



Illinois Department of Financial and Professional Regulation

Division of Profession Regulation - Real Estate

PAT QUINN
Governor

BRENT E. ADAMS
Secretary

DONALD W. SEASOCK
Acting Director
Division of Professional Regulation

MINUTES REAL ESTATE ADMINISTRATION & DISCIPLINARY BOARD APRIL 22, 2010

The Real Estate Administration and Disciplinary Board convened at 12:10 p.m. on April 22, 2010, at the Department of Financial & Professional Regulation Division of Professional Regulation, 100 W. Randolph, Chicago, Illinois for the purpose of conducting a general business meeting.

The following member(s) were present for all or part of the meeting:

Ron Hardgrove, Chairman – Real Estate
Judie McConville, Member
Paul Park, Member
Chris Read, Member
James Schaid, Member
Patrick Sharpe, Member
Carol Strader, Member

The following member(s) were excused from the meeting:

Walter Son, Member

Also present for all or part of the meeting:

Young Brockhouse, Acting Chief Testing Officer
Craig Capilla, Staff Attorney
Matt Rupsis, representing General Council Mark Thompson
Ernest Hernandez, Chief of Investigations
Debra Dolinski, Board Liaison/Administrative Assistant
Scott Toban

APPROVAL OF MINUTES:

Motion: A motion made/seconded to approve the February 11, 2010 Real Estate Administration and Disciplinary Board Minutes. Motion passed unanimously.

AGENCY UPDATE:

Director Bluthardt resigned effective March 26, 2010 to seek private employment as a lobbyist; Donald Seasock is the Acting Director for Department of Professional Regulation. Alison Perona has accepted the position as Acting Deputy Director of Statewide Enforcement. Two Investigator's positions have been posted; the first round of interviews was conducted but no one was hired. Two attorney's positions have been posted and there were interviews conducted. Effective March 12, 2010, John Botner, Chief of Prosecutions has left; Bill Laskaris is the Acting Chief of Prosecutions.

Mr. Hardgrove introduced our new Board Members which are James Schaid, Chris Read and Carol Strader; and asked staff, new and old members to introduce themselves.

EDUCATIONAL ADVISORY COUNCIL (EAC):

EAC approved the following number of applications on April 8, 2010:

- 6 CE courses
- 3 CE Instructors
- 4 Pre-License Instructors
- 1 request for credit for Out-of State CE
- 1 request for a 6 month extension to complete CE for 2010 renewal

LICENSING:

The Licensing Report reflecting the number of all professional licenses issued within the Real Estate Bureau for March 2010 was distributed.

A report showed the pass rate for broker and salesperson's State Examinations from January and February 2010. The Board had a lengthy discussion on the percentage of Real Estate candidates passing the State Exam and compared it with other professions' pass rate.

Licensing sent out approximately 27,500 broker renewals; Mr. Brockhouse mentioned that he shows that 13,400 brokers have renewed through April 20th; which is about 15% lower from the last renewal at this time.

Active Real Estate Licensees for March

All Licensees	82,248
Brokers	27,962
Salespersons	43,821 (this does not include licenses with an inoperative status)
Leasing agents	1,463

EXAMINATIONS:

Distributed were the Examination Reports dated March 11, 2010 & April 8, 2010 that was categorized by "Examinations Completed – Licensees with First Examination," Follow-Up Examinations Completed by Examiner," "Examinations Referred to Supervisor-Closed" for the months of February and March. For the month of February, Examinations have conducted 57 audits by using the "Brokerage Verification Report." Examiners completed 9 examinations. The follow up examinations showed 44 offices in compliance, 3 offices were referred to Supervisor; 5 files were closed. For the month of March, Examinations have conducted 151 audits by using the "Brokerage Verification Report;" Examiners completed 33 examinations; the follow-up examinations showed 33 offices in compliance, 6 referred to

Supervisor, 1 no longer required; 1 was resolved, 4 returned to examiner and 1 exam completed after referral under "Examinations Referred to Supervisor."

Mr. Hardgrove mentioned that we have 5 examiners with 1 on a medical leave; the examiner on medical leave is the only one that lives in the Northern part of Illinois; the remaining 4 live in the Southern part of Illinois which makes it difficult to do an office examination in the Chicago Area and Northern Illinois. In the Chicago Metropolitan area, 40 percent of the brokers indicated that they have not done any business in the last 3 years.

For the month of April, the examiners are visiting 12 to 15 Broker Management Course classrooms to evaluate instructor performances; reports will be ready for our review at next EAC Meeting in May.

INVESTIGATIONS:

Distributed was the Investigated Report dated April 22, 2010 that compared the number of open cases on January 1, 2009, January 1, 2010 and April 16, 2010.

The interview process to fill the open positions for Real Estate Investigator has not been completed. Mr. Hardgrove discussed the CRC process with the new members.

PROSECUTIONS:

Mr. Capilla gave a verbal Prosecution Report indicating that there are currently 698 open cases for the Real Estate Professions; approximately 150 cases consist of continuing education deficiency. Last month, the Appraisal Division held 84 formal hearings in one day that addressed only continuing education deficiency. The Real Estate Division has only a few open broker continuing education deficiency cases.

In the next month, Prosecutions should have a new Chief of Prosecutions, two new staff attorneys and one new law student; our current law student will be staying on.

Mr. Capilla explained to the new members the process for the Prosecution Unit which included formal hearings and informal conferences. There are two formal hearings scheduled: Patrick Sharpe is scheduled to attend the May 4th Formal Hearing and Judie McConville is scheduled to attend May 14th. There were two informal conferences scheduled also; Chris Read is scheduled for June 2nd and Carol Strader is scheduled for June 30th.

NEW BUSINESS:

The proficiency exam will be develop by AMP; the pre-license providers will administrator and proctor the exam. The 30 and 45 hour courses and tests will be provider by the pre-license schools, with the approval by EAC.

The only emergency rules that are being drafted are "education" in order for schools to start working on preparing their course program for May 1, 2011. The Department is still working on drafting the Emergency Rules; they should be ready to present them at May's meeting, prior to filing at the end of May. We will also provide the pre-license schools a syllabus for the 90 hour broker course; this will also be presented at the next meeting for the Board's review. The official Rules should be filed sometime in June. Mr. Brockhouse explained the process of the Rules and Emergency Rules. Council had a discussion on the 75 credit hour course portion of the 90 hour broker pre-license course.

DELIBERATIONS:

At 1:45 p.m., a motion made/seconded to go into closed session to deliberate on disciplinary matters pursuant to the provisions of Section 2 of the Open Public Meeting Act. Motion passed unanimously.

DPR v. Catty Salgado #2007-60310
DPR v. Johnathan Scott #2007-60461
DPR v. Lizette Marshall #2008-07252
DPR v. South Shore Realty #2007-60755
DPR v. Mark Sami #2009-04742
DPR v. Thomas Tully #2009-07703
DPR v. Anthony Cozzone #2008-05970

REOPEN THE MEETING:

A motion made/seconded to reopen the closed meeting of the Real Estate Administration and Disciplinary Board at 2:10 p.m.

RATIFICATIONS:

Case File Review Committee Members for March 10, 2010 were Walter Son, Ron Hardgrove, John Botner and Ernest Hernandez

Motion made/seconded to ratify the 38 cases recommended for closure from Investigations from the memo dated February 26, 2010. Motion passed unanimously.

Motion made/seconded to ratify the 11 cases being referred to Prosecutions from Investigations from the memo dated February 26, 2010. Motion passed unanimously.

Motion made/seconded to ratify the 1 case for closure from Prosecutions from the memo dated February 26, 2010. Motion passed unanimously.

Case File Review Committee Members for April 7, 2010 were Judie McConville, Ron Hardgrove, Craig Capilla, Bill Laskaris and Ernest Hernandez

Motion made/seconded to ratify the 35 cases recommended for closure from Investigations from the memo dated March 26, 2010. Motion passed unanimously.

Motion made/seconded to ratify the 32 cases being referred to Prosecutions from the memo dated March 26, 2010. Motion passed unanimously.

Motion made/seconded to ratify the 2 cases for closure from Prosecutions from the memo dated March 26, 2010. Motion passed unanimously.

RECOMMENDATIONS:

Upon reconvening in open session, motion was made, seconded to approve as presented consent orders in the following case:

DPR v. Catty Salgado #2007-60310

RECOMMENDATIONS:

Upon reconvening in open session, motions were made in the following cases.

DPR v. Johnathan Scott #2007-60461

Motion made/seconded that the above-mentioned shall have a civil fine of \$25,000.00. Motion passed unanimously.

DPR v. Mark Sami # 2009-04742

Motion made/seconded that the above-mentioned shall be tabled. Motion passed unanimously.

DPR v. Lilzette Marshall #2008-07252

Motion made/seconded that the above-mentioned license shall be indefinitely suspended for a minimum of 5 years and be imposed a fine of \$25,000.00. Motion passed unanimously.

DPR v. South Shore Realty #2007-60744

Motion made/seconded that the above-mentioned shall have a civil fined of \$25,000.00. Motion passed unanimously.

DPR v. Thomas Tully #2009-07703

Motion made/seconded that the above-mentioned license shall have a civil fine of \$25,000.00. Motion passed unanimously.

DPR v. Anthony Cozzone #2008-05970

Motion made/seconded that the above-mentioned license shall be indefinitely suspended. Motion passed unanimously.

FINDINGS/CONCLUSIONS/RECOMMENDATIONS:

The Board signed Findings of Fact, Conclusions of Law and Recommendations to the Director:

DPR v. Joseph Varan #2004-60694

DPR v. Samad Moragheb #2007-60106 & 2009-01869

DPR v. James Singleton #2008-08736

DPR v. Joe Hathorne #2007-60614

DPR v. Michael LaHood #2007-60616
DPR v. Kenneth Bivens #2008-00546
DPR v. Susan Milewski #2007-60373
DPR v. Wallace Rosenbaum #2008-05017

ADJOURNMENT:

Motion made/seconded to adjourn the meeting at 2:30 pm. Motion passed unanimously. The next scheduled meeting of the Real Estate Administration and Disciplinary Board is May 20, 2010 at 100 W. Randolph, Chicago, IL.

APPROVED:

Respectfully submitted,

REAL ESTATE ADMINISTRATION
AND DISCIPLINARY BOARD

Ron Hardgrove, Real Estate Director

DATE: _____

Debra Dolinski, Liaison