



Illinois Department of Financial and Professional Regulation

Division of Profession Regulation - Real Estate

PAT QUINN
Governor

BRENT E. ADAMS
Secretary

JAY STEWART
Director
Division of Professional Regulation

MINUTES REAL ESTATE ADMINISTRATION & DISCIPLINARY BOARD SEPTEMBER 8, 2011

The Real Estate Administration and Disciplinary Board convened at 11:15 a.m. on September 8, 2011, 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
Judy Higgins Stowe, Member
Paul Park, Member
Chris Read, Member
James Schaid, Member
Patrick Sharpe, Member
Carol Strader, Member
Scott Toban, Member
Linda Walton-Todd, Member

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

Wayne Williams, Member

Also present for all or part of the meeting:

Daniel Faermark, Chief of Prosecutions
Matt Rupsis, representing General Council Mark Thompson
Young Brockhouse, Chief Testing Officer
Mark Oaks, Education Coordinator
Ernie Hernandez, Chief of Investigations
Debra Malinowski, Board Liaison/Administrative Assistant

APPROVAL OF MINUTES:

Motion: A motion made/seconded to approve the August 11, 2011 Real Estate Administration and Disciplinary Board Minutes. Motion passed unanimously.

AGENCY UPDATE:

Time Share/Land Sales has an additional full time employee; Licensing has an additional temp.

EDUCATIONAL ADVISORY COUNCIL (EAC):

EAC approved the following number of applications on September 8, 2011:

- 10 CE courses with 5 pending approval
- 1 CE Instructor
- 6 Broker Pre-License courses
- 6 Broker Post license courses
- 6 Managing Broker Pre-license courses

EAC discussed the draft Broker Management Continuing Education Outline which should be approved at the October's Meeting.

LICENSING:

The Licensing Report reflecting the number of all professional licenses issued within the Real Estate Bureau for August 2011 was distributed. The number of active salespersons is higher mostly due to the expiration date being extended to April 30, 2012; as of the end of August, there are approximately 8,000 inoperative salesperson's licenses.

The report also showed the state examination pass rate for brokers from January through August; salespersons from January through March; and Managing Brokers from May through August.

Mr. Brockhouse mentioned that salesperson's that passed the broker's proficiency exam are 11,994, with the percentage rate of 95.5%; broker's that passed the managing broker's proficiency exam are 3,707, with the percentage rate of 98.3%. As of the end of August, Brokers that have transitioned to managing broker are 1,400; salespersons that have transitioned to broker are 3,700.

Active Real Estate Licensees for August

All Licensees	77,907
Managing Broker	1,402
Brokers	29,141
Salespersons	37,860 (this does not include licenses with an inoperative status)
Leasing agents	1,777

EXAMINATIONS:

The Examination Reports dated September 8, 2011 were distributed. They are categorized by "First Examinations Completed," Follow-Up Examinations Completed by Examiner," "Examinations Referred to Supervisor-Closed" for the month of August. For the month of August, Examinations have conducted 59 audits by using the "Brokerage Verification Report." Examiners completed 41 examinations. The follow up examinations showed 22 offices in compliance, 5 offices were referred to Supervisor, 1 follow-up not required. "Examination Referred to Supervisor- Closed" showed 2 offices the issues were resolved, 1 office was returned to examiner for follow-up.

INVESTIGATIONS:

Mr. Hernandez presented and distributed the Real Estate Investigation Report dated August 11, 2011 that showed the number of cases received and completed since the last Board Meeting. There are 37 open real estate cases with NO cases that are over 6 months old. The Real Estate Investigators have been asked to become more involved in the Mortgage Fraud Task Force Investigations; the investigators are also involved in appraisal and auction cases. In the very near future, Real Estate Investigators will be assigned Time Share/Land Sales Investigations; arrangements are being made to obtain training in the necessary policies and procedures to investigate these cases.

Investigator Markos is expected to be on maternity leave at least until December 1, 2011.

PROSECUTIONS:

Mr. Faermark presented and distributed the Prosecution Report reflecting the Real Estate activity for the month of August. To be noted, there were 245 Cases Referred to Prosecutions in August (215 were tax deficiency cases), 73 Cases Closed from Prosecutions (58 were tax deficiency); and 227 orders were signed by the Director (215 were tax deficiency). The current total Real Estate caseload was reported to be 491. Mr. Faermark will email Ron Hardgrove and Deb Malinowski every Friday the status of the upcoming trials; Deb will be forward report to the Board Members.

NEW BUSINESS:

Mr. Hardgrove would like to change the READ Board's Meeting from October 13th to October 20th. The Board had no conflict in changing the date. CRC and informal conferences will still be held on October 12th.

DELIBERATIONS:

At 11:45 a.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. Terry Kaufman #2011-02309

DPR v. James Pusateri/REOJIM, Inc. #2010-00933

DPR v. William Smarto #2011-03779

DPR v. Eliot Higueros/Zeal Management LLC #2010-01704

3 non-disciplinary Consent Orders

REOPEN THE MEETING:

A motion made/seconded to reopen the closed meeting of the Real Estate Administration and Disciplinary Board at 12:40 p.m.

RATIFICATIONS:

Case File Review Committee Members for September 8, 2011 were Chris Read, Scott Toban, Ron Hardgrove, Daniel Faermark and Ernie Hernandez.

Motion made/seconded to ratify the 6 cases recommended for closure from the memo Cases being closed from Investigations dated August 24, 2011, remain open pending that disposition. Motion passed unanimously.

Motion made/seconded to ratify the 6 cases being referred to Prosecutions from the memo Cases Referred to Prosecutions dated August 24, 2011. Motion passed unanimously.

Motion made/seconded to ratify the 7 cases recommended for closure from the memo Cases for Closure from Prosecutions dated August 24, 2011. Motion passed unanimously.

Motion made/seconded to ratify the 9 cases recommended for closure from the updated memo Cases for Closure from Prosecutions dated August 11, 2011. 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. Terry Kaufman #2011-02309
3 non-disciplinary Consent Orders**

RECOMMENDATIONS:

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

DPR v. James Pusateri & REOJIM INC

Motion made/seconded to accept the Administrative Law Judge's recommendation in that James Pusateri broker's licensed be revoked and fined \$75,000.00. It is further recommended that that Reojim Inc Corporation's licensed be revoked. Motion passed unanimously.

DPR v. William Smarto #2011-03779

Motion made/seconded to accept the Administrative Law Judge's recommendation to issue a real estate broker's license but to be on probation for 5 years with annual reports from the sponsoring broker; in addition, Mr. Smarto shall not be eligible to issue a managing broker's license for a minimum period of 5 years and must submit a request to the Department before granting such license. Motion passed unanimously.

DPR v. Zeal Management LLC & Eliot Higueros #2010-01704

Motion made/seconded to change the original motion from a \$25,000.00 fined to impose jointly and severely, a \$25,000.00 civil penalty. Motion passed unanimously.

FINDINGS/CONCLUSIONS/RECOMMENDATIONS:

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

DPR v. Richard Knapp #2009-00485
DPR v. Jorge Paredes/Omega Realtors #2010-09391
DPR v. Andrew Lewis #2007-80009
DPR v. Nick Dupee & The RAASNIC Group #2008-02792
DPR v. Elizabeth Martinez #2009-03287
DPR v. Sandra Perez #2008-09517

ADJOURNMENT:

Motion made/seconded to adjourn the meeting at 12:45 pm. Motion passed unanimously. The next scheduled meeting of the Real Estate Administration and Disciplinary Board is October 20, 2011 at 100 W. Randolph, Chicago, IL.

APPROVED:

Respectfully submitted,

REAL ESTATE ADMINISTRATION
AND DISCIPLINARY BOARD

Ron Hardgrove, Real Estate Director

DATE: _____

Debra Malinowski, Liaison