



# Illinois Department of Financial and Professional Regulation

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## 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 MAY 20, 2010

The Real Estate Administration and Disciplinary Board convened at 11:20 a.m. on May 20, 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  
Patrick Sharpe, Member  
Carol Strader, Member  
Scott Toban, Member

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

Also present for all or part of the meeting:

Young Brockhouse, Acting Chief Testing Officer  
Mark Oaks, Education Coordinator  
Craig Capilla, Staff Attorney  
Kristine Gleason, representing General Council Mark Thompson  
Ernest Hernandez, Chief of Investigations  
Debra Dolinski, Board Liaison/Administrative Assistant  
Larry Fabrey, AMP

### APPROVAL OF MINUTES:

**Motion:** A motion made/seconded to approve the April 22, 2010 Real Estate Administration and Disciplinary Board Minutes. Motion passed unanimously.

## **AGENCY UPDATE:**

Mr. Hardgrove introduced our two new Board Members which are Judy Higgins Stowe and Scott Toban. Kristine Gleason introduced herself representing General Council; and explained the Open Meeting's Act that was revised January 1, 2010 to the Board Members. One of the main concerns is sending emails between the members by responding to "all" or chain emails that constitutes an open meeting that should be avoided.

Nancy Ealey, Licensing Processor, will be retiring June 30th. Currently, Prosecutions has one attorney and one law clerk with a new clerk starting June 1st; there have been interviews conducted for 2 attorney positions and approved a person for the Chief of Prosecution's position. Interviews for the investigator position in Chicago will start next Wednesday; the investigator position in Springfield has not started yet. The Board discussed the interview process.

## **EDUCATIONAL ADVISORY COUNCIL (EAC):**

EAC approved the following number of applications on May 20, 2010:

- 3 CE courses
- 1 CE Instructors
- 2 Pre-License Instructors
- 2 request for credit for Out-of State CE
- 5 request for a 12 month extension to complete CE for 2010 renewal

EAC temporary approved the draft Emergency Rules that were presented with several changes; the Board also received a copy of the draft Emergency Rules. Mr. Hardgrove noted the recommendations that were made by EAC which were in section 1450.279 a) 1, take out the word "electronic" to avoid being limited to one delivery; a)4, change the wording to have " The passing score for the proficiency exams shall be set by the Department with test vendor's input. Also, staff was to review potential for an "earlier" cutoff date for taking the proficiency exams. The Department's goal is to file the Emergency Rules by June 1<sup>st</sup> and have the General Rules by June 30<sup>th</sup> because of the 5 month process it takes to move through JCAR. The Board discussed the transition qualifications for managing brokers. After EAC's meeting, the Department was notified that several more changes were made that will need to be presented to EAC and READ members before we file the Emergency Rules.

The outline for the 90 hour Broker Pre-License Courses was distributed to the Board. Mr. Hardgrove noted the recommendations that were made by EAC: under the category of Career Path Electives for Occupational Disciplines, change the wording to "minimum of 2" or "2 or more"; schools are eligible to accept transcript(s) that were previous taken to be credited towards the new course (s) within the statutory time period; but everyone will be required to complete the 15 credit hour interactive course. Board Members were asked to notify staff on any other recommendations to this outline.

Seventeen providers from various schools, instructors, and staff met with Larry Fabrey from AMP on May 19, 2010 at the Chicago Hilton to discuss the Real Estate Transition Proficiency Examinations; distributed was an outline of the detailed content of the questions. As of now, there will be 50 questions for salespersons-to-broker and 75 questions for broker-to-managing broker. The next step is to match up the specific question pertaining to each content area. The final step will be the 2 day meeting in September to determine the passing score and the percentage. AMP will provide software for the schools. There was a discussion on fee(s) that will be imposed by AMP and the schools. The time period to take the proficiency exams will be an hour for salesperson to broker; and hour and half for broker to managing broker.

## **LICENSING:**

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

Mr. Brockhouse mentioned that on April 30<sup>th</sup>, a total of 20,000 renewed and as of May 17<sup>th</sup>, there were approximately 24,000 renewed. For the month of April, there were 14,000 broker renewals that were processed.

Corporations, LLC, branch offices and broker partnership licenses will expire on October 31, 2010; home inspections are expiring November 30, 2010.

A report showed the pass rate for broker and salesperson's State Examinations from January through March 2010.

### Active Real Estate Licensees for April

All Licensees	82,552
Brokers	28,066
Salespersons	43,969 (this does not include licenses with an inoperative status)
Leasing agents	1,489

## **EXAMINATIONS:**

No examination report was distributed.

## **INVESTIGATIONS:**

Distributed was the Investigated Report dated May 20, 2010 that showed the cases received and cases that were completed since the last Board Meeting.

Rutan interviews of candidates for Real Estate Investigator are to begin on May 26, 2010; and will be conducted by Jan Edwards of Shared Services and Chief of Investigations, Ernest Hernandez.

The Department was notified that the Office of Executive Inspector General will be conducting their audit for Real Estate Investigations and Prosecutions in the first two weeks in June.

## **PROSECUTIONS:**

The Prosecution Report was distributed showing the Real Estate activity for the month of April. The total caseload for Prosecutions is approximately 700; majority of the cases consist of continuing education deficiency.

Mr. Capilla explained the process for the Prosecution Unit which included formal hearings, informal conferences, different "Notices" that Prosecutions files against a License(s); and the differences between the Department recommending placing revocation or suspension against a license(s). There was a discussion on the process of filing a complaint.

## **DELIBERATIONS:**

At 12:45 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. Francisco Garcia #2006-60322**  
**DPR v. Kenneth Bivens #2008-00546**  
**DPR v. Risa Williams #2008-08140**  
**DPR v. Lana McCarroll #2007-70274**  
**DPR v. Jorge Cruz #2008-02682**  
**DPR v. Samad Moragheb #2009-07373**  
**DPR v. Michael LaHood #2007-60616**  
**DPR v. Diane Street #2006-80061**  
**DPR v. Todd Van Buren #2007-60397**  
**DPR v. David Mandel #2000-61745**

#### **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 May 20, 2010 were Paul Park, Ron Hardgrove, Bill Laskaris, Craig Capilla and Ernest Hernandez

Motion made/seconded to ratify the 21 cases recommended for closure with 1 case referred to Prosecutions from Investigations from the memo dated April 29, 2010. Motion passed unanimously.

Motion made/seconded to ratify the 21 cases being referred to Prosecutions, 5 cases issue administrative warning letters, 1 case remain in investigations, and 1 case close from Investigations from the memo dated April 29, 2010. Motion passed unanimously.

#### **RECOMMENDATIONS:**

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

##### **DPR v. Francisco Garcia #2006-60322**

Motion made/seconded that the above-mentioned licensee's license shall be indefinitely suspended for a minimum of 2 years with a fine of \$3,000.00. Motion passed unanimously.

##### **DPR v. Lana McCarroll # 2007-70274**

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

##### **DPR v. Kenneth Bivens #2008-00546**

Motion made/seconded that the above-mentioned licensee's license shall be indefinitely suspended; and a fine of \$25,000.00. Motion passed unanimously.

**DPR v. Michael LaHood #2007-60616**

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

**DPR v. Jorge Cruz #2009-0282**

Motion made/seconded that the above-mentioned licensee's license shall be indefinitely suspended with a \$25,000.00 fine. Motion passed unanimously.

**DPR v. Risa Williams #2008-08140**

Motion made/seconded that the above-mentioned licensee's license shall be indefinitely suspended for a minimum period of 1 year. Motion passed unanimously.

**DPR v. Samad Moragheb #2009-07373**

Motion made/seconded that the above-mentioned licensee's license shall be indefinitely suspended for a minimum period of 2 year. Motion passed unanimously.

**DPR v. Todd VanBuren #2007-60397**

Motion made/seconded that the above-mentioned licensee's license shall be indefinitely suspended for a minimum period of 5 year. Motion passed unanimously.

**DPR v. Diane Street #2006-80061**

Motion made/seconded that the above-mentioned licensee's license shall be indefinitely suspended for a minimum period of 1 year. Motion passed unanimously.

**DRP v. David Mandel # 2000-61745**

Motion made/seconded not to accept the Attorney Law Judge's recommendation and that the above mentioned licensee's license shall remain indefinitely suspended for a minimum period of 2 years. Motion passed unanimously.

**FINDINGS/CONCLUSIONS/RECOMMENDATIONS:**

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

**DPR v. Francisco Garcia #2006-60322**

**ADJOURNMENT:**

Motion made/seconded to adjourn the meeting at 2:20 pm. Motion passed unanimously. The next scheduled meeting of the Real Estate Administration and Disciplinary Board is June 17, 2010 at 100 W. Randolph, Chicago, IL.

APPROVED:

Respectfully submitted,

REAL ESTATE ADMINISTRATION  
AND DISCIPLINARY BOARD

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Ron Hardgrove, Real Estate Director

DATE:\_\_\_\_\_

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Debra Dolinski, Liaison