

Wisconsin Department of Safety & Professional Services

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DIVISION OF PROFESSIONAL CREDENTIAL PROCESSING

GUIDELINES FOR BROKERS WHOSE LICENSES HAVE BEEN SUSPENDED OR REVOKED

The Real Estate Board frequently receives inquiries from brokers operating as sole proprietors concerning the scope of real estate activities the broker may perform during the term of suspension or revocation of licensure. The following guidelines are set forth in order to answer the basic questions often asked.

GENERAL REQUIREMENTS

The broker cannot engage in any activity set forth in Wis. Stats. § 452.01(2). The broker is in the same position as an unlicensed person. Accordingly, the broker may not negotiate or offer to negotiate a real estate transaction for another person or engage in a pattern of real estate sales on his or her own behalf.

Examples: A broker may not:

- a. Enter into listing contracts or negotiate sales or rentals on behalf of another person.
- b. Engage in property management (except to the extent that a license is not required).
- c. Prepare offers to purchase or other contractual forms approved for use by real estate licensees when acting as an agent for another.

SPECIFIC CONDUCT

1. The broker may not advertise or otherwise hold himself or herself out as a broker, pursuant to Wis. Stats. § 452.03.

Examples:

- a. The broker must cancel any media advertising which was to run at any time during the suspension or revocation and the broker may not place any advertising which is intended to run during the suspension or revocation.
- b. Telephone service must either be cancelled or the person answering the telephone must indicate to the public that the office is closed or that it may not engage in real estate practice.

2. The broker should cancel listing contracts entered into by the broker prior to the effective date of the license suspension or revocation. The listing contract will be void on such date, since the broker has breached the agreement due to an inability to perform.

Examples:

- a. The listing contract may not be assigned to another broker.
- b. Other brokers may solicit the principal for a listing contract, because the disciplined broker's listing has effectively become void.

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3. The broker may continue to service those transactions for which there existed an accepted offer to purchase prior to the effective date of the license suspension or revocation. However, the broker may not engage in any conduct for which licensure is required.

- Examples:
- a. The broker must, in order to maintain the standards provided in Wis. Admin. Code. § REEB 24.03, hire another broker or attorney to close any pending transaction.
 - b. The broker may not prepare any Department-approved forms (WB forms) or State Bar forms.
 - c. The broker may not receive any trust funds pertaining to the transaction during the period of license suspension or revocation. Arrangements must be made for another party to hold any trust funds which would ordinarily be received by the broker during the disciplinary period.
 - d. The broker may attend the closing of the transaction, but may not perform any services for which licensure is required. For example, the broker may not negotiate a post-closing escrow agreement pending some future occurrence.
 - e. The broker may receive a commission from those transactions in which there existed an accepted offer to purchase prior to the effective date of the suspension or revocation.

SALESPERSONS

1. A sole proprietor broker may also be required to make arrangements regarding any salespersons under the broker's license. Licensed employees of the broker must either discontinue the practice of real estate under that broker during the period of the broker's suspension or revocation, or they must transfer to another broker.

A business entity (corporation, partnership or limited liability company (LLC) may have to make similar arrangements, if the broker whose license is suspended or revoked is the only licensed officer, partner or LLC member of the business entity. Another alternative for the business entity is to find another licensed broker and make that person an officer, partner or LLC member.