



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 September 15, 2010

The Real Estate Administration and Disciplinary Board convened at 12:00 p.m. on September 15, 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
Chris Read, Member
James Schaid, Member
Carol Strader, Member
Scott Toban, Member

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

Paul Park, Member
Patrick Sharpe, Member

Also present for all or part of the meeting:

Young Brockhouse, Acting Chief Testing Officer
Mark Oaks, Education Coordinator
Daniel Faermark, Chief of Prosecutions for Real Estate Professions
Ernest Hernandez, Chief of Investigations
Matt Rupsis, representing General Council Mark Thompson
Debra Dolinski, Board Liaison/Administrative Assistant

APPROVAL OF MINUTES:

Motion: A motion made/seconded to approve the August 12, 2010 Real Estate Administration and Disciplinary Board Minutes. Motion passed unanimously.

AGENCY UPDATE:

Barry Glass was mentioned to the Board as the newest law student assisting in Prosecutions.

EDUCATIONAL ADVISORY COUNCIL (EAC):

EAC approved the following number of applications on September 15, 2010:

- 6 CE courses with 2 deferred, subject to changes
- 1 CE course tabled
- 4 CE Instructors with 2 with limited scope
- 3 Pre-License Instructors

LICENSING:

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

Corporations, Branch Offices and LLC's are in renewal right now because their license is expiring October 31st. Home Inspections are the next profession in renewal because they will expire November 30th.

Active Real Estate Licensees for August

All Licensees 79,216

Brokers 25,138

Salespersons 43,867 (this does not include licenses with an inoperative status)

Leasing agents 1,636

EXAMINATIONS:

Mr. Hardgrove distributed were the Examination Reports dated September 15, 2010, categorized by "Examinations Completed – Licensees with First Examination," Follow-Up Examinations Completed by Examiner," "Examinations Referred to Supervisor-Closed" for the month of August. For the month of August, Examinations have conducted 24 audits by using the "Brokerage Verification Report." Examiners completed 24 examinations. The follow up examinations showed 25 offices in compliance, 8 offices were referred to Supervisor, 1 follow-up not required. "Examination Referred to Supervisor-Closed" showed 11 offices the issues were resolved, 3 referred to Prosecution, 1 returned to examiner with further instruction.

INVESTIGATIONS:

Chief of Investigations, Ernest Hernandez distributed the Real Estate Investigation Report dated September 15, 2010 that showed the number of cases received and completed since the last Board Meeting. There were 29 open real estate cases with 6 cases that are over 5 months old.

On July 22, 2010, Rutan interviews of candidates for the real estate investigator's position in Springfield were conducted; a candidate has not been selected from this group.

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 August. To be noted there were 27 Cases Referred to Prosecutions in August; 24 Cases Closed from Prosecutions; and 6 orders referred to the Director. The current total Real Estate caseload was reported to be 457 cases.

A high percentage of cases in Enforcement consist of continuing education deficiencies which take up a lot of time. Also, there are quite a few pending orders/consent orders that are waiting to be processed; once they are processed, the numbers should drop.

OLD BUSINESS:

The Board received a copy of the final draft Real Estate Rules by email; and it was distributed at the meeting. Mr. Brockhouse pointed out the errors found at the EAC Meeting and is positive that there will be more changes made for the 45 day comment period after the first filing. Currently we are waiting for approval from the Governor's Office before it can be filed. The Department is looking for a recommendation to approve the draft from READ Members. The Board had discussions on language in the Real Estate Act and language in the final draft Rules concerning Case Review Committee and allowing electronic signatures.

There was also a discussion on having 2 days for informal conferences versus scheduling 10 conferences for one day or have a definite time slots to schedule informal conferences and conduct CRC; it was suggested that CRC be slotted at Noon, to allow for lunch break also.

MOTION:

Motion made/seconded to approve the draft rules as presented; with corrections as recommended. Motion passed unanimously.

The detailed outlines for the proficiency exam are posted on IDFPR's website; and the Department's goal to start offering the exam is the middle of December. The Broker to Managing Broker's proficiency exam will have 70 questions; Salesperson to Broker's proficiency exam will have 50.

The Department is expecting no changes in the course outlines that were distributed earlier unless JCAR makes the recommendations.

DELIBERATIONS:

At 12:55 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. Thomas Elliott #2003-61078
DPR v. Joe Hathorne # 2007-60614
DPR v. Robert Owens #2006-60614
DPR v. Nathaniel Morgan # 2008-10898

REOPEN THE MEETING:

A motion made/seconded to reopen the closed meeting of the Real Estate Administration and Disciplinary Board at 2:00 p.m.

RATIFICATIONS:

Case File Review Committee Members for September 14, 2010 were Paul Park, Ron Hardgrove, Daniel Faermark and Ernest Hernandez

Motion made/seconded to ratify the 10 cases recommended for closure with 2 cases remaining in investigations and 1 referred to Prosecutions from the memo Cases being closed from Investigations dated September 1, 2010. Motion passed unanimously.

Motion made/seconded to ratify the 20 cases being referred to Prosecutions from the memo Cases Referred to Prosecutions dated September 1, 2010. Motion passed unanimously.

Motion made/seconded to ratify the 18 cases recommended for closure with 1 remaining in Prosecutions from the memo cases for closure from Prosecutions dated September 1, 2010.

Motion made/seconded to ratify the 2 cases recommended for closure from the updated memo Cases for Closure from Prosecutions dated September 14, 2010. Motion passed unanimously.

RECOMMENDATIONS:

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

DPR v. Thomas C. Elliott #2003-61078

Motion made/seconded that the Board accepts the Administrative Law Judge's recommendation to restore the license to Inactive status and to vacate the previous disciplinary order. Motion passed unanimously.

DPR v. Joe Hathorne #2007-60614

Motion made/seconded that the above-mentioned shall have the sponsoring or managing broker submit a letter to the Department indicating that they are aware of the previous discipline; once the Department is in receipt of the letter a license shall be granted with probation until April 30, 2014; submit semi-annually reports; and shall be prohibited in be a self sponsoring or managing broker during the probation period and shall notify Enforcement of any sponsor changes. Motion passed unanimously.

DPR v. Robert Owens #2006-60693

Motion made/seconded that the above-mentioned be indefinitely suspended for a minimum period of 2 years and fined \$5,000.00. Motion passed unanimously.

DPR v. Nathaniel Morgan/ N.E.M Corp. #2008-10898

Motion made/seconded that each be imposed a \$25,000.00 civil penalty. Motion passed unanimously.

ADJOURNMENT:

Motion made/seconded to adjourn the meeting at 2:15 pm. Motion passed unanimously. The next scheduled meeting of the Real Estate Administration and Disciplinary Board is October 14, 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