STUDY SHALL IMMEDIATELY REPORT ANY CHANGES IN THE INFORMATION CONTAINED IN THE APPLICATION FOR APPROVAL OR THE EXHIBITS APPENDED THERETO. SUCH CHANGE SHALL BE DEEMED ACCEPTABLE BY THE COMMISSIONER IF NO ACTION HAS BEEN TAKEN AFTER FIFTEEN (15) DAYS FROM THE DATE RECEIVED BY THE COMMISSIONER.

As Coordinator of the above school seeking approval from the Commissioner of Securities to conduct the required Real Estate Education pursuant to Minnesota Statutes, SDiv. 1511 (82.22), I affirm that the following statements are true:

1) If applicable, the above school seeking approval is registered and approved to legally do business in the State of Minnesota.

2) If applicable, the above school seeking approval is in good standing with the Department of Education.

3) The above school seeking approval has not or will not become affiliated with, controlled by, or is a subsidiary of any real estate broker or real estate franchise licensed to do business in this State.

_____
Signature of Applicant

Please remit this application and all enclosures to:

Real Estate Education Coordinator
334 B.A. Tower, West Bank
University of Minnesota
Minneapolis, Minnesota 55455

FORM K

ANNUAL REPORT

MINNESOTA REAL ESTATE EDUCATION

Pursuant to (L) of the Minnesota Real Estate Rules and Regulations SDiv. 1511 (82.22) course coordinators are required to submit by January 10, 1979 the following information to the Commissioner of Securities in care of the Real Estate Education Coordinator at the following address:

Coordinator, Real Estate Education
334 Business Administration Tower
University of Minnesota
Minneapolis, Minnesota 55455

(1) Indicate the number of times the course of study was offered in the preceding year.

Course I _____ Course II _____ Course III _____

(2) Identify the location of each offering.

_____

_____

(3) Indicate the number of students attending each offering.

Course I _____ Course II _____ Course III _____

(4) The number of students certified as successfully completing each offering.

Course I _____ Course II _____ Course III _____

(Continued)

5A Indicate the following information of the course of study.

Name of School _____
Address _____
_____
Registration telephone number _____

5B Indicate the course coordinator's:

Name _____
Address _____
_____
Telephone number _____

5C Indicate the upcoming year's courses, dates, fees and times.

COURSES	DATES	FEES	TIMES
I			
II			
III			
I			
II			
III			
I			
II			
III			
I			
II			
III			

FORM M

COURSE CERTIFICATION STATEMENT

Pursuant to Minnesota Statutes, Section 82.22, Subdivision 6, Relating to Ninety (90) Hours Real Estate Education (M)

Circle Course Number

I
II
III

Instructions

Double Spaced
Typewritten
Names Listed Alphabetically

Send To:

Real Estate Licensing Division

NAME	ADDRESS	COMPANY	GRADE	LICENSED	TO BE LICENSED WITHIN 1 YEAR

FORM R

STUDENT EVALUATION OF INSTRUCTOR AND COURSE CONTENT

Pursuant to Minnesota Statutes, Section 82.22, Subdivision 6,
Relating to Ninety (90) Hours Real Estate Education (R)

SUBJECT_____ DATE_____ INSTRUCTOR_____

DEAR STUDENT:

You have just attended a session in real estate recognized by the Commissioner of Securities as complying with the educational requirement for real estate salespersons pursuant to the REAL ESTATE LICENSE LAW. Since it is the concern of the Commissioner that students receive a quality education, an evaluation from each student is requested. Your constructive comments on the instructor, course content, and classroom environment will help us improve the quality of future offerings.

1. INSTRUCTOR

	Excellent	Good	Fair	Poor
Instructor's knowledge of the subject was:	( )	( )	( )	( )
The organization of material was:	( )	( )	( )	( )
The techniques in presenting the material were:	( )	( )	( )	( )
The quality of new ideas was:	( )	( )	( )	( )
The instructor's ability to answer questions was:	( )	( )	( )	( )
The instructor's enthusiasm for the subject was:	( )	( )	( )	( )
The relevancy of the examples given was:	( )	( )	( )	( )

	Yes	Somewhat	No
Was the instructor able to stimulate your interest?	( )	( )	( )
Will the instruction help you professionally?	( )	( )	( )
Would you want that instructor back?	( )	( )	( )

Other comments on how the instructor could improve this session are:

_____

_____

_____

2. COURSE CONTENT

Please check each of the following that most adequately describes your opinion:

Was the Course:	Yes	Some-what	No		Yes	Some-what	No
Up to your expectations?	( )	( )	( )	Too theoretical?	( )	( )	( )
Generally disappointing?	( )	( )	( )	Too long?	( )	( )	( )
Too sophisticated?	( )	( )	( )	Too fast paced?	( )	( )	( )
Understandable?	( )	( )	( )	Worth the price?	( )	( )	( )
Too short to cover material?	( )	( )	( )				

Other comments on how the material or presentation could be improved are:

_____

_____

_____

3. CLASSROOM ENVIRONMENT

	Yes	Some-what	No
Was the class presented in an atmosphere conducive to learning?	( )	( )	( )
Do you feel the course was well supervised and coordinated?	( )	( )	( )

4. STUDENT'S EXPERIENCE:

How long have you been in the real estate business? _____

SDiv 1512 (M.S. 82.22) CONTINUING EDUCATION.

~~(a)~~ A. APPROVAL. An offering of study in the real estate field will be approved by the commissioner of securities, pursuant to Minn. Stat. § 82.22, subd. 13, upon compliance with the following requirements. Continuing education credits may be earned either as a student or a lecturer in approved courses. Continuing education credit for approved Courses I, II, and III may be given to a licensee provided the licensee has not received credit previously for these courses.

~~(b)~~ B. CURRICULUM. ~~All real estate salespersons not subject to, or who have completed the education requirements contained in Minnesota Statutes, Section 82.20, Subdivision 6, and all real estate brokers shall be required to successfully complete forty five (45) hours of real estate education, either as a student or a lecturer in courses of study approved by the Commissioner of Securities within three years after their annual renewal date. Approved Courses I, II, and III (Continuing Education Credit for approved Courses I, II, and III, may be given to a licensee provided the licensee has not received credit previously for these courses as meeting the initial educational requirement.)~~ The commissioner of securities will also consider courses that are directed to primarily impart substantive and procedural knowledge in the real estate field. ~~(1)~~ Exclusions. The following course offerings will not be considered by the commissioner of securities for continuing education purposes.

~~(aa)~~ 1. Courses of instruction designed to prepare a student for passing the state real estate broker or salesperson examination.

~~(bb)~~ 2. Offerings in mechanical office and business skills such as typing, speed-reading, memory improvement, language report writing, ~~advertising,~~ personal motivation, salesmanship and sales psychology.

~~(cc)~~ 3. Sales promotion, or other meetings held in conjunction with the general business of the licensee's broker.

~~(dd)~~ 4. ~~No real estate course of study seeking approval pursuant to this rule may be affiliated with any real estate firm or company or real estate franchise, nor controlled by a subsidiary of any real estate broker or real estate franchise, nor presented in any office of a real estate company, firm, or franchise.~~ A course will not be approved if offered by an individual, firm or business organization, the primary income of which is derived from the real estate brokerage business.

~~(ee)~~ 5. Time devoted to breakfasts, luncheons, dinners or other refreshments.

~~(e)~~ C. CRITERIA FOR CONTINUING EDUCATION OFFERING APPROVAL. The commissioner will ~~approve~~ consider approval of any course, seminar, conference, correspondence course, or equivalent, (offering) that is provided by a public or private school, organization, association, person, corporation, society, or similar arrangement (entity). The commissioner, when acting on an application for approval of an offering, will consider, but not be limited to, the following criteria:

~~(1)~~. Time Limits. Offerings will not be approved by the commissioner if the total instruction time of the offering is less than one hour.

(2). Attendance. An entity shall certify to the best of its knowledge, the attendance of each student at the offering. The entity's criteria for measuring attendance shall be submitted in the application for course approval under Form D., Number 6.

(3). Records. The entity shall maintain records of students successfully completing any offering for a minimum of three years.

(4). Measure of Successful Completion.

(aa). Attendance. Credit may shall be earned on the basis of attendance.

(bb). Examinations. Students need not successfully complete a written examination before credit will be given for completion of a continuing education offering. However, if passing an examination is the measurement of sucessful completion of an offering, the student credited with sucessful completion shall be credited with one and one-half hours of continuing education credit for every one hour of attendance. The examination shall be a written, closed-book examination and administered by the coordinator or an instructor at the offering site. The entity shall submit the written examination to the commissioner prior to its use in the course for approval if the aforementioned credit is to be given. Students who take the course and fail the written examination will not be given credit as sucessfully completing the course by the attendance measure. If a student notifies the coordinator in advance that he is attending the course and will not be examined as a measure of sucessful completion of the course, he may receive credit as successfully completing the course through attendance measures.

(5). Coordinator. Each course of study shall have a coordinator ~~or administrator~~ supervising the program. Such coordinator shall be qualified, either through previous education or experience, to administer a real estate course of study, to evaluate course content and instructors and to analyze examinations (Form C under SDiv 1511).

(6). Instructors. All instructors in a real estate course of study shall file with the commissioner a resume noting such person has the necessary specialized preparation, training and experience to insure competent instruction. Approval of each instructor will be on an individual basis, and such approval must be obtained from the commissioner prior to the instructor's lecture in an approved course of study (Form C under SDiv 1511.).

7. Other information. The educational merit or objective of the offering.

(d) D. APPLICATION FOR APPROVAL OF OFFERINGS. An entity shall apply for approval on Form D. prescribed by the commissioner of securities. The application form shall include, but not be limited to, the following information and enclosures:

(1). Name, address, and telephone number of the entity.

(2). Title of the offering.

(3). Complete description of all materials to be distributed to the participants (copies may be submitted in lieu of description).

(4). Date and exact location (city, building, room number and seating capacity) of each presentation of the offering.

(5). Duration and time of offering.

(6). A comprehensive, detailed outline of the subject matter together with the time sequence of each segment, faculty for each segment, teaching technique used in each segment.

(7). Sample of any proposed advertising used for promotional purposes.

{8}. The method of evaluation of the program (e.g., participant critique, independent evaluator, etc.).

{9}. Procedure for measuring attendance.

{10}. Bibliography sketch on the faculty, including name, professional educational background, and practical or teaching experience or a completed resume (Form C.).

{11}. If applicable, Service of Process Form D-11 (for out of state offerings only).

{12}. Written evidence that the entity seeking approval is:

{aa}. If applicable, registered and approved to legally do business in the State of Minnesota.

{bb}. If applicable, that the school is licensed or has been determined to be exempt from Minn. Stat. ch. 141.

{e} E. MATERIAL CHANGE. The entity's coordinator of each approved real estate offering shall immediately notify the commissioner of any material changes contained in the application for approval or the attached exhibits. Such changes shall be deemed acceptable by the commissioner if no action has been taken after seven (7) days from the date received by the commissioner.

{f} F. APPLICATION FOR POST COURSE APPROVAL. An entity or person may seek approval of a course subsequent to a course offering by submitting all information requested on Form D.

{g} G. SUSPENSION, REVOCATION OR DENIAL OF COURSE APPROVAL. The commissioner may deny, suspend or revoke approval of a real estate course offering coordinator or instructor if it is determined that they are not in compliance with the law and rules. If disciplinary action is taken a written order of suspension, revocation or denial of approval will be issued.

The preceding language need not be prominently displayed on the front of any out of state offering advertisement, however, it is the responsibility of the entity to show evidence of an approval letter from the commissioner of securities approving the course pursuant to Minn. Stat. § 82.22, subd. 13. This approval letter must be maintained in the entity's records evidencing that the course is approved.

~~(l)~~ L. NOTICE. At the beginning of each offering, it shall be the responsibility of the entity's coordinator or representative to read the following notice to the students:

"This real estate educational offering of study is recognized by the commissioner of securities as applying in satisfaction of hours of credit toward continuing real estate education requirements for real estate licensees pursuant to the 'Real Estate License Law.' Since it is the concern of the commissioner that students receive a quality education, the comments of each student would be appreciated. If you have any comments about this real estate offering of study, your comments should be sent to the Commissioner of Securities, 500 Metro Square Building, St. Paul, Minnesota 55101."

~~(m)~~ M. FACILITIES. Each course offering shall have such classrooms and other facilities and supportive personnel as is necessary to adequately implement the offerings. ~~Courses operating under the approval of the Commissioner may not be presented in real estate brokers' offices.~~

~~(n)~~ N. AUDITING. The commissioner of securities, or his designee, reserves the right to audit subject offerings.

~~(e)--CLASS-OFFERINGS--ENROLLMENT.--To-insure-that-professional quality-standards-are-met,-each-class-should-have-a-maximum-of fifty-(50)-students.--However,-if-a-lecture-is-given-in-a-proper environment,-the-maximum-could-be-four-hundred-(400),-provided-that each-hour-of-lecture-the-student-obtains-one-hour-of-classroom discussion-with-a-maximum-of-fifty-(50)-students.~~

~~(p)~~ O. OFFERING COMPLETION CERTIFICATION--LICENSE RENEWAL PROCEDURE. Applicants for relicensure must itemize all continuing education courses and the hours of attendance on the form prescribed by the commissioner and attach this form to the license renewal form showing a total of no less than ~~forty-five-(45)~~ the required clock hours (Form P O).

FORM D

APPLICATION FOR APPROVAL OFFERINGS
Pursuant to the Minnesota Statutes, Section 82.22, Subdivision 13,
Relating to Continuing Real Estate Education (D)

All of the following information and enclosures must be submitted typewritten.

1. Name, address and telephone number of the entity _____

_____

2. Title of the Offering _____

3. Date and Exact Location of Each Offering:

   Date _____

   City _____

   Building _____

   Room _____

   Seating Capacity _____

4. Duration and Time of Offering _____

5. Indicate the method of evaluation of the program (e.g., participant critique, independent evaluator, etc.)

_____

6. Indicate procedure for measuring attendance _____

ENCLOSURES NEEDED:

The following enclosures will be needed to enable the Commissioner of Securities to understand the full scope of your courses:

1) Complete description of all materials to be distributed to the participants (copies may be submitted in lieu of description).

2) A sample of any proposed advertising to be used for promotional purposes.

3) A bibliography of the faculty, including name, professional educational background, and practical teaching experience, or a completed resume Form C "Application for Real Estate Instructor and Coordinator Approval" provided by the Commissioner.

4) A comprehensive detail outline of the subject matter together with a time sequence of each segment, faculty for each segment, teaching technique used in each segment. (Please complete outline of course presentation on the reverse side).

5) If applicable, Service of Process Form D-11 (for out of state offerings only).

6) Written evidence that the entity seeking approval is, 1. if applicable, registered and approved to do business in the State of Minnesota and, 2. if applicable, that the school is licensed pursuant to or exempt from Minnesota Statutes, Chapter 141.

THE COORDINATOR OF EACH APPROVED REAL ESTATE COURSE OF STUDY SHALL IMMEDIATELY REPORT ANY SUBSTANTIAL CHANGES IN THE INFORMATION CONTAINED IN THE APPLICATION FOR APPROVAL OR THE EXHIBITS APPENDED THERETO. SUCH CHANGES SHALL BE DEEMED ACCEPTABLE BY THE COMMISSIONER IF NO ACTION HAS BEEN TAKEN AFTER SEVEN (7) DAYS FROM THE DATE RECEIVED BY THE COMMISSIONER.

As coordinator of the above school seeking approval from the Commissioner of Securities to conduct the required real estate education pursuant to Minnesota Statutes, Section 82.22, Subdivision 13, I affirm that the following statement is true:

The above school seeking approval is not affiliated with, controlled by, nor a subsidiary of any real estate broker or real estate franchise.

_____

Signature of Coordinator

OUTLINE OF COURSE PRESENTATION

Time during which each segment will be offered	Subject content of each segment	Faculty for each segment	Teaching technique used in each segment	Total no. of hours devoted to each segment

Please remit this application and all enclosures to:

Real Estate Education Coordinator
334 B.A. Tower, West Bank
University of Minnesota
Minneapolis, Minnesota 55455

FORM D-11

APPOINTMENT OF ATTORNEY FOR SERVICE OF PROCESS

KNOW ALL MEN BY THESE PRESENTS:

That in compliance with the Laws of the State of Minnesota, _____ _____ a non-resident, does hereby appoint the Commissioner of Securities of the State of Minnesota, his successor or successors, as his true and lawful attorney upon whom may be served all legal process in any action or proceeding in which he may be a party and which relates to or involves any transaction covered by Chapter 82, Minnesota Statutes, and does hereby expressly consent and agree that service upon such attorney shall be as valid and binding as if due and personal service had been made upon him and that such appointment shall be irrevocable.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 19__.

_____

_____

STATE OF _____)
)SS.
COUNTY OF _____)

On this _____ day of _____, 19___, personally appeared before me, a notary public in and for said County and State, _____ _____ to me known to be the person described in and who executed the foregoing instrument and who, being by me first sworn, acknowledged that he executed the same as his free act and deed.

_____

Notary Public, _____ County _____

(NOTARIAL SEAL)

My Commission expires _____

FORM I

STATE OF MINNESOTA

SECURITIES DIVISION

AFFIDAVIT OF TEACHING IN APPROVED
CONTINUING REAL ESTATE COURSES

Pursuant to Minnesota Statutes, Section 82.22, Subdivision 13,
Relating to Continuing Real Estate Education (I)

1. Name and address of person seeking credit _____

_____

2. Name of licensee's real estate company _____

_____

3. Title of course in which teaching has been done _____

_____

4. Name of sponsoring entity _____

5. Dates when course was presented _____

6. Place (city and exact location) where course was presented _____

_____

7. Subject matter taught _____

8. Type of instruction (lecture, leading of discussion, etc.) _____

_____

9. Number of clock hours spent in teaching _____

10. Description of the content of all written material prepared for the course. A copy of such material may be submitted in lieu of a description _____

_____

_____

I swear or affirm that the information hereon is, to the best of my knowledge, complete and accurate.

_____

NOTE: This completed form must be attached to your license renewal form for credit toward Real Estate Continuing Education requirements and sent to:

Licensing Section
500 Metro Square Building
St. Paul, Minnesota 55101

FORM P O

STATE OF MINNESOTA

SECURITIES DIVISION

AFFIDAVIT OF ATTENDANCE AT APPROVED CONTINUING REAL ESTATE EDUCATION COURSES

Pursuant to Minnesota Statutes, Section 82.22, Subdivision 13, Relating to Continuing Real Estate Education (P)

1. Name and address of person seeking credit (licensee) _____

_____

2. Name of licensee's real estate company _____

_____

3. Approved courses attended during 3 year period.

Sponsoring Entity	Name of Course	Date of Attendance	No. of Hours Actually Attended

I swear or affirm that the information hereon is, to the best of my knowledge, complete and accurate and that I did in fact attend, for the number of hours indicated, the courses listed.

_____

Applicants for relicensure must itemize all continuing education courses and the hours of attendance on this form and attach this form to the license renewal form showing a total of no less than forty-five (45) clock hours.

NOTE: This completed form must be attached to your license renewal form for credit toward Real Estate Continuing Education requirements and sent to:

Licensing Section
500 Metro Square Building
St. Paul, Minnesota 55101

SDiv 1513 (M.S. 82.20) ~~(a)~~ A. Unclaimed Property Act.

Upon the initial application for a real estate broker's license and upon each annual application for renewal, the applicant or broker shall be required to inform the commissioner of securities that he has complied with the requirements set forth in Minn. Stat. ch. 345 relating to unclaimed property.

SDiv 2011

(d) As a condition of being granted a license, every broker-dealer or investment advisor shall inform the commissioner of securities that it has complied with the requirements set forth in Minn. Stat. ch. 345 relating to unclaimed property.

SDiv 2027 (a) So long as a registration statement is effective, the issuer shall file an annual report in such form, and containing such information as the commissioner prescribes. At a minimum, the annual report shall contain the following:

(20) A statement by the issuer that it has complied with the requirements set forth in Minn. Stat. ch. 345 relating to unclaimed property.

SDiv 2138

Upon application for any registration the applicant shall be required to inform the commissioner of securities that he has complied with the requirements set forth in Minn. Stat. ch. 345 relating to unclaimed property.

~~(h)~~ H. SUBSTANTIVELY IDENTICAL OFFERINGS. Credit for a substantively identical offering may be given only once to any individual during any reporting period.

~~(i)~~ I. CREDIT FOR TEACHING. ~~Credit for teaching in an approved offering shall be awarded on the basis of two hours credit for each one hour of actual teaching in the approved offerings.~~ Credit shall be awarded for teaching in an approved offering. Credit for the first instruction of a subject shall be awarded on the basis of ten hours credit for each one hour of actual teaching. Credit for any repeated instruction of the same subject shall be awarded on the basis of two hours credit for each one hour of actual teaching. Record of credit must be submitted on Form I.

~~(j)~~ J. CONDITIONS FOR EXTENSIONS. The commissioner may grant an extension to any person who evidences bona fide hardship, financial or medical, which prevented completion of the continuing education requirements. The person shall file the appropriate license fee with the renewal application along with the evidence showing hardship and a written request for a specific extension of time.

~~(k)~~ K. ADVERTISING. No advertisement, pamphlet, circular or other advertising material pertaining to an approved offering may be circulated or distributed unless it is first approved by the commissioner. All such advertisements, pamphlets, circulars, etc., shall contain the following language prominently displayed on the front:

"THIS OFFERING HAS BEEN APPROVED BY THE COMMISSIONER OF SECURITIES PURSUANT TO MINN. STAT., SECTION 82.22, SUBD. 13, RELATING TO CONTINUING REAL ESTATE EDUCATION."

APPROVED AS TO FORM AND LEGALITY

JUN 10 1978 19

WARREN SPANNAUS, ATTORNEY GENERAL

BY /s/ Michael B. Miller

SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
JUN 16 1978
Joan Anderson Growe
Secretary of State
3:50 pm

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
SECURITIES DIVISION

In the Matter of the Proposed Amendments to the Existing Rules for Real Estate Brokers and Salespersons and the Securities Act; Adoption of New Rules Relating to Continuing Real Estate Education

FINDINGS OF FACT, CONCLUSIONS AND ORDER ADOPTING RULES

The above-entitled matter came on for hearing before Hearing Examiner George A. Beck, duly appointed as hearing examiner in this matter, at 9:00 a.m. on Monday, March 27, 1978 in the hearing room of the Department of Commerce, 500 Metro Square Building, Seventh and Robert Streets, in the City of St. Paul, County of Ramsey, State of Minnesota. The record was closed on April 6, 1978.

After affording all interested persons an opportunity to present written and oral data, statements and arguments, having heard all of the testimony, having carefully considered all of the evidence adduced and the report of the hearing examiner dated April 28, 1978, and upon the records, files and proceedings herein, the Commissioner of Securities concurs with, adopts and incorporates the attached Findings of Fact, Conclusions and Recommendation of the Hearing Examiner in this matter except as specified in the following Findings and Conclusions:

1. SDiv. 1506(a) (3). It is found and concluded that the Examiner's clarification to this rule should be adopted for the reasons stated in the Report, and that, therefore, the first paragraph of that rule will read as follows:

> A check received from the potential buyer shall be deposited into the listing broker's trust account not later than the next business day after delivery of the check to the broker except that the check may be held by the listing broker until acceptance or rejection of the offer if:

2. SDiv. 1511(g). It is found and concluded that the Examiner's proposed clarification to this rule should be adopted and that the rule would read as follows:

> Each student must successfully complete a written examination before credit will be given for completion of a thirty (30) hour course or segment. The criteria for passing of an examination may be developed by each school based on each school's educational concept.

3. SDiv. 1512(f). The Examiner recommended adding an introductory title to this subdivision. The introductory title should read as follows: "Application for Post-Course Approval."

4. SDiv. 1512(i). The Examiner recommended that the Commissioner consider a modification based on the record as to this rule. As amended, the rule will read as follows:

> Credit shall be awarded for teaching in an approved course. Credit for the first instruction of a subject shall be awarded on the basis of ten hours credit for each one hour of actual teaching. Credit for any repeated instruction of the same subject shall be awarded on the basis of two hours credit for each one hour of actual teaching.

5. It is found and concluded that the Examiner's recommendation that the proposed rules are not consistent with the State Register numbering system is correct and that the rules will therefore be renumbered and relettered accordingly before submission to the State Register.

NOW, THEREFORE, IT IS ORDERED that the rules as recommended for adoption by the Hearing Examiner, as modified herein, be adopted.

Dated this 10th day of May, 1978.

John R. Larson

JOHN R. LARSON
Commissioner of Securities

STATEMENT OF COMPLIANCE WITH

MANUAL OF RULE MAKING PROCEDURES

I, Special Assistant Attorney General Robert C. Carlson, do hereby declare that I have examined the proposed rules and all related documents and that, based on them and my personal familiarity with the applicable procedures, the Manual of Rule Making Procedures has been followed.

ROBERT C. CARLSON
Special Assistant Attorney General

Dated: 5/12/78

SEC-78-015-GB

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE DEPARTMENT OF COMMERCE - SECURITIES DIVISION

IN THE MATTER OF THE PROPOSED)
AMENDMENTS TO THE EXISTING RULES)
FOR REAL ESTATE BROKERS AND SALES-)
PERSONS AND THE SECURITIES ACT;)
ADOPTION OF NEW RULES RELATING TO)
CONTINUING REAL ESTATE EDUCATION.)

REPORT OF THE
CHIEF HEARING EXAMINER

WHEREAS, a hearing was held on March 27, 1978, before George A. Beck, a Hearing Examiner of the State Office of Hearing Examiners, on the above-entitled matter in compliance with Minn. Stat. § 15.0412, Subd. 4; and

WHEREAS, the Report of Hearing Examiner made pursuant to Minn. Stat. § 15.052, Subd. 3, was issued to the Department of Commerce on April 28, 1978; and

WHEREAS, the Department of Commerce has now determined to adopt rules pursuant to Minn. Stat. § 15.0412, Subd. 4; and

WHEREAS, the Department of Commerce has submitted said rules to the Chief Hearing Examiner for review pursuant to Minn. Stat. § 15.052, Subd. 4, and Rule HE 107; and

WHEREAS, the Chief Hearing Examiner finds that the final proposed rules are not substantially different from those proposed at the public hearing and that the Department of Commerce has met all requirements of Minn. Stat. § 15.0412, Subd. 4.

NOW, THEREFORE, upon reciept of this Report, the Department of Commerce has the responsibility of submitting the complete hearing record and the rules as adopted by the Department to the Attorney General and to publish in the State Register, all pursuant to Minn. Stat. § 15.0412, Subd. 4.

Dated this 10th day
of May, 1978.

DUANE R. HARVES
Chief Hearing Examiner