



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 December 9, 2010

The Real Estate Administration and Disciplinary Board convened at 12:00 p.m. on December 9, 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
Judy Higgins Stowe, Member
Paul Park, Member
Chris Read, Member
James Schaid, Member
Scott Toban, Member

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

Patrick Sharpe, Member
Carol Strader, Member

Also present for all or part of the meeting:

Young Brockhouse, Chief Testing Officer
Daniel Faermark, Chief of Prosecutions for Real Estate Professions
Ernest Hernandez, Chief of Investigations
Matt Rupsis, representing General Council Mark Thompson
Craig Capilla, Staff Attorney
Jennifer Wilson, Staff Attorney
Debra Dolinski, Board Liaison/Administrative Assistant

APPROVAL OF MINUTES:

Motion: A motion made/seconded to approve the November 18, 2010 Real Estate Administration and Disciplinary Board Minutes. Motion passed unanimously.

AGENCY UPDATE:

The State is eliminating all the temporary employees on December 31, 2010; this will have a huge impact for the entire Agency. Jennifer Wilson, Prosecutions newest attorney, was introduced to the Board. Dr. Linda Walton-Todd has been appointed to READ as a public Board Member but was unable to attend today's meeting.

EDUCATIONAL ADVISORY COUNCIL (EAC):

EAC approved the following number of applications on December 9, 2010:

- 4 CE courses
- 2 broker pre-license course – pending the approval of the Rules
- 2 broker post-license course – pending the approval of the Rules
- 2 managing broker course – pending the approval of the Rules
- 3 CE Instructors
- 1 CE Instructor – approve pending the completion of the workshop
- 1 Pre-License Instructor

At EAC's meeting, there was a discussion on AMP's pilot testing program for the proficiency examinations that three Educators participated in from November 8th through November 19th. There were 238 licensees that took the salesperson to broker's exam; 114 licensees that took the broker to managing broker exam. AMP is planning on releasing the test scores on December 10th to the schools; in turn, the schools will inform their students. Scott Toban suggested disseminating the overall pass rate on the pilot test exam to the Providers.

LICENSING:

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

The report also showed the pass rate for broker and salesperson's State Examinations each month from January through November 2010.

Corporations, Branch Offices and LLC's license expired October 31st; the number of licenses renewed have drop. Home Inspector's license expired November 30, 2010; the report reflected the number of active licenses was 1,370; the number of active licenses for October was 2,150.

Active Real Estate Licensees for November

All Licensees	76,914
Brokers	25,494
Salespersons	42,759 (this does not include licenses with an inoperative status)
Leasing agents	1,417

EXAMINATIONS:

The Examination Reports dated December 9, 2010 were distributed. They are categorized by "First Examinations Completed," Follow-Up Examinations Completed by Examiner," "Examinations Referred to Supervisor-Closed" for the month of November. For the month of November, Examinations

have conducted 22 audits by using the “Brokerage Verification Report.” Examiners completed 47 examinations. The follow up examinations showed 26 offices in compliance, 8 offices were referred to Supervisor, 1 office follow up not required and 1 office follow up no longer required. “Examination Referred to Supervisor- Closed” showed 2 offices the issues were resolved, 3 license status changed and 1 office returned to examiner with further instruction.

INVESTIGATIONS:

Chief of Investigations, Ernest Hernandez distributed the Real Estate Investigation Report dated December 9, 2010 that showed the number of cases received and completed since the last Board Meeting. There are 45 open real estate cases with 5 cases that are over 6 months old. The cases that are over 6 months old are due to waiting for the results of an indictment.

The status of the candidate that was selected for Real Estate Investigator position in Chicago has not yet been received from Shared Services.

PROSECUTIONS:

Dan Faermark presented the Prosecution Report reflecting the Real Estate activity for the month of November. To be noted, there were 17 Cases Referred to Prosecutions in November; 21 Cases Closed from Prosecutions; and 48 orders referred to the Director. The current total Real Estate caseload was reported to be 396 cases. There are 4 Formal Hearings set in November for future dates.

Mr. Faermark mentioned that someone has a press release on the website using the Department’s name in the release stating false disciplinary actions were taken. One of the Board Members was personally affected and explained the situation to the members. This matter has been referred to the Attorney General’s Office for further review.

The 2011 Master Scheduled was email to the Board; the Board discussed and resolved any dates with which they had a conflict.

OLD BUSINESS:

The first publication of the 45 day comment period ended December 6th; there were 3 comments made in written form. The Department will respond to these comments and file the second notice with JACR. The Department staff and attorneys are meeting December 13 to review the changes. During this second comment period, JCAR will have scheduled a hearing to address the Rules.

NEW BUSINESS

Chris Read mentioned that READ Board imposes the disciplinary fines that are deposited into the Recovery Fund. Ms. Read requested more information regarding deposits, payouts and balance of the fund. The Board had a discussion on this matter.

DELIBERATIONS:

At 12:10 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. William Diehl #2010-00722
DPR v. John Campobasso #2010-02194

DPR v. John Trumbulovic #2010-05649
DPR v. Rony Khezeran #2010-06431
DPR v. First Chicago Real Estate #2008-06431
DPR v. Gordon Woods #2007-61177
DPR v. Anatoly Nirshberg #2009-07935
DPR v. Denise Davenport #2008-06567
DPR v. Michael Cain #2010-03874
DPR v. Paul Freitag #2007-60598

REOPEN THE MEETING:

A motion made/seconded to reopen the closed meeting of the Real Estate Administration and Disciplinary Board at 1:00 p.m.

RATIFICATIONS:

Case File Review Committee Members for December 8, 2010 were Scott Toban, Ron Hardgrove, Daniel Faermark and Ernest Hernandez

Motion made/seconded to ratify the 14 cases recommended for closure with 1 case being referred to Prosecutions from the memo Cases being closed from Investigations dated November 24, 2010. Motion passed unanimously.

Motion made/seconded to ratify the 16 cases being referred to Prosecutions from the memo Cases Referred to Prosecutions dated November 24, 2010. Motion passed unanimously.

Motion made/seconded to ratify the 1 case recommended for closure from the memo cases for closure from Prosecutions dated November 24, 2010. Motion passed unanimously.

Motion made/seconded to ratify the 8 cases recommended for closure from the updated memo Cases for Closure from Prosecutions dated December 8, 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. William Diehl #2010-00722
DPR v. John Campobasso #2010-02194
DPR v. John Trumbulovic #2010-05649
DPR v. Rony Khezeran #2010-06431
DPR v. First Chicago Real Estate #2008-06431
DPR v. Gordon Woods #2007-61177
DPR v. Anatoly Nirshberg #2009-07935

RECOMMENDATIONS:

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

DPR v. Denise Davenport #2008-06567

Motion made/second that Denise Davenport's license shall be indefinitely suspended for a minimum period of 3 years. Motion passed unanimously.

DPR v. Michael Cain #2010-03874

Motion made/second that Michael Cain's license shall be indefinitely suspended. The Board also recommended notifying the sponsoring broker. Motion passed unanimously.

DPR v. Paul Freitag #2007-60598

Motion made/second that Paul Freitag's license shall be indefinitely suspended for a minimum period of 3 years and fine \$25,000.00 payable within 60 days. The Board also requested that a complaint be open against the Broker. Motion passed unanimously.

CORRECTION:

At the October Meeting the Board motioned that Pamela Van Witzenburg and Witzenburg Corporation Case #2008-07603 shall be indefinite suspended for a minimum period of 7 years and fined \$100,000.00; but the \$100,000.00 fine was unclear. The Board clarified their motioned by indicating that Pamela Van Witzenburg shall be fined \$50,000.00 and Witzenburg Corporation shall be fined \$50,000.00.

FINDINGS/CONCLUSIONS/RECOMMENDATIONS:

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

DPR v. Stroman Realty #2005-70262
DPR v. James Pusateri #2007-60931
DPR v. Emir Stokes d/b/a ES & Associates #2008-00556
DPR v. Migdalia Ortega #2009-05786
DPR v. Stanley Myszkowski &
BR Business & Loan Broker #2006-60025
DPR v. Dennis Gilbert #2004-70175
DPR v. Ronald Ward #2009-06949
DPR v. Samad Moragheb #2008-08171
DPR v. Pamela Van Witzenburg
Van Witz Real Estate Services #2008-07603
DPR v. Cumberland Realty #2009-00492
DPR v. Nancy Palermo #2006-70150

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 January 13, 2011 at 100 W. Randolph, Chicago, IL.

APPROVED:

Ron Hardgrove, Real Estate Director

DATE: _____

Respectfully submitted,

REAL ESTATE ADMINISTRATION
AND DISCIPLINARY BOARD

Debra Dolinski, Liaison