

DIVISION OF BOATING AND WATERWAYS

YACHT AND SHIP LICENSING AND ENFORCEMENT UNIT



YACHT & SHIP NEWSLETTER

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VOL. 4

ALL ABOARD

Greetings and best wishes for your health and safety during this unprecedented pandemic. With this newsletter, the Division of Boating and Waterways, Yacht and Ship Licensing and Enforcement Unit is reaching out to the over 350 licensed brokers with the following updates:

- New Licensing Administrator
- New Salesperson Applicant Requests
- Examinations
- Transfer to a New Broker
- Enforcement Corner
- Broker of Record Corner

NEW LICENSING ADMINISTRATOR



The Division of Boating and Waterways (DBW) would like to welcome Jill Bennetts to the Yacht and Ship Licensing Unit. Jill is the new licensing administrator for salesperson licenses. Her previous experience includes working for the

California Department of Motor Vehicles, where she developed excellent skills in all aspects of licensing and customer service.

Jill graduated from Chapman University, earning a bachelor's degree in social sciences with the majority of

her units from anthropology courses. She is an avid photographer and has great admiration and respect for the outdoors: "I feel that it is a privilege to be able to live in such a beautiful state that offers such diverse resources and am very proud to be a part of California State Parks. I look forward to utilizing my skills and building excellent working relationships with the many brokers, salespeople and others within the boating industry."

If you have any questions, please feel free to contact Jill at (916) 327-1838 or at jill.bennetts@parks.ca.gov.

SALESPERSON APPLICANT REQUESTS

We are experiencing a high volume of calls from applicants requesting new Yacht and Ship Salesperson's License Applications and their exam results.

The new Yacht and Ship Salesperson's License Application is a controlled document. The division has 10 days to notify the applicant, by way of their sponsoring broker, the results of their examination.

Please advise new salesperson applicants to refrain from calling our office and requesting applications and their test results. **ONLY the sponsoring broker** can request the new application via email or phone. A

salesperson applicant must contact their sponsoring broker for their examination results.

Remember, the broker of record is the first point of contact!

We ask that the broker of record share this information with applicants, licensees and administrative staff.

EXAMINATIONS

Due to the COVID-19 pandemic and following state guidelines, Yacht and Ship salesperson and broker examinations were postponed; however, DBW proudly announces examinations have been reestablished. Please visit our website for examination dates.

DBW is working diligently with all three examination locations (Sacramento, San Clemente and San Diego) to schedule new applicant exam dates while processing the applicant's licensing application. The applicant's 60-day temporary sales license and their examination confirmation letter are enclosed in the applicant's study packet, which is mailed to the applicant's sponsoring broker.

TRANSFERS

Salesperson Transfers: When a salesperson transfers to another brokerage, a Yacht And Ship Salesperson's License Transfer Form must be submitted to DBW. Furthermore, it is the responsibility of the salesperson to inform their former broker to mail in the salesperson's valid sales license along with the date of the last day worked. If the division does not receive the current salesperson's license, the request for license transfer will be placed on pending status until the current salesperson's license is mailed to our office.

Salespeople are not legally authorized to possess the paper license themselves at any time. Pursuant to Harbors and Navigation (HN) Code 735 (c): "Every salesman's license shall remain in the control of the broker by whom the salesman is employed until the license is canceled or until he leaves the employment of the broker. Immediately upon the salesman's withdrawal from the employment of the broker, such broker shall return such salesman's license to the

department for cancellation and shall notify the department of the exact date of termination."

ENFORCEMENT CORNER

Trust or Escrow Account: Several brokers have been found operating without a trust or escrow account in place while licensed in the State of California. Brokers are statutorily required to have a trust or escrow account in place to do brokerage business in California. Furthermore, if money is received in a different account, such as a general business or wire transfer account, it must be transferred to the required trust or escrow account as soon as possible. Pursuant to HN Code 714: "A licensed broker who accepts funds from others in connection with any transaction subject to this article who does not, as soon as possible, place those funds into a neutral escrow depository, shall place the funds into a trust fund account maintained by the broker in some bank or organized depository and shall retain all the funds in the account until the broker makes a disbursement of the funds in accordance with written instruction from the person entrusting the money. The written instruction shall also set forth specific purposes for which the broker may use money deposited with him or her. If the broker wishes to use money from the deposit for a purpose not included in the written instructions, the broker shall first obtain the written consent of the person entrusting the money specifically authorizing the use proposed by the broker for the money. The broker's written consent may be given to the broker by a letter or facsimile. A separate record shall be maintained of all monies received subject this section and shall further indicate the disposition thereof. Any funds received by a licensed person shall be delivered by the salesperson to the broker under whom the salesperson is at the time licensed."

Unlicensed Activity: Multiple unlicensed businesses, both in California and outside of it, have been found advertising services that require a broker's license. Obtaining a listing for a vessel located in California requires having a broker's license; however, it is important to note that unlicensed brokers from outside California can advertise vessels for sale, as long as they

have the proper disclaimer. The disclaimer shall include the name and contact information for the licensed California brokerage that holds the listing. Pursuant to HN Code 712: “No licensed broker shall employ or compensate, directly or indirectly, any person for performing any of the acts within the scope of this article who is not a licensed broker or salesman licensed under the broker employing or compensating him or her, except that a licensed broker may pay a commission to a broker of another state or country.”

Written Authorizations: If there are any changes to your listing agreements (e.g., gross listing price or term of listing), you must have written authorization from your seller to make those changes. The division accepts written authorizations in the form of a fax, email or scanned document. A paper copy of the written authorization to be placed in the file.

If you have questions or concerns regarding inspections, please contact Michael.Beals@parks.ca.gov or call (916) 327-1839.

BROKER OF RECORD CORNER

Brokerage Change of Address: The division must be notified in writing of the brokerage address change. Our office must have current information on file at all times pursuant to HN Code 735. If the brokerage has broker-broker relationship agreements in place, please include the name of each broker working under the agreement. Please specify the address that will show on the broker’s license if the address is different than the main brokerage address.

Corporate Broker’s License: If your brokerage is designated as a corporation, your corporation must maintain an “active” status with the California Secretary of State (SOS). If the corporation is “suspended,” “forfeited” or “dissolved” by the SOS, the division must be notified in writing pursuant to HN Code 735 at which point the corporate broker’s license will be suspended and will not be reinstated until SOS shows “active.” The corporate broker of record, salesmen, and branch licenses must be returned to this office.

IN CLOSING

If there are any topics of interest you would like to see addressed in future editions, please let us know.

Thank you for your cooperation and dedication to boating safety on California waterways.

YACHT AND SHIP LICENSING AND ENFORCEMENT UNIT

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