

Sacramento Report



By CHARLES CHAPEL

Loan Sharks Operate with Real Estate License

All of the loan sharks, of whom I have any knowledge, operate under the authority of a real estate broker's license. The reason is that a real estate broker has the legal right to help people to get loans in order to buy real estate, but it must be understood that the Legislature never intended the real estate brokers should abuse this privilege by becoming money lenders at illegal rates of interest. The majority of all real estate brokers are honest men and women who do not abuse their privileges but when you find one who does nothing but make loans, be careful, for there is something wrong!

Thirty-Nine Large Loan Sharks in Los Angeles

I know of the operation of thirty-nine large loan sharks in Los Angeles. Several of them are on Wilshire Boulevard in Beverly Hills. In one case, there is a master loan-shark office which has a branch operating under another name. One famous motion picture producer is the power behind one office. The husband of a famous motion picture actress is the true owner of another office. However, I am anxious to learn the name, location, and ownership of other loan sharks.

Investigation Now Being Conducted

At my personal request, the Real Estate Commissioner for the State of California, the District Attorney of Los Angeles County, and the Attorney General of California, all appointed deputies to investigate loan sharks and all will co-operate with me in revising the real estate laws to eliminate loopholes favoring loan sharks. In addition, we intend to take the real estate houses of the wisest of these blood-suckers and send as

many as possible to the penitentiary.

Tell Me the Story

If you have had personal experience with loan sharks, please write to me. If you tell me your story in writing and sign your name, I shall give it to the law-enforcement officials in strict confidence. Here is my address: Charles Edward Chapel, Post Office Box 777, Inglewood 1, Calif.

Brokers Regulated

During the last session of the Legislature we enacted a law which requires individuals or companies selling or promising to sell airline seats to file a \$5000 surety bond with the Secretary of State in Sacramento. Only airlines which file a sworn statement with the Secretary of State authorizing ticket brokers to act for the airlines are exempted. This law is intended to eliminate the dishonest brokers in air transportation, many of whom have cheated men of the armed forces.

Aeronautics Commission

If you know of any reason for retaining the California Aeronautics Commission, please write to me at Post Office Box 777, Inglewood 1. During the 1954 budget session of the Legislature, in March, we plan to eliminate this Commission because we are unable to discover what it does of value to anyone except its own employees.

The Home Improvement Racket

The home improvement racket works like this: (1) the salesmen make extravagant oral representations that a home will be used as a model and the homeowner will be employed at a salary to show the model; or (2) the homeowner will be paid a bonus on each sale made in the area so that he will obtain his own home improvement at no cost to himself.

In reliance upon such oral representation, the home owner is induced to sign a promissory note in blank and to sign a written contract which contains in fine print a statement that the homeowner "understands that no other agreements or representations by the salesman, verbal or otherwise, are binding upon the parties thereto, and that the same contains the entire business of the contract." For a long time it was thought

that this fine-print clause precluded any disciplinary action against the contractors because of the ruling in the Termini case, known to lawyers as 14 Cal. App. 2d 167. However, in 1950, disciplinary action was successfully instituted against such contractors. Then, in the fall of 1952, the licenses of Superior Construction and Prima Construction companies were revoked. On March 18, 1953, the Registrar of Contractors revoked the license of Bonafide Construction Company for similar practices. On April 3, 1953, the licenses of Applicators of California, Co-operative Operators of California, and Melvin Ross Jackson were likewise revoked for similar practices. Additional accusations were filed last May against six other large operators in the same field. These accusations were based upon information obtained from people who read this and other newspaper columns which expose unethical and illegal activities of loan sharks, fraudulent contractors, etc.

Collection Agencies

An old dodge used by unethical collection agencies is to prepare a document that gives the appearance of a subpoena or other legal paper, to frighten the debtor into thinking that he will be taken into court unless he pays his debt at once. Another trick is for the collector

to wear a badge and pretend to be a law-enforcement officer.

If you have been treated roughly by collection agencies, please give me a full report in writing. Beware of Civil Service Schools. It is not necessary to enroll in any school, resident or home duty, in order to pass examinations for California State civil service jobs. Advertisements appear in the newspapers telling

of vacancies in State jobs which are made to appear glamorous,

such as California Highway Patrol, or California State Police. Actually, the requirements, physical and mental, are so rigid, that only a small percentage of those who would like to be hired ever make the grade. I do not know of anyone who got such a job because of a course he took in a "civil service coaching school."

These facts also apply to U.S. government jobs. Go into any

post office lobby and you will see notices on the bulletin board telling you the same things that I have said in the above paragraph, only in different words. The Difference Between A Bill and a Law. A bill is a proposed law. When it has been passed by both houses of the California Legislature and signed by the Governor, it becomes a law, and also may be known as a statute or an act, although it is often cited as a Chapter in California State parlance. This distinction is important because people often read about a bill and assume that it just because it has been introduced, that it becomes a law. On the average, about one-fourth of all bills introduced in the California Legislature become laws.

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