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[CHAPTER 760]

AN ACT

August 25, 1937
[H. R. 6563]
[Public, No. 356]

To define, regulate, and license real-estate brokers, business chance brokers, and real-estate salesmen; to create a Real Estate Commission in the District of Columbia; to protect the public against fraud in real-estate transactions; and for other purposes.

District of Columbia.
Regulation of real-estate brokers, etc.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ENACTMENT AND PROHIBITION CLAUSE

Enactment and prohibition clause.

SECTION 1. That on and after ninety days from the date of enactment of this Act it shall be unlawful in the District of Columbia for any person, firm, partnership, copartnership, association, or corporation (foreign or domestic) to act as a real-estate broker, business chance broker, or real-estate salesman, or to advertise or assume to act as such, without a license issued by the Real Estate Commission of the District of Columbia.

DEFINITIONS AND EXCEPTIONS

Definitions and exceptions.

"Real-estate broker."

SEC. 2. Whenever used in this Act "real-estate broker" means any person, firm, association, partnership, or corporation (foreign or domestic) who, for another and for a fee, commission, or other valuable consideration, or who, with the intention or in the expectation or upon the promise of receiving or collecting a fee, commission, or other valuable consideration, lists for sale, sells, exchanges, purchases, rents, or leases or offers or attempts or agrees to negotiate a sale, exchange, purchase, lease, or rental of an estate or interest in real estate, or collects or offers or attempts or agrees to collect rent or income for the use of real estate, or negotiates or offers or attempts or agrees to negotiate, a loan secured or to be secured by a mortgage, deed of trust, or other encumbrance upon or transfer of real estate: *Provided, however*, That this definition shall not apply to the sale of space for advertising of real estate in any newspaper, magazine, or other publication. A "business chance broker" within the meaning of this Act is any person, firm, partnership, association, copartnership, or corporation who for a compensation or valuable consideration sells or offers for sale, buys or offers to buy, leases or offers to lease, or negotiates the purchase or sale or exchange of a business, business opportunity, or the goodwill of an existing business for others as a whole or partial vocation.

Proviso.
Advertising space in newspapers, etc.

"Business chance broker."

"Real-estate salesman."

"Real-estate salesman" means a person employed by a licensed real-estate broker to list for sale, sell, or offer for sale, to buy or offer to buy, or to negotiate the purchase or sale, or exchange of real estate, or to negotiate a loan on real estate, or to lease or rent or offer to lease, rent, or place for rent, any real estate, or collect or offer or attempt to collect rent or income for the use of real estate for or in behalf of such real-estate broker.

Collectors, etc.

Persons employed by a licensed real-estate broker in a clerical capacity, as collectors, or in similar subordinate and administrative positions shall not be required to obtain licenses.

Business defined.

One act for a compensation or valuable consideration of buying or selling real estate for or of another, or offering for another to buy, sell, or exchange real estate, or leasing, renting, or offering to lease or rent real estate, except as herein specifically excepted, shall constitute the person, firm, partnership, copartnership, association, or corporation performing, or offering or attempting to perform any of the acts enumerated herein, a real-estate broker or a real-estate salesman within the meaning of this Act.

Exemptions.

The provisions of this Act shall not apply to receivers, referees, administrators, executors, guardians, trustees, or other persons appointed or acting under the judgment or order of any court; or public officers while performing their official duty, or attorneys at law in the ordinary practice of their profession.

Real Estate Commission.

CREATION OF COMMISSION

Creation, qualifications, etc.

SEC. 3. There is hereby created the Real Estate Commission of the District of Columbia. The Commissioners of the District of Columbia within thirty days after the enactment of this Act shall appoint two persons, not more than one of whom shall have been actively engaged in or closely connected with the business or vocation of real-estate broker or real-estate salesman within five years immediately prior to appointment, who shall serve as members of said Real Estate Commission of the District of Columbia. In addition thereto, the assessor of the District of Columbia shall serve, ex-officio, as a member of said Real Estate Commission but without added compensation for his services as such. One member of said Commission shall be appointed for a term of one year; one member shall be appointed for a term of two years, and until their successors are appointed and qualified; thereafter the term of the members of said Commission shall be for three years and until their successors are appointed and qualified. Members to fill vacancies shall be appointed for the unexpired term. The Commissioners of the District of Columbia may remove members of the Real Estate Commission at any time for cause.

Assessor, ex-officio member.

Terms, vacancies, removal, etc.

Chairman; election of treasurer, etc.

The assessor, ex-officio, shall be the chairman of said Real Estate Commission, which is hereby authorized and empowered to elect a treasurer of said Commission and to do all things necessary and convenient for carrying into effect the provisions of this Act and the rules and regulations promulgated from time to time by the Commissioners.

Secretary, assistants, etc.

The Commissioners of the District of Columbia shall employ and remove at their pleasure a secretary and such assistants as shall be deemed necessary to discharge the duties imposed by the provisions of this Act and shall prescribe their duties and fix their compensation in accordance with the provisions of the Classification Act of 1923, as amended.

Office space, etc.

The Commissioners of the District of Columbia shall provide for the use of the Real Estate Commission such office space, furniture, stationery, fuel, light, and other proper conveniences as shall be reasonably necessary for carrying out the provisions of this Act.

Seal, authentication of records, etc.

The Commission shall adopt a seal with such design as it may prescribe engraved thereon by which it shall authenticate its proceedings. Copies of all records and papers in the office of the Commission, duly certified and authenticated by the seal of said Commission, shall be received in evidence in all courts equally and with like effect as the original. The Commission shall keep a record of all its proceedings and a complete stenographic record of all hearings authorized under this Act.

Record to be kept.

Public inspection of records.

All records kept in the office of the Commission under authority of this Act shall be open to public inspection under reasonable rules and regulations to be prescribed by the Commission.

Member's allowance.

Each member of the Commission, except the ex-officio member, shall receive an allowance at the rate of $10 for each day of seven hours such member is actually engaged in the performance of duties as a member of the Commission: *Provided, however*, That no member shall receive in any one year a sum greater than $2,000.

Proviso.
Limitation.

Funds available.

The payment of such allowance shall be made from any unexpended balance in the treasury of said Commission remaining on June 30 of the year during which the services have been rendered, and if the unexpended balance is insufficient to meet the total amount of such allowance the rate of compensation shall be reduced to a rate which will permit payment from such unexpended balance. Such expenses shall in no event exceed the total receipts; and if at the close of each fiscal year any funds unexpended in excess of the sum of $1,000 shall be paid into the Treasury of the United States to the credit of the District of Columbia: *Provided*, That no expenses incurred under this Act shall be a charge against the funds of the United States or the District of Columbia.

Pay reduction, if fund insufficient.

Credit of excess.

Proviso. Restriction on incurred expenses.

All fees and charges payable under the provisions of this Act shall be paid to the treasurer of the Commission. The Commission is hereby authorized to refund any license fee or tax, or portion thereof, erroneously paid or collected under this Act.

Payment of fees, etc., to treasurer; refunds.

It shall be the duty of the auditor of the District of Columbia to audit the accounts of the Commission at the end of each fiscal year and make a report thereof in writing to the Commissioners of the District of Columbia. The said auditor shall have free access to all books of accounts, papers, and records of the said Commission.

Audit of accounts.

The Commissioners of the District of Columbia are hereby authorized and empowered to make and enforce, revise, or repeal whatever reasonable regulations may be necessary to carry out the provisions of this Act.

Administrative regulations.

QUALIFICATIONS FOR LICENSE

Qualifications for license.

SEC. 4. No license under the provisions of this Act shall be issued to any person who has not attained the age of twenty-one years, nor to any person who cannot read, write, and understand the English language; nor until the Commission has received satisfactory proof that the applicant is trustworthy and competent to transact the business of a real-estate broker or real-estate salesman in such a manner as to safeguard the interests of the public.

In determining competency, the Commission shall require proof that the applicant for a broker's license has a fair understanding of the general purposes and effect of deeds, mortgages, land contracts of sale and leases, a general and fair understanding of the obligations between principal and agent, as well as of the provisions of this Act. Such proof of competency to act as broker shall not be required of any applicant who shall furnish proof within one hundred and twenty days from the effective date of this Act of two years' experience as real-estate broker or real-estate salesman within the District of Columbia.

No license shall be issued to any person, firm, partnership, copartnership, association, or corporation whose application has been rejected in the District of Columbia or any State within three months prior to date of application, or whose real-estate license has been revoked in the District of Columbia or any State within one year prior to date of application.

APPLICATION FOR LICENSE

Application for license.

SEC. 5. Every applicant for a license under the provisions of this Act shall apply therefor in writing upon blanks furnished by the Real Estate Commission.

Requirements. Recommendation of two or more resident property owners.

The application of every person for a real-estate broker's license or a real-estate salesman's license shall be accompanied by the recommendation of at least two residents of the District of Columbia, real-estate owners, who have owned real estate in the District of Columbia

for a period of at least one year and who are not related to the applicant but who have personally known the applicant for a period of at least six months prior to the date of application, which recommendation shall certify that the applicant bears a good reputation for honesty, truthfulness, fair dealing, and competency, and recommend that a license be granted to the applicant.

Location of business, etc.

The application of every firm, partnership, copartnership, association, or corporation for a real-estate broker's license shall state the location of the place or places for which said license is desired and set forth the period of time, if any, which said applicant has been engaged in the real-estate business, together with a complete list of all former places where the applicant may have been engaged in any business for a period of thirty days or more during the five years preceding date of application, accounting for such entire period. Such applications shall also state the name and residence of each individual member or officer of said applicant who actively participates in the brokerage business thereof.

Members, etc.

Additional information required.

The application of every individual member or officer of a firm, partnership, copartnership, association, or corporation for a real-estate broker's license shall state the full name and residence address of the applicant and the full name and business address of the firm, partnership, copartnership, association, or corporation with which he is or will be associated, the length of time he has been so associated, and in what capacity. Such application shall also state the period of time, if any, during which said applicant has been engaged in the real-estate business, together with a complete list of all former places where the applicant may have resided and all former places where the applicant may have been engaged in any business for a period of thirty days or more during the five years preceding date of application, accounting for such entire period.

Individual broker's license.

The application of each person for an individual real-estate broker's license shall state the full name of the applicant, his business address, and residence address. Such application shall also state the period of time, if any, during which said applicant has been engaged in the real-estate business, together with a complete list of all former places where the applicant may have resided and all former places where the applicant may have been engaged in any business for a period of thirty days or more during the five years preceding the date of application, accounting for such entire period.

Real-estate salesman's license.

The application of every person for a real-estate salesman's license shall state the full name of the applicant, his residence address, and the name and business address of the real-estate broker by whom he is or will be employed. Such application shall also state the period of time, if any, during which said applicant has been engaged in the real-estate business, together with a complete list of all former places where the applicant may have resided and all former places where the applicant may have been engaged in any business for a period of thirty days or more during the five years preceding the date of application, accounting for such entire period. Such application shall be accompanied by a written statement by the broker by whom the applicant is employed or is about to be employed, stating that in his opinion the applicant is honest, truthful, and of good reputation, and recommending that the license be granted to the applicant.

Affidavit and fee to accompany.

Every application for a license under the provisions of this Act shall be sworn to by the applicant and shall be accompanied by the license fee herein prescribed. In the event that the Commission does not approve the application for a license the fee shall be returned to the applicant.

Bond.

Every application for a license shall be accompanied by a bond in the sum of $2,500 in the case of a broker and $1,000 in the case of a salesman, running to the District of Columbia, executed by two good and sufficient sureties, to be approved by the Commission, or executed by a surety company duly authorized to do business in the District of Columbia: *Provided, however*, That no bond shall be required of any firm, partnership, copartnership, association, or corporation when the application of every member or officer of such firm, partnership, copartnership, association, or corporation actively participating in the brokerage business thereof is accompanied by a bond as provided for in this section. Said bond shall be in form approved by the Commission, and conditioned that the applicant shall conduct himself and his business in accordance with the requirements of this Act; and for his failure so to do any person aggrieved thereby shall have, in addition to his right of action against the principal thereof, a right to bring suit against the surety on said bond either alone or jointly with the principal thereon, and to recover in an amount not exceeding the penalty of the bond any damages sustained by reason of any act, representation, transaction, or conduct of the principal which may be prohibited by this Act or enumerated as one of the causes for suspension or revocation of a license granted hereunder. If a recovery be had on any bond the licensee shall restore the bond to its original amount.

Proviso. Exemptions.

Form; conditions, etc.

Liability of surety.

Nothing in this Act shall be construed to impose upon the surety on any such bond a greater liability than the total amount thereof or the amount remaining unextinguished by any prior recovery or recoveries as the case may be.

Time limitation.

No suit or action against the surety on any such bond shall be brought later than one year from the accrual of the cause of action thereon. The surety may terminate its liability under such bond by giving thirty days' written notice thereof, served either personally or by registered mail, to the principal and to the Commission; and upon giving such notice the surety shall be discharged from all liability under such bond for any act or omission of the principal occurring after the expiration of thirty days from the date of service of such notice. Unless on or before the expiration of such period the principal shall duly file a new bond in like amount and conditioned as the original in substitution of the bond so terminated, the license of the principal shall likewise terminate upon the expiration of such period. Upon making any payment on account of its bond, the surety shall immediately notify the Commission.

Integrity, etc., requirements.

The Commission, with due regard to the paramount interest of the public, may require other reasonable proof of the honesty, truthfulness, and integrity of the applicant.

PROCEDURE WHEN LICENSE IS REFUSED APPLICANT

Procedure when license refused.

SEC. 6. The Commission, after an application in proper form has been filed, shall, before refusing to issue a license, set the application down for a hearing and determination as hereinafter provided in section 9.

DETAILS RELATING TO LICENSE

Detailed provisions relating to license.

SEC. 7. The Commission shall cause to be issued to each licensee a license in such form and size as shall be prescribed by the Commission. Every license shall show the name and address of the licensee, and if licensee is a member or officer of a firm, partnership, copartnership, association, or corporation, the full name and address of such firm, partnership, copartnership, association, or corporation shall also be shown on said license. Licenses issued to real-estate

salesmen shall in addition show the name and address of the real-estate broker by whom the said salesman is or will be employed. Each license shall have imprinted thereon the seal of the Commission, and in addition to the foregoing shall contain such matter as shall be prescribed by the Commission. The license of each real-estate salesman shall be delivered or mailed to the real-estate broker by whom such real-estate salesman is employed and shall be kept in the custody and control of such broker. It shall be the duty of each real-estate broker to conspicuously display his license in his place of business.

Reopening of question of qualifications of licensee.

At any time within six months, but not thereafter, after the issuance of an original license the Commission may, upon its own motion, and shall, upon the verified complaint, in writing, of any person, provided such complaint, or such complaint together with evidence, documentary or otherwise, presented therewith, shall make out a prima facie case that the licensee is unworthy to hold such license, notify the licensee, in writing, that the question of his honesty, competency, truthfulness, and integrity will be reopened and determined de novo. Such written notice may be served by delivery thereof personally to the licensee or by mailing same by registered

Recall of license.

mail to the last known business address of the licensee. Thereupon the Commission may require and procure further proof of the licensee's trustworthiness and competency, and if such proof shall not be satisfactory such license shall be recalled and shall thereafter

Surrender of license.

be null and void. Upon the recall of any such license it shall be the duty of the licensee to surrender to the Commission such license.

Broker's license, fee.

The fee for an original real-estate broker's license and every renewal thereof shall be $50.

Exemptions.

No fee shall be charged for any original license or renewal thereof issued to any firm, partnership, copartnership, association, or corporation all of whose members or officers actively participating in the brokerage business thereof have been issued a broker's license.

Salesman's license, fee.

The fee for an original real-estate salesman's license and every annual renewal thereof shall be $10.

Expiration.

Every license shall expire on the 1st day of July of each year, except that the original or initial licenses, first issued under the provisions of this Act, shall expire on the 1st day of July 1938, subject, however, to revocation as hereinbefore provided.

Annual issuance of new license.

The Commission shall cause to be issued a new license for each ensuing year, in the absence of any reason or condition which might warrant the refusal of the granting of a license, upon receipt of the written request of the applicant and the annual fee therefor, as herein required. The revocation of a broker's license shall automatically suspend every real-estate salesman's license granted to any person by virtue of his employment by the broker whose license has been revoked, pending a change of employer and the issuance of a new license. Such new license shall be issued without charge if granted during the same license year in which the original license is granted.

Actions for collecting compensation.

No person, firm, partnership, copartnership, association, or corporation engaged in the business or acting in the capacity of a real-estate broker or a real-estate salesman within the District of Columbia shall bring or maintain any action in the courts of the District of Columbia for the collection of compensation for any services performed as a real-estate broker or a real-estate salesman or enforcement of any contract relating to real estate without alleging and proving that such person, firm, partnership, copartnership, association, or corporation was a duly licensed real-estate broker or real-estate salesman at the time the alleged cause of action arose.

Maintenance of place of business.

Every real-estate broker shall maintain a place of business in the District of Columbia. If a real-estate broker maintains more than one place of business within the District of Columbia, a duplicate license shall be issued to such broker for each branch office maintained; and there shall be no fee charged for any such duplicate license.

Change of location.

Notice in writing shall be given to the Commission by each licensee of any change of principal business location, whereupon the Commission shall cause to be issued a new license for the unexpired period without charge. The change of business location without notification to the Commission shall automatically cancel the license theretofore issued.

Salesman's license, return on termination of service.

When any real-estate salesman shall be discharged or shall terminate his employment with the real-estate broker by whom he is employed, it shall be the duty of such real-estate broker to immediately deliver or mail by registered mail to the Commission such real-estate salesman's license. The real-estate broker shall, at the time of delivering or mailing such real-estate salesman's license to the Commission, address a communication by registered mail to the last-known residence address of such real-estate salesman, which communication shall advise such real-estate salesman that his license has been delivered or mailed to the Commission. A copy of such communication to the real-estate salesman shall accompany the license when mailed or delivered to the Commission. It shall be unlawful for any real-estate salesman to perform any of the acts contemplated by this Act, either directly or indirectly, under authority of said license from and after three days following such delivery or mailing of the said license by said broker to the Commission.

Acting without license.

Reissuance.

There shall be no additional fee for the reissuance of a salesman's license necessitated by the change of employers, nor shall such change work a revocation or require a renewal of the salesman's bond.

SUSPENSION OR REVOCATION OF LICENSE FOR CAUSES ENUMERATED

Suspension or revocation of license; causes enumerated.

SEC. 8. The Commission may, upon its own motion, and shall, upon the verified complaint in writing of any person, provided such complaint or such complaint together with evidence, documentary or otherwise, presented in connection therewith, make out a prima-facie case, investigate the conduct of any real-estate broker or real-estate salesman, or any person who shall assume to act in either such capacity within the District of Columbia, and shall have the power to suspend or to revoke any license issued under the provisions of this Act, at any time where the licensee has by false or fraudulent representation obtained a license; or where the licensee, in performing or attempting to perform any of the acts mentioned herein, has—

(a) Made any substantial misrepresentation;

(b) Made any false promises of a character likely to influence, persuade, or induce;

(c) Pursued a continued and flagrant course of misrepresentation, or making of false promises through agents or salesmen, or advertising or otherwise;

(d) Acted for more than one party in a transaction without the knowledge of all parties for whom he acts;

(e) Accepted a commission or valuable consideration as a real-estate salesman for the performance of any of the acts specified in this Act from any person, except an employer who is a licensed real-estate broker;

(f) Represented or attempted to represent a real-estate broker other than the employer, without the express knowledge and consent of the employer;

(g) Failed, within a reasonable time, to account for or to remit any money, valuable documents, or other property coming into his possession which belong to others;

(h) Demonstrated such unworthiness or incompetency to act as a real-estate broker or salesman as to endanger the interests of the public;

(i) Paid or offered to pay a commission or valuable consideration to any person for acts or services in violation of this Act, with knowledge of such violation or where reasonable diligence has not been exercised to acquire such knowledge;

(j) Been guilty of any other conduct, whether of the same or a different character from that hereinbefore specified, which constitutes fraudulent or dishonest dealing;

(k) Using any other trade name or insignia of membership in any real-estate organization of which the licensee is not a member;

(l) Disregarding or violating any provisions of this Act;

(m) Guaranteeing, or having authorized or permitted any broker or salesman to guarantee, future profits which may result from the resale of real property;

(n) Placing a sign on any property offering it for sale or for rent or offering it for sale or rent without the written consent of the owner or his authorized agent;

(o) Soliciting, selling, or offering for sale real property by offering free lots, or conducting lotteries, or contests, or offering prizes for the purpose of influencing a purchaser or prospective purchaser of real property; or

(p) Failing to restore the bond to its original amount after a recovery on the bond as provided in section 5.

PROVISION FOR HEARING BEFORE APPLICATION IS REFUSED OR LICENSE SUSPENDED OR REVOKED

Hearing before application refused or license suspended, etc.

SEC. 9. The Commission shall, before denying an application for license, or before suspending or revoking any license, set the matter down for a public hearing, and at least ten days prior to the date set for the hearing it shall notify the applicant or licensee in writing of any charges made and shall afford said applicant or licensee an opportunity to be heard in person or by counsel in reference thereto. Such written notice may be served by delivery of same personally to the applicant or licensee or by mailing same by registered mail to the last-known business address of such applicant or licensee. If said applicant or licensee be a salesman the Commission shall also notify the broker employing him, or whose employ he is about to enter, by mailing notice by registered mail to the broker's last-known address. The hearing on such charges shall be at such time and place as the Commission shall prescribe. The Commission shall have the power to issue subpenas or take testimony of any person by deposition in the same manner as prescribed by law in judicial procedure in the District Court of the United States for the District of Columbia in civil cases. It shall also have the power to require the production of books, records, papers, and documents by subpena or otherwise. Any party to any hearing before the Commission shall have the right to the attendance of witnesses in his behalf at such hearing upon making request therefor to the Commission and designating the person or persons sought to be subpenaed. If the Commission shall determine that any applicant is not qualified to receive a license, a license shall not be granted to said applicant, and if the Commission shall determine that any licensee is guilty of a violation of any of the provisions of this Act, his or its licenses shall be suspended or

revoked. All evidence before and findings of fact made by the Commission and questions of law involved in any final decision or determination of the Commission shall be subject to review by the District Court of the United States for the District of Columbia upon a writ of certiorari, mandamus, appeal, or by any other method permissible under the rules and practices of said court or the laws of the District of Columbia, and the said court may make such further orders with respect thereto as justice may require: *Provided, however*, That application is made by the aggrieved party to the court within thirty days after any determination by the Commission or within sixty days after formal request shall be made upon it for action. Such application shall operate as a stay of any action or finding of the Commission revoking or suspending a license, and until final decision by the District Court of the United States for the District of Columbia such licensee shall have the right to continue in business.

Evidence, etc., subject to court review.

Proviso. Time limitation.

Application to act as stay.

An appeal may be taken from the judgment of the said court on any such appeal on the same terms and conditions as an appeal is taken in civil actions.

Appeal from court judgment.

Any party to the proceedings desiring it shall be furnished with a copy of such stenographic notes, upon the payment to the Commission of such reasonable fee as it shall, by general rule or regulation, prescribe.

NONRESIDENT BROKERS AND SALESMEN

Nonresident brokers and salesmen.

SEC. 10. A nonresident of the District of Columbia may become a real-estate broker or a real-estate salesman in the District of Columbia by conforming to all of the conditions of this Act, except that the application of such person for a license need not be accompanied by the recommendation of real-estate owners in the District of Columbia prescribed in paragraph 2 of section 5 of this Act, but in lieu thereof the Commission shall require the filing of like recommendations by similarly qualified real-estate owners of property in the State, Territory, or county of such applicant's residence.

Provisions governing.

(2) The Commission may recognize, in lieu of the recommendation and statements otherwise required by this Act to accompany an application for a license, the valid and existing license issued to a nonresident to act as a real-estate broker or salesman by any State having a law for the licensing of such brokers and salesmen similar to this Act, upon payment of the license fee prescribed by this Act and the filing by the applicant with the Commission of a duly authenticated copy of applicant's license issued by such State: *Provided, however*, That every nonresident applicant shall file an irrevocable consent that suits and actions may be commenced against such applicant in the proper courts of the District of Columbia by the service of any process or pleadings authorized by the laws of the United States applying to the District of Columbia on the secretary of the Commission, said consent stipulating and agreeing that such service of such process or pleadings on said secretary shall be taken and held in all courts to be as valid and binding as if due or personal service had been made upon said applicant in the District of Columbia. Said instrument containing such consent shall be duly acknowledged and if made by a corporation shall be authenticated by the seal thereof. All such applications, except from individuals, shall be accompanied by a duly certified copy of the resolution of the proper officers or managing board, authorizing the proper officer to execute the same. In case any process or pleadings mentioned in the Act are served upon the secretary of the Commission, it shall be by duplicate copies, one of which shall be filed in the office of the Commission and the other immediately forwarded by registered mail

Provisos. Consent to service.

Bond.

to the residence address given by the applicant against which said process or pleadings are directed: *And provided further*, That every nonresident of the District of Columbia shall file a bond in form and contents the same as is required of applicants under section 5 of this Act.

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POWER TO OBTAIN EVIDENCE

Power to obtain evidence.

SEC. 11. Each member of the Commission and its duly authorized representatives may administer oaths to witnesses.

In case of the refusal of any person to comply with any subpena issued hereunder or to testify to any matter regarding which he may lawfully be interrogated, the District Court of the United States for the District of Columbia, or any judge thereof, on application of any member of the Commission, shall issue an order requiring such person to comply with such subpena and to testify or either, and any failure to obey such order of the court may be punished by the court as a contempt thereof.

OTHERS EXEMPT

Further exemptions.

SEC. 12. It shall not be necessary for any trustee or auctioneer acting under authority of a power of sale in a mortgage, deed of trust, or similar instrument securing the payment of a bona fide debt nor any bank, trust company, building and loan association, insurance company, or any land-mortgage or farm-loan association, organized under the laws of the United States, when engaged in the transaction of business within the scope of its corporate powers and provided by law, to obtain a license under this Act.

List of licensees.

PUBLICATION OF LIST OF LICENSEES

Publication, etc.

SEC. 13. The Commission shall publish at least annually a list of the names and addresses of all licensees licensed by it under the provisions of this Act and of all persons whose license has been suspended or revoked within one year, together with a succinct report of its work during the year. Such list shall be mailed by the Commission to any person in the District of Columbia upon request.

FRAUDULENT TRANSFERS OR LOANS

Fraudulent transfers, etc.

SEC. 14. It shall be unlawful for any person, firm, association, partnership, or corporation to enter into or become a party to any contract, agreement, or understanding, or in any manner whatsoever to consider, combine, conspire, or act with another or others, (a) to execute a deed conveying real property in the District of Columbia that is not a bona-fide sale but is instead a simulated sale of such property executed for the purpose and with the intent of misleading others as to the value of such property, and which in fact does so mislead and/or defraud others, to their detriment; or (b) to execute a mortgage or deed of trust upon real property situated in the District of Columbia that does not in fact represent security for a bona-fide indebtedness, but which is in reality a simulated transaction, executed for the purpose and with the intent of misleading or deceiving others as to the value of the property and which does mislead, deceive, or defraud others to their detriment.

CONVICTION OF CRIME

Conviction of crime.

SEC. 15. Where during the term of any license issued by the Commission the licensee shall be convicted in a court of competent jurisdiction in the District of Columbia or any State (including Federal

courts) of forgery, embezzlement, obtaining money under false pretenses, extortion, criminal conspiracy to defraud, or other like offense or offenses and a duly certified or exemplified copy of the record in such proceedings shall be filed with the Commission, the Commission shall revoke forthwith the license by it theretofore issued to the licensee so convicted.

In the event that any licensee shall be indicted in the District of Columbia or any State or Territory (including Federal courts) for forgery, embezzlement, obtaining money under false pretenses, extortion, criminal conspiracy to defraud, or like offense or offenses, and a certified copy of the indictment be filed with the Commission, or other proper evidence thereof be to it given, the Commission shall have authority, in its discretion, to suspend the license issued to such licensee pending trial upon such indictment.

No license shall be issued by the Commission to any person known by it to have been, within five years theretofore, convicted of forgery, embezzlement, obtaining money under false pretenses, extortion, criminal conspiracy to defraud, or other like offense or offenses, or to any copartnership of which such person is a member, or to any association or corporation of which said person is an officer, director, or employee, or in which as a stockholder such person has or exercises a controlling interest either directly or indirectly. In the event of the revocation or suspension of the license issued to any member of a copartnership, or to any officer of an association or corporation, the license issued to such copartnership, association, or corporation, shall be revoked by the commission, unless, within a time fixed by the commission, where a copartnership, the connection therewith of the member whose license has been revoked shall be severed and his interest in the copartnership and his share in its activities brought to an end, or where an association or corporation, the offending officer shall be discharged and shall have no further participation in its activity.

PENALTIES

Penalties.

SEC. 16. Any person or corporation violating any provision of this Act shall upon conviction thereof, if a person, be punished by a fine of not more than $500, or by imprisonment for a term not to exceed six months, or by both such fine and imprisonment, in the discretion of the court; and, if a corporation, be punished by a fine of not more than $1,000. Any officer, director, employee, or agent of a corporation, or member, employee, or agent of a firm, partnership, copartnership, or association, who shall personally participate in or be accessory to any violation of this Act by such firm, partnership, copartnership, association, or corporation, shall be subject to the penalties herein prescribed for individuals.

This Act shall not be construed to release any person, partnership, association, or corporation from civil liability or criminal prosecution under the laws applying to the District of Columbia.

Prosecutions.

All prosecutions for violation of this Act shall be begun in the police court of the District of Columbia in the name of the District of Columbia and under the direction and charge of the corporation counsel of the District of Columbia. The corporation counsel of the District of Columbia and his assistants shall also be counsel for the Commission in all suits to which it may be a party, and shall advise the Commission and at its request attend any and all hearings which it may hold in the performance of its duties hereunder.

SAVING CLAUSE

Saving clause.

SEC. 17. If any section, subsection, sentence, clause, phrase, or requirement of this Act is, for any reason, held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions thereof. The Congress of the United States hereby declares that it would have passed this Act, and each section, subsection, sentence, clause, phrase, and requirement thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or requirements be declared unconstitutional or invalid.

REPEALING CLAUSE

Conflicting laws repealed.

SEC. 18. All laws or parts of laws in conflict with this Act be, and the same are hereby, repealed.

Effective date.

SEC. 19. This Act, except as otherwise provided herein, shall take effect on and after ninety days from the date of its enactment.

Approved, August 25, 1937.

[CHAPTER 761]

AN ACT

August 25, 1937
[H. R. 7531]
[Public, No. 357]

To afford protection of pension benefits to peacetime veterans placed on the pension rolls after March 19, 1933, and for other purposes.

Pensions.
Protection of benefits to peacetime veterans on rolls after March 19, 1933.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph X of Executive Order Numbered 6098, dated March 31, 1933 (Veterans' Regulation Numbered 10 (38 U. S. C., ch. 12, appendix)), as amended by paragraph 1, Executive Order Numbered 6568, dated January 19, 1934 (Veterans' Regulation Numbered 10 (c)), is hereby canceled as of the date of enactment of this Act.

Approved, August 25, 1937.

[CHAPTER 762]

AN ACT

August 25, 1937
[H. R. 7709]
[Public, No. 358]

To incorporate the American Chemical Society.

American Chemical Society incorporated.
Incorporators.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the persons following: Robert T. Baldwin, Edward Bartow, Erle M. Billings, E. K. Bolton, Willard H. Dow, Gustavus J. Esselen, Arthur J. Hill, Townes R. Leigh, Thomas Midgely, Junior, Charles L. Parsons, R. E. Swain, E. R. Weidlein, Frank C. Whitmore, H. H. Willard, and R. E. Wilson, being persons who are now directors of the American Chemical Society, a corporation existing under the laws of the State of New York, their associates and successors duly chosen, and such other persons as now are or may hereafter be associated with them as officers or members of said American Chemical Society, are hereby incorporated and constituted and declared to be a body corporate by the name of American Chemical Society.

Objects.

SEC. 2. That the objects of the incorporation shall be to encourage in the broadest and most liberal manner the advancement of chemistry in all its branches; the promotion of research in chemical science and industry; the improvement of the qualifications and usefulness of chemists through high standards of professional ethics, education, and attainments; the increase and diffusion of chemical knowledge; and by its meetings, professional contacts, reports, papers, discussions, and publications, to promote scientific interests and inquiry, thereby