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**REAL ESTATE EXAMINING BOARD**  
**Room N208, 4822 Madison Yards Way, Madison**  
**Contact: Erin Karow (608) 266-2112**  
**October 18, 2018**

*The following agenda describes the issues that the Board plans to consider at the meeting. At the time of the meeting, items may be removed from the agenda. Please consult the meeting minutes for a record of the actions of the Board.*

**AGENDA**

**10:00 A.M.**

**OPEN SESSION – CALL TO ORDER – ROLL CALL**

- A. Adoption of Agenda (1-3)**
- B. Approval of the Minutes of June 14, 2018 (4-7)**
- C. Administrative Matters – Discussion and Consideration**
  - 1. Board and Staff Updates
  - 2. Department Updates
  - 3. Renewal Notification
- D. 10:00 A.M. PUBLIC HEARING: Clearinghouse Rule 18-051, Relating to Violation of Board Orders (8-15)**
  - 1. Review and Respond to Clearinghouse Report and Public Hearing Comments
- E. Legislative/Administrative Rule Matters – Discussion and Consideration (16-20)**
  - 1. Adoption of CR 18-049, Relating to Revocation Based Upon Conviction
  - 2. REEB 24.04, Relating to Advertising
  - 3. Update on Legislation and Pending or Possible Rulemaking Projects
- F. Update Regarding Credentialing Matters – Discussion and Consideration (21)**
  - 1. Predetermination Process
- G. Real Estate Curriculum and Examination Council Update – Discussion and Consideration**
- H. Real Estate Contractual Forms Advisory Council Update – Discussion and Consideration**
- I. Items Received After Preparation of the Agenda**
  - 1. Introductions, Announcements and Recognition
  - 2. Election of Officers
  - 3. Appointment of Liaison(s) and Alternates
  - 4. Administrative Matters
  - 5. Education and Examination Matters

6. Credentialing Matters
7. Practice Matters
8. Legislative/Administrative Rule Matters
9. Liaison Report(s)
10. Informational Items
11. Division of Legal Services and Compliance (DLSC) Matters
12. Presentation on Petition(s) for Summary Suspension(s)
13. Presentation on Designation(s) of Hearing Official
14. Presentation of Stipulations, Final Decisions and Orders
15. Presentation of Stipulations and Interim Orders
16. Presentation of Proposed Final Decision and Orders
17. Presentation of Interim Orders
18. Petitions for Re-Hearing
19. Petitions for Assessments
20. Petitions to Vacate Orders
21. Requests for Disciplinary Proceeding Presentations
22. Motions
23. Petitions
24. Appearances from Requests Received or Renewed
25. Speaking Engagement(s), Travel, or Public Relation Request(s)

J. Public Comments

**CONVENE TO CLOSED SESSION to deliberate on cases following hearing (s. 19.85(1)(a), Stats.); to consider licensure or certification of individuals (s. 19.85(1)(b), Stats.); to consider closing disciplinary investigations with administrative warnings (ss. 19.85 (1)(b), and 440.205, Stats.); to consider individual histories or disciplinary data (s. 19.85 (1)(f), Stats.); and to confer with legal counsel (s. 19.85(1)(g), Stats.).**

**K. Pre-Determination of Application of Roman Elizen (22-98)**

**L. Deliberation on Division of Legal Services and Compliance (DLSC) Matters**

**1. Monitoring (99-100)**

- a. Rhea Brunette – Requesting Full Licensure **(101-116)**
- b. Michael Bump – Requesting Full Licensure **(117-127)**
- c. Michael Diebel – Compliance Review **(128-139)**
- d. Margaret Hundsrucker – Compliance Review **(140-147)**

**2. Proposed Stipulations, Finals Decisions and Orders**

- a. 17 REB 029 – Roger W. McDowell **(148-153)**
- b. 17 REB 040 – Maxwell Dieck **(154-159)**
- c. 17 REB 065 – Letesha D. Fields **(160-167)**
- d. 17 REB 068 – Patrick J. Bushek **(168-173)**
- e. 18 REB 028 – James E. Olszewski **(174-178)**

**3. Case Closings**

- a. 16 REB 108 – T.B., W.B., H.R., Inc. **(179-183)**
- b. 17 REB 004 – R.B., R.W., A.R., Inc. **(184-189)**
- c. 17 REB 029 – C.O., R.V.R., L.L.C. **(190-196)**

- d. 17 REB 068 – M.G., R.R., R&A, Inc. (197-201)
- e. 18 REB 023 – R.W., W.P., L.L.C. (202-205)
- f. 18 REB 042 – N.M. (206-209)

M. Deliberation of Items Received After Preparation of the Agenda

- 1. Education and Examination Matters
- 2. Credentialing Matters
- 3. DLSC Matters
- 4. Professional Assistance Procedure (PAP) Matters
- 5. Monitoring Matters
- 6. Petitions for Summary Suspension(s)
- 7. Petitions for Designation of Hearing Examiner
- 8. Proposed Stipulation(s), Final Decision(s) and Order(s)
- 9. Proposed Interim Orders
- 10. Administrative Warning(s)
- 11. Review of Administrative Warning(s)
- 12. Proposed Final Decisions and Orders
- 13. Orders Fixing Costs/Matters Related to Costs
- 14. Board Liaison Training
- 15. Case Closings
- 16. Petitions for Assessments and Evaluations
- 17. Petitions to Vacate Orders
- 18. Remedial Education Cases
- 19. Motions
- 20. Petitions for Re-Hearing
- 21. Appearances from Requests Received or Renewed

N. Consulting with Legal Counsel

**RECONVENE TO OPEN SESSION IMMEDIATELY FOLLOWING CLOSED SESSION**

O. Vote on Items Considered or Deliberated Upon in Closed Session, if Voting is Appropriate

P. Open Session Items Noticed Above Not Completed in the Initial Open Session

**ADJOURNMENT**

**NEXT MEETING DATE: DECEMBER 13, 2018**

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 MEETINGS AND HEARINGS ARE OPEN TO THE PUBLIC, AND MAY BE CANCELLED WITHOUT NOTICE.

Times listed for meeting items are approximate and depend on the length of discussion and voting. All meetings are held at 1400 East Washington Avenue, Madison, Wisconsin, unless otherwise noted. In order to confirm a meeting or to request a complete copy of the board’s agenda, please call the listed contact person. The board may also consider materials or items filed after the transmission of this notice. Times listed for the commencement of disciplinary hearings may be changed by the examiner for the convenience of the parties. Interpreters for the hearing impaired provided upon request by contacting the Affirmative Action Officer, 608-266-2112.

**REAL ESTATE EXAMINING BOARD  
MEETING MINUTES  
JUNE 14, 2018**

**PRESENT:** Robert Larson, Jerry Lyons, Richard Marino, Dennis Pierce, Thomas Richie, Robert Webster

**STAFF:** Erin Karow, Executive Director; Kate Stolarzyk, Bureau Assistant; and Other Department Staff

**CALL TO ORDER**

Robert Webster, Chair, called the meeting to order at 10:03 a.m. A quorum of six (6) members was confirmed.

**ADOPTION OF AGENDA**

**Amendments to the Agenda:**

- Closed Session: Under item “J. Deliberation on Division of Legal Services and Compliance (DLSC) Matters; 1. Proposed Stipulations, Finals Decisions and Orders” ADD:
  - a. 16 REB 007 – Gary N. Meysman
  - b. 16 REB 007 – Maria L. Letsos

**MOTION:** Thomas Richie moved, seconded by Dennis Pierce, to adopt the agenda as amended. Motion carried unanimously.

**APPROVAL OF THE MINUTES OF APRIL 19, 2018**

**MOTION:** Richard Marino moved, seconded by Robert Larson, to approve the minutes of April 19, 2018 as published. Motion carried unanimously.

**LEGISLATIVE/ADMINISTRATIVE RULE MATTERS**

**REEB 24.04 Scope, Relating to Advertising**

**MOTION:** Robert Larson moved, seconded by Jerry Lyons, to approve the Scope Statement revising REEB 24.04, relating to advertising, for submission to the Department of Administration and Governor’s Office and for publication. Additionally, the Board authorizes the Chair to approve the Scope Statement for implementation no less than 10 days after publication. Motion carried unanimously.

**Petition to JCRAR to Repeal Unauthorized REEB 24.17, Relating to Felony Convictions**

**MOTION:** Jerry Lyons moved, seconded by Thomas Richie, to approve the proposed rule repealing REEB 24.17, relating to felony convictions, and to authorize the Chair to petition the Joint Committee for Review of Administrative Rules for repeal of REEB 24.17 using the process under s. 227.26(4). Motion carried unanimously.

**Adopt CR 17-100, Relating to Cross References and Terminology**

**MOTION:** Dennis Pierce moved, seconded by Robert Larson, to approve the Adoption Order for Clearinghouse Rule 17-100, relating to cross references and terminology. Motion carried unanimously.

**Update on Legislation and Pending or Possible Rulemaking Projects**

**MOTION:** Thomas Richie moved, seconded by Robert Webster, to request DSPS staff draft a Scope Statement revising REEB 24, relating to conduct and ethical practices for Real Estate licensees. Motion carried unanimously.

**REAL ESTATE CURRICULUM AND EXAMINATION COUNCIL UPDATE**

**2019-2020 Proposed Continuing Education (CE) Curriculum**

**MOTION:** Jerry Lyons moved, seconded by Dennis Pierce, to authorize Robert Webster to review and approve the recommendation of the Council on Real Estate Curriculum and Examinations for the 2019-2020 biennium. Motion carried unanimously.

**CLOSED SESSION**

**MOTION:** Thomas Richie moved, seconded by Robert Webster, to convene to closed session to deliberate on cases following hearing (s. 19.85(1)(a), Stats.); to consider licensure or certification of individuals (s. 19.85(1)(b), Stats.); to consider closing disciplinary investigations with administrative warnings (ss. 19.85 (1)(b), and 440.205, Stats.); to consider individual histories or disciplinary data (s. 19.85 (1)(f), Stats.); and to confer with legal counsel (s. 19.85(1)(g), Stats.). Robert Webster, Chair, read the language of the motion. The vote of each member was ascertained by voice vote. Roll Call Vote: Robert Larson-yes; Jerry Lyons-yes; Richard Marino-yes; Dennis Pierce-yes; Thomas Richie-yes; Robert Webster-yes. Motion carried unanimously.

The Board convened into Open Session at 10:51 a.m.

**RECONVENE TO OPEN SESSION**

**MOTION:** Richard Marino moved, seconded by Robert Larson, to reconvene into Open Session. Motion carried unanimously.

The Board reconvened into Open Session at 12:17 p.m.

**VOTE ON ITEMS CONSIDERED OR DELIBERATED UPON IN CLOSED SESSION,  
IF VOTING IS APPROPRIATE**

**MOTION:** Thomas Richie moved, seconded by Robert Webster, to affirm all motions made and votes taken in Closed Session. Motion carried unanimously.

*(Be advised that any recusals or abstentions reflected in the closed session motions stand for the purposes of the affirmation vote.)*

**REVIEW CONVICTION HISTORY OF CHRISTOPHER SCHUELKE #629660 FOR REAL  
ESTATE SALESPERSON CREDENTIAL**

**MOTION:** Jerry Lyons moved, seconded by Robert Larson, to deny the Real Estate Salesperson application of Christopher Schuelke, based on criminal history substantially related to the practice of Real Estate. Legal Authority: Wis. Admin. Code. § 111.335(3)(a)(1) and Wis. Stat. § 452.05(1)(a). Motion carried unanimously.

**DIVISION OF LEGAL SERVICES AND COMPLIANCE (DLSC) MATTERS**

**Proposed Stipulations, Final Decisions and Orders**

***16 REB 007 – Gary N. Meysman***

**MOTION:** Thomas Richie moved, seconded by Robert Webster, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings against Gary N. Meysman, DLSC Case Number 16 REB 007. Motion carried unanimously.

***16 REB 007 – Maria L. Letsos***

**MOTION:** Jerry Lyons moved, seconded by Robert Larson, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings against Maria L. Letsos, DLSC Case Number 16 REB 007. Motion carried unanimously.

***17 REB 013 – Sean C. Lentz***

**MOTION:** Robert Webster moved, seconded by Richard Marino, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings against Sean C. Lentz, DLSC Case Number 17 REB 013. Motion carried unanimously.

***17 REB 028 – Kathleen M. Hansen and Kathleen Hansen & Associates, LLC.***

**MOTION:** Robert Webster moved, seconded by Thomas Richie, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings against Kathleen M. Hansen and Kathleen Hansen & Associates, LLC., DLSC Case Number 17 REB 028. Motion carried unanimously.

***17 REB 047 – Lynn M. Haag***

**MOTION:** Jerry Lyons moved, seconded by Thomas Richie, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings against Lynn M. Haag, DLSC Case Number 17 REB 047. Motion carried unanimously.

**MONITORING MATTERS**

**Caston Love – Requesting Full Licensure**

**MOTION:** Jerry Lyons moved, seconded by Thomas Richie, to grant the request of Caston Love for full licensure. Motion carried unanimously.

**Shawn Nash – Requesting Full Licensure**

**MOTION:** Jerry Lyons moved, seconded by Robert Webster, to deny the request of Shawn Nash for full licensure. **Reason for Denial:** Failure to comply with terms of the order. Motion carried unanimously.

**Robert People – Requesting Full Licensure**

**MOTION:** Jerry Lyons moved, seconded by Robert Larson, to grant the request of Robert People for full licensure. Motion carried unanimously.

**DELIBERATION ON PROPOSED FINAL DECISION AND ORDERS**

**John Ramirez and Conquer Property Management, LLC. – DHA Case Number SPS-18-0002/DLSC Case Number 16 REB 033**

**MOTION:** Thomas Richie moved, seconded by Dennis Pierce, to adopt the Findings of Fact, Conclusions of Law, and Proposed Decision and Order in the matter of disciplinary proceedings against John Ramirez and Conquer Property Management, LLC., Respondent – DHA Case Number SPS-18-0002/DLSC Case Number 16 REB 033. Motion carried unanimously.

**ADJOURNMENT**

**MOTION:** Jerry Lyons moved, seconded by Thomas Richie, to adjourn the meeting. Motion carried unanimously.

The meeting adjourned at 12:18 p.m.

**State of Wisconsin  
Department of Safety & Professional Services**

**AGENDA REQUEST FORM**

1) Name and Title of Person Submitting the Request:  <b>Sharon Henes Administrative Rules Coordinator</b>		2) Date When Request Submitted:  <b>2 October 2018</b>  Items will be considered late if submitted after 12:00 p.m. on the deadline date: ▪ 8 business days before the meeting	
3) Name of Board, Committee, Council, Sections:  <b>Real Estate Examining Board</b>			
4) Meeting Date:  <b>18 October 2018</b>	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? <b>Public Hearing on Clearinghouse Rule 18-051 Relating to Violation of Board Orders</b>  <b>Review and respond to Clearinghouse Report and Public Hearing comments</b>	
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session <input type="checkbox"/> Both	8) Is an appearance before the Board being scheduled?  <input type="checkbox"/> Yes ( <a href="#">Fill out Board Appearance Request</a> ) <input type="checkbox"/> No	9) Name of Case Advisor(s), if required:	
10) Describe the issue and action that should be addressed:  <b>Hold Public Hearing at 10:00 a.m.</b>  <b>Discuss any public hearing comments. Review, discuss and respond to any Clearinghouse comments.</b>			
11) <span style="float: right;">Authorization</span>  <div style="text-align: center; margin-top: 20px;"> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <span>Signature of person making this request</span> <span>Date</span> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <span>Supervisor (if required)</span> <span>Date</span> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <span>Executive Director signature (indicates approval to add post agenda deadline item to agenda)</span> <span>Date</span> </div>			
Directions for including supporting documents: 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director. 3. If necessary, Provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.			

STATE OF WISCONSIN  
REAL ESTATE EXAMINING BOARD

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IN THE MATTER OF RULE-MAKING : PROPOSED ORDER OF THE  
PROCEEDINGS BEFORE THE : REAL ESTATE EXAMINING BOARD  
REAL ESTATE EXAMINING BOARD : ADOPTING RULES  
: (CLEARINGHOUSE RULE )

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PROPOSED ORDER

An order of the Real Estate Examining Board to amend REEB 24.17 (3) relating to violation of board orders.

Analysis prepared by the Department of Safety and Professional Services.

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ANALYSIS

**Statutes interpreted:** s. 452.14, Stats.

**Statutory authority:** ss. 15.08 (5) (b) and 452.07 (1), Stats.

**Explanation of agency authority:**

Each examining board shall promulgate rules for its own guidance and for the guidance of the profession to which it pertains and define and enforce professional conduct and unethical practices not inconsistent with the law relating to the particular profession. [s. 15.08 (5) (b), Stats.]

The board shall promulgate rules for the guidance of the real estate profession and define professional conduct and unethical practice. [s. 452.07 (1), Stats.]

**Related statute or rule:** Chapter REEB 24

**Plain language analysis:**

Section 1 removes the word “disciplinary” in order to clarify it is unprofessional conduct to violate terms of any board order.

**Summary of, and comparison with, existing or proposed federal regulation:** None

**Comparison with rules in adjacent states:**

**Illinois:** Illinois does not enumerate violation of a board order as unprofessional conduct.

**Iowa:** Failure to comply with an order of the commission imposing discipline is grounds for discipline in Iowa.

**Michigan:** Michigan does not enumerate violation of a board order as unprofessional conduct.

**Minnesota:** Minnesota may take disciplinary action if the licensee has violated or failed to comply with any provision of the statute governing real estate or any rule or order.

**Summary of factual data and analytical methodologies:**

The Board issues a variety of orders, for example issuing a limited license order to allow an applicant to practice with certain limitations in place instead of denying the license entirely. This proposed order clarifies that is unprofessional conduct to violate any provisions or terms or conditions of any order of the Board and not just disciplinary orders.

**Analysis and supporting documents used to determine effect on small business or in preparation of economic impact analysis:**

This rule was posted for economic comments and none were received. This rule clarifies an unprofessional conduct provision.

**Fiscal Estimate and Economic Impact Analysis:**

The Fiscal Estimate and Economic Impact Analysis is attached.

**Effect on small business:**

These proposed rules do not have an economic impact on small businesses, as defined in s. 227.114 (1), Stats. The Department's Regulatory Review Coordinator may be contacted by email at [Kirsten.Reader@wisconsin.gov](mailto:Kirsten.Reader@wisconsin.gov), or by calling (608) 267-2435.

**Agency contact person:**

Sharon Henes, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, P.O. Box 8366, Madison, Wisconsin 53708; telephone 608-261-2377; email at [DSPSAdminRules@wisconsin.gov](mailto:DSPSAdminRules@wisconsin.gov).

**Place where comments are to be submitted and deadline for submission:**

Comments may be submitted to Sharon Henes, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, P.O. Box 8366, Madison, WI 53708-8366, or by email to [DSPSAdminRules@wisconsin.gov](mailto:DSPSAdminRules@wisconsin.gov). Comments must be received at or before the public hearing to be held on August 16, 2018 to be included in the record of rule-making proceedings.

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TEXT OF RULE

SECTION 1. REEB 24.17 (3) is amended to read:

REEB 24.17 (3) VIOLATION OF STATUTES, ADMINISTRATIVE CODE AND ~~DISCIPLINARY BOARD~~ DISCIPLINARY BOARD ORDERS. Licensees shall not violate any provisions or terms or conditions of, or aid or abet the violation of ch. 452, Stats., chs. REEB 11 to 25 or any ~~disciplinary~~ order of, the board.

SECTION 2. EFFECTIVE DATE. The rules adopted in this order shall take effect on the first day of the month following publication in the Wisconsin Administrative Register, pursuant to s. 227.22 (2) (intro.), Stats.

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(END OF TEXT OF RULE)  
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## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	2. Date June 28, 2018
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) REEB 24.17 (3)	
4. Subject Violation of Board orders	
5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	6. Chapter 20, Stats. Appropriations Affected
7. Fiscal Effect of Implementing the Rule <input checked="" type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget	
8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses <b>(if checked, complete Attachment A)</b>	
9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$0.00	
10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
11. Policy Problem Addressed by the Rule The Board issues a variety of orders. The proposed rule clarifies that it is unprofessional conduct to violate any provision or term or condition of any order of the Board and not just disciplinary orders.	
12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. This rule was posted for economic comments and none were received.	
13. Identify the Local Governmental Units that Participated in the Development of this EIA. No local governmental units participated in the development of the EIA. This rule does not affect any governmental units.	
14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred) This rule will not have any economic or fiscal impact on specific businesses, business sectors, public utility rate payers, local governmental units or the State's economy as a whole. There are no implementation or compliance costs expected to be incurred.	
15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule The benefit of the implementing the rule is creating clarity regarding the unprofessional practice of violating terms or conditions of a Board order.	
16. Long Range Implications of Implementing the Rule The long range implication of the implementing the rule is clarity regarding the unprofessional practice of violating terms or conditions of a Board order.	
17. Compare With Approaches Being Used by Federal Government None	
18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)	

**ADMINISTRATIVE RULES**  
**Fiscal Estimate & Economic Impact Analysis**

Illinois and Michigan do not enumerate violation of a board order as unprofessional conduct. In Iowa, failure to comply with an order imposing discipline is grounds for discipline. In Minnesota, a violation or failure to comply with any order is grounds for discipline.

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19. Contact Name Sharon Henes	20. Contact Phone Number (608) 261-2377
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This document can be made available in alternate formats to individuals with disabilities upon request.

**ADMINISTRATIVE RULES**  
**Fiscal Estimate & Economic Impact Analysis**

**ATTACHMENT A**

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

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5. Describe the Rule's Enforcement Provisions

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes    No
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## WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

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**Scott Grosz**  
*Clearinghouse Director*

**Margit Kelley**  
*Clearinghouse Assistant Director*

**Terry C. Anderson**  
*Legislative Council Director*

**Jessica Karls-Ruplinger**  
*Legislative Council Deputy Director*

### CLEARINGHOUSE RULE 18-051

#### Comments

**[NOTE: All citations to “Manual” in the comments below are to the Administrative Rules Procedures Manual, prepared by the Legislative Reference Bureau and the Legislative Council Staff, dated December 2014.]**

#### **5. Clarity, Grammar, Punctuation and Use of Plain Language**

a. The Board should correct a typographical error in the description of Minnesota’s rule by changing “violatd” to “violated”.

b. In the second sentence of the section titled “Summary of factual data and analytical methodologies”, the Board should add the word “it” so the sentence reads “...that it is unprofessional conduct ...”.

**State of Wisconsin  
Department of Safety & Professional Services**

**AGENDA REQUEST FORM**

<b>1) Name and Title of Person Submitting the Request:</b> Sharon Henes Administrative Rules Coordinator		<b>2) Date When Request Submitted:</b> 2 October 2018 Items will be considered late if submitted after 12:00 p.m. on the deadline date which is 8 business days before the meeting	
<b>3) Name of Board, Committee, Council, Sections:</b> Real Estate Examining Board			
<b>4) Meeting Date:</b> 18 October 2018	<b>5) Attachments:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>6) How should the item be titled on the agenda page?</b> <b>Legislative and Administrative Rule Matters</b> 1. Adoption of CR 18-049 Relating to Revocation Based Upon Conviction 2. REEB 24.04 Relating to Advertising 3. Updates on Legislation and Pending or Possible Rulemaking Projects	
<b>7) Place Item in:</b> <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session	<b>8) Is an appearance before the Board being scheduled?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>9) Name of Case Advisor(s), if required:</b>	
<b>10) Describe the issue and action that should be addressed:</b>			
<b>11) Authorization</b>			
<i>Sharon Henes</i>		<i>10/02/18</i>	
Signature of person making this request		Date	
Supervisor (if required)		Date	
Executive Director signature (indicates approval to add post agenda deadline item to agenda)		Date	
<b>Directions for including supporting documents:</b> 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director. 3. If necessary, provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.			

STATE OF WISCONSIN  
REAL ESTATE EXAMINING BOARD

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IN THE MATTER OF RULEMAKING	:	ORDER OF THE
PROCEEDINGS BEFORE THE	:	REAL ESTATE EXAMINING BOARD
REAL ESTATE EXAMINING BOARD	:	ADOPTING RULES

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The Real Estate Examining Board is petitioning the  
Joint Committee for Review of Administrative Rules to  
repeal a rule the Real Estate Examining Board has determined to be  
an unauthorized rule using the process under s. 227.26 (4), Stats.  
Approved by Joint Committee for Review of Administrative Rules on August 21, 2018.

ORDER

An order of the Real Estate Examining Board to repeal REEB 24.17 (2m) relating to  
revoking a license based upon a felony conviction that is a bar to licensure or registration.

Analysis prepared by the Department of Safety and Professional Services.

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ANALYSIS

**Statutes interpreted:** s. 452.14 (3) (p), Stats.

**Statutory authority:** ss. 15.08 (5) (b), 452.07 (1), Stats.

**Explanation of agency authority:**

The Board shall promulgate rules for its own guidance and for the guidance of the trade  
or profession to which it pertains, and define and enforce professional conduct and  
unethical practices not inconsistent with the law relating to the particular trade or  
profession. [s. 15.08 (5) (b), Stats.]

The Board shall promulgate rules for the guidance of the real estate profession and define  
professional conduct and unethical practice. [s. 452.07 (1), Stats.]

**Related statute or rule:** REEB 24.17 (2)

**Plain language analysis:**

REEB 24.17 (2m) allows the Real Estate Examining Board to revoke a license or  
registration based on a conviction of a felony that is a bar to licensure or registration  
under s. 452.25 (1) (a), Stats. This rule was promulgated to implement 2013 Act 288  
which created s. 452.14 (3) (p), Stats.

2017 Act 110 repealed and recreated s. 452.14 (3) (p), Stats. The current s. REEB 24.17 (2m) is a more restrictive standard than the new recreated statutory provision. In addition, the Real Estate Examining Board currently has a rule which addresses disciplinary actions based upon convictions so it is unnecessary to amend s. REEB 24.17 (2m).

Therefore, the Board has determined that s. REEB 24.17 (2m) is an unauthorized rule and seeks its repeal under s. 227.26 (4), Stats.

**Agency contact person:**

Sharon Henes, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, P.O. Box 8366, Madison, Wisconsin 53708; telephone 608-261-2377; email at DSPSAdminRules@wisconsin.gov.

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TEXT OF RULE

SECTION 1. REEB 24.17 (2m) is repealed.

SECTION 2. EFFECTIVE DATE. The rules adopted in this order shall take effect on the first day of the month following publication in the Wisconsin Administrative Register, pursuant to s. 227.22 (2) (intro.), Stats.

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(END OF TEXT OF RULE)

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Dated \_\_\_\_\_

Agency \_\_\_\_\_

Chair  
Real Estate Examining Board

April 2012 No. 676, eff. 7-1-12; **EmR1620**: emerg. r. (2), am. (3), (5), (6), (9), (13m), eff. 7-1-16; **CR 16-042**: r. (2), am. (3), (5), renum. (6), (9) to **REEB 11.02** (3m), (4m), am. (13m) February 2017 No. 734, eff. 3-1-17.

**REEB 24.03 Competent services. (1) DISCRIMINATION PROHIBITED.** Licensees may not discriminate against, nor deny equal services to, nor be a party to any plan or agreement to discriminate against any person in any manner unlawful under applicable federal, state or local fair housing law.

**Note:** The primary references for federal and state fair housing laws are the 1988 amendments to the Federal Housing Act (Title VII of the Civil Rights Act of 1968) and Chapter 106, Subchapter II, Stats.

**(2) COMPETENCE REQUIRED.** (a) Licensees shall not provide services which the licensee is not competent to provide unless the licensee engages the assistance of one who is competent. Any person engaged to provide such assistance shall be identified and that person's contribution shall be described.

(b) Licensees shall act to protect the public against fraud, misrepresentation and unethical practices.

(c) Licensees shall be knowledgeable regarding laws, public policies and current market conditions on real estate matters and assist, guide and advise the buying or selling public based upon these factors.

(d) Licensees are not required to have the technical knowledge, skills or training possessed by competent third party inspectors and investigators of real estate and related areas.

**Note:** Paragraph (d) recognizes that licensees are not required to have the knowledge, skills or training possessed by, for example, persons such as home inspectors, plumbers, electricians or land surveyors.

**History:** Cr. Register, February, 1980, No. 290, eff. 3-1-80; am. (1), Register, March, 1981, No. 303, eff. 4-1-81; renum. from REB 15.03, Register, February, 1983, No. 326, eff. 3-1-83; am. (1), renum. (2) to be (2) (a), (2) (b) and (c) renum. from RL 24.01 (5) (b) and (c) and am., Register, January, 1987, No. 373, eff. 2-1-87; am. (1), cr. (2) (d), Register, July, 1993, No. 451, eff. 8-1-93.

**REEB 24.04 Advertising. (1) FALSE ADVERTISING.** Licensees shall not advertise in a manner which is false, deceptive, or misleading.

**(2) DISCLOSURE OF NAME.** (a) Except for advertisements for the rental of real estate owned by the licensee, a licensee shall in all advertising disclose the firm name exactly as printed on the licensed individual broker or the licensed broker business entity's license or disclose a trade name previously filed with the department, as required by s. **REEB 23.03**, and in either case clearly indicate that the firm is a business concern and not a private party.

(b) Except for advertisements for the rental of real estate owned by the licensee, a licensee associated with a firm shall advertise under the supervision of and in the name of the firm.

(c) A licensee may advertise the occasional sale of real estate owned by the licensee or the solicitation of real estate for purchase by the licensee without complying with pars. (a) and (b), provided that the licensee clearly identifies himself, herself or itself as a real estate licensee in the advertisement.

**(3) ADVERTISING WITHOUT AUTHORITY PROHIBITED.** Licensees shall not advertise property without the consent of the owner.

**(4) ADVERTISED PRICE.** Licensees shall not advertise property at a price other than that agreed upon with the owner; however, the price may be stated as a range or in general terms if it reflects the agreed upon price.

**History:** Cr. Register, February, 1980, No. 290, eff. 3-1-80; am. (4), Register, March, 1981, No. 303, eff. 4-1-81; renum. from REB 15.04 and am. (2), Register, February, 1983, No. 326, eff. 3-1-83; renum. (2) to be (2) (a) and am., cr. (2) (b) and (c), Register, January, 1987, No. 373, eff. 2-1-87; am. (2) (c), Register, April, 1995, No. 472, eff. 5-1-95; correction in (2) (a) made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671; **EmR1620**: emerg. am. (2) (a), (b), (3), (4), eff. 7-1-16; **CR 16-042**: am. (2) (a), (b), (3), (4) Register February 2017 No. 734, eff. 3-1-17.

**REEB 24.05 Disclosure of compensation and interests. (1) COMPENSATION.** (a) A licensee acting as an agent in a real estate or business opportunity transaction may not accept any fee or compensation related to the transaction from any person, other than the licensee's client, principal firm, or firm the licensee is associated with without prior written consent from all parties to the transaction.

(b) A licensee acting as an agent in a real estate or business opportunity transaction may not recommend or suggest to a party to the transaction the services of another individual or entity from which the licensee may receive compensation for a referral or in which the licensee has an interest, unless the licensee, prior to or at the time of the referral, discloses to the party in writing the fact that he or she may receive compensation for the referral or that he or she has an interest in the individual or entity providing the services. This paragraph does not apply when the licensee makes a referral to another licensee for real estate services under s. **452.19**, Stats.

**(2) DISCLOSURE OF INTEREST.** A licensee acting as an agent in a real estate or business opportunity transaction may not act in the transaction on the licensee's own behalf, on behalf of the licensee's firm, on behalf of any member of the licensee's immediate family or any combination of members of the licensee's immediate family, or on behalf of any other organization or business entity in which the licensee has an interest without the prior written consent of all parties to the transaction. For the purpose of this subsection, a licensee shall obtain the written consent in the offer to purchase, option, lease or other transaction contract.

**(4) DISCLOSURE TO SELLER.** A listing firm may not pay any compensation or incentive to a licensee who is acting as a buyer in a transaction without prior written consent from the seller.

**(5) DISCLOSURE OF LICENSURE.** (a) A licensee acting as a principal in a real estate or business opportunity transaction shall disclose his, her, or its license status and intent to act in the transaction as a principal at the earliest of all of the following:

1. The first contact with the other party or an agent representing the other party where information regarding the other party or the transaction is being exchanged.

2. A showing of the property.

3. Any other negotiation with the seller or the listing firm.

(b) The disclosure under this subsection shall be made in writing to the other party in a transaction or to an agent representing the other party.

**History:** Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. (3) and (4) to be (4) and (5), cr. (3), Register, December, 1980, No. 300, eff. 1-1-81; am. (5), Register, March, 1981, No. 303, eff. 4-1-81; renum. from REB 15.05, Register, February, 1983, No. 326, eff. 3-1-83; am. (1) and (5), Register, June, 1988, No. 390, eff. 7-1-88; r. and recr. Register, July, 1993, No. 451, eff. 8-1-93; am. (1), (2), (3), (5), Register, April, 1995, No. 472, eff. 5-1-95; renum. (5) to be (5) (a) (intro.), cr. (5) (a) 1. to 3., and (b), Register, January, 2001, No. 541, eff. 2-1-01; **CR 10-136**: am. (title), (1) (title), renum. (1) to be (1) (a) and am., am. (2), r. (3) (title), renum. (3) to be (1) (b) and am., r. and recr. (4), am. (5) (b) Register April 2012 No. 676, eff. 7-1-12; **EmR1620**: emerg. am. (1) (a), (2), (4), (5) (a) 3., eff. 7-1-16; **CR 16-042**: am. (1) (a), (2), (4), (5) (a) 3. Register February 2017 No. 734, eff. 3-1-17.

**REEB 24.06 Unauthorized practice of law.**

**(1) UNAUTHORIZED PRACTICE OF LAW PROHIBITED.** Licensees shall not engage in activities that constitute the unauthorized practice of law.

**(2) LEGAL COUNSEL NOT TO BE DISCOURAGED.** Licensees shall not discourage any person from retaining an attorney.

**History:** Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. from REB 15.06, Register, February, 1983, No. 326, eff. 3-1-83.

**REEB 24.07 Inspection and disclosure duties.**

**(1) INSPECTION OF REAL ESTATE.** (a) *General requirement.* A licensee, when engaging in real estate practice which involves real estate improved with a structure, shall conduct a reasonably competent and diligent inspection of accessible areas of the structure and immediately surrounding areas of the property to detect observable, material adverse facts. A licensee, when engaging in real estate practice which involves vacant land, shall, if the vacant land is accessible, conduct a reasonably competent and diligent inspection of the vacant land to detect observable material adverse facts.

(b) *Listing firm.* When listing real estate and prior to execution of the listing contract, a licensee shall inspect the real estate as required by sub. (1), and shall make inquiries of the seller on the condition of the structure, mechanical systems and other relevant

law, give information or advice to other parties who are not the firm's clients, if giving the information or advice is contrary to your interests.

If you become involved in a transaction in which another party is also the firm's client (a "multiple representation relationship"), different duties may apply.

#### MULTIPLE REPRESENTATION RELATIONSHIPS AND DESIGNATED AGENCY

A multiple representation relationship exists if a firm has an agency agreement with more than one client who is a party in the same transaction. If you and the firm's other clients in the transaction consent, the firm may provide services through designated agency, which is one type of multiple representation relationship.

Designated agency means that different agents with the firm will negotiate on behalf of you and the other client or clients in the transaction, and the firm's duties to you as a client will remain the same. Each agent will provide information, opinions, and advice to the client for whom the agent is negotiating, to assist the client in the negotiations. Each client will be able to receive information, opinions, and advice that will assist the client, even if the information, opinions, or advice gives the client advantages in the negotiations over the firm's other clients. An agent will not reveal any of your confidential information to another party unless required to do so by law.

If a designated agency relationship is not authorized by you or other clients in the transaction, you may still authorize or reject a different type of multiple representation relationship in which the firm may provide brokerage services to more than one client in a transaction but neither the firm nor any of its agents may assist any client with information, opinions, and advice which may favor the interests of one client over any other client. Under this neutral approach, the same agent may represent more than one client in a transaction.

If you do not consent to a multiple representation relationship the firm will not be allowed to provide brokerage services to more than one client in the transaction.

#### CHECK ONLY ONE OF THE THREE BELOW:

\_\_\_\_\_ The same firm may represent me and the other party as long as the same agent is not representing us both. (multiple representation relationship with designated agency)

\_\_\_\_\_ The same firm may represent me and the other party, but the firm must remain neutral regardless if one or more different agents are involved. (multiple representation relationship without designated agency)

\_\_\_\_\_ The same firm cannot represent both me and the other party in the same transaction. (I reject multiple representation relationships)

NOTE: All clients who are parties to this agency agreement consent to the selection checked above. You may modify this selection by written notice to the firm at any time. Your firm is required to disclose to you in your agency agreement the commission or fees that you may owe to your firm. If you have any questions about the commission or fees that you may owe based upon the type of agency relationship you select with your firm, you should ask your firm before signing the agency agreement.

#### SUBAGENCY

Your firm may, with your authorization in the agency agreement, engage other firms (subagent firms) to assist your firm by providing brokerage services for your benefit. A subagent firm and the agents with the subagent firm will not put their own interests ahead of your interests. A subagent firm will not, unless required by law, provide advice or opinions to other parties if doing so is contrary to your interests.

Please review this information carefully. An agent can answer your questions about brokerage services, but if you need legal advice, tax advice, or a professional home inspection, contact an attorney, tax advisor, or home inspector.

This disclosure is required by section 452.135 of the Wisconsin statutes and is for information only. It is a plain-language summary of the duties owed to you under section 452.133 (2) of the Wisconsin statutes.

(b) If a client enters into an agency agreement with a firm to receive brokerage services related to real estate primarily intended for use as a residential property containing one to 4 dwelling units, and the written disclosure statement under par. (a) is not incorporated into the agency agreement, the firm shall request the client's signed acknowledgment that the client has received a copy of the written disclosure statement.

History: 1993 a. 127; 2005 a. 87; 2007 a. 97; 2015 a. 258; 2017 a. 365 s. 111. The 'New' Chapter 452: Defining Real Estate Broker Practice. Leible. Wis. Law. June 2006.

**452.136 Advertising by licensees. (1) FALSE ADVERTISING.** A licensee may not advertise in a manner that is false, deceptive, or misleading.

(2) DISCLOSURE OF NAME. (a) Except for advertisements for the rental of real estate owned by the licensee, a licensee shall in all advertising disclose the firm's name exactly as printed on the license of the licensed individual broker or licensed broker business entity or disclose a trade name previously filed by the firm with the department and shall in either case clearly indicate that the firm is a business enterprise and not a private party.

(b) Except for advertisements for the rental of real estate owned by the licensee, a licensee associated with a firm shall advertise under the supervision of and in the name of the firm. The firm's name as used in advertising shall be clear and conspicuous. This paragraph does not apply to a licensee engaged in independent practice as provided in s. 452.30 (6).

(c) Notwithstanding pars. (a) and (b), a licensee may advertise the occasional sale of real estate owned by the licensee or may engage in the occasional solicitation of real estate for purchase by the licensee without complying with pars. (a) and (b), provided that the licensee clearly identifies himself, herself, or itself as a real estate licensee in the advertisement.

(3) ADVERTISING WITHOUT AGENCY AGREEMENT PROHIBITED. A firm and any licensees associated with the firm may not advertise a property unless one of the following applies:

(a) The firm is the listing firm for the property.

(b) The firm or a licensee associated with the firm has obtained consent to advertise the property from the listing firm for the property.

(4) ADVERTISED PRICE. A licensee may not advertise property at a price other than that agreed upon with the owner, except that the price may be stated as a range or in general terms if it reflects the agreed upon price.

History: 2017 a. 110.

**452.137 Cooperation with out-of-state brokers and salespersons. (1) DEFINITIONS.** In this section:

(am) Notwithstanding s. 452.01 (1m), "agency agreement" includes a written agreement between an out-of-state broker and a client in which the client authorizes the out-of-state broker to provide brokerage services to the client.

(cm) 1. "Commercial transaction" means a transaction concerning any real property, other than real property containing 1 to 4 dwelling units or real property zoned for agricultural use.

2. "Commercial transaction" does not include any transaction concerning a dwelling unit that is a part of real property containing more than 4 dwelling units and that is being sold on a unit-by-unit basis.

(d) "Cooperative agreement" means an agreement entered into between an out-of-state broker and a firm as provided in this section.

(e) "Dwelling unit" has the meaning given in s. 440.97 (3).

(h) "Licensed salesperson" means a salesperson who is licensed under this chapter.

**State of Wisconsin  
Department of Safety & Professional Services**

**AGENDA REQUEST FORM**

<b>1) Name and Title of Person Submitting the Request:</b>  Erin Karow, Executive Director, on behalf of Bob Webster, Chair		<b>2) Date When Request Submitted:</b>  6/15/2018 Items will be considered late if submitted after 12:00 p.m. on the deadline date which is 8 business days before the meeting	
<b>3) Name of Board, Committee, Council, Sections:</b>  Real Estate Examining Board			
<b>4) Meeting Date:</b>  8/16/2018	<b>5) Attachments:</b>  <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>6) How should the item be titled on the agenda page?</b>  <b>Update Regarding Credentialing Matters – Discussion and Consideration</b> 1) Predetermination Process	
<b>7) Place Item in:</b>  <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session	<b>8) Is an appearance before the Board being scheduled?</b>  <input type="checkbox"/> Yes ( <a href="#">Fill out Board Appearance Request</a> ) <input checked="" type="checkbox"/> No	<b>9) Name of Case Advisor(s), if required:</b>  None	
<b>10) Describe the issue and action that should be addressed:</b>  DSPS staff will share with the Board the predetermination process for initial licensure candidates. The Board is welcome to ask questions and discuss.			
<b>11) Authorization</b>			
<i>Erin Karow</i>		6/15/2018	
Signature of person making this request		Date	
Supervisor (if required)		Date	
Executive Director signature (indicates approval to add post agenda deadline item to agenda)		Date	
<b>Directions for including supporting documents:</b> 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director. 3. If necessary, provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.			