



Illinois Department of Financial and Professional Regulation

Division of Profession Regulation - Real Estate

ROD R. BLAGOJEVICH
Governor

DEAN MARTINEZ
Secretary

DANIEL BLUTHARDT
Director
Division of Professional Regulation

MINUTES REAL ESTATE ADMINISTRATION & DISCIPLINARY BOARD April 16, 2007

The Real Estate Administration and Disciplinary Board convened at 12:30 p.m. on April 16, 2007, at the Department of Financial & Professional Regulation Division of Professional Regulation, 2331 Fountain Square Drive, Lombard, 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
Patrick Sharpe, Member
Toni Sherman, Member
Walter Son, Member

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

Carol Shields, Member

Also present for all or part of the meeting:

Young Brockhouse, Manager of Licensing & Education
Mary Anne Benden, Director of Enforcement
Wayne Straza, Deputy Director Enforcement Administration – Acting Chief for Real Estate & Appraisal
Mark Oaks, Education Coordinator
Debra Dolinski, Board Liaison/Administrative Assistant

APPROVAL OF MINUTES:

Motion: A motion made/seconded to approve the March 8, 2007 Real Estate Administration and Disciplinary Board Minutes. Motion passed unanimously.

AGENCY UPDATE:

On April 16, 2007, Allen Zack was hired as a real estate investigator. Mr. Zack previously worked for DCFS with 18 years of investigation experience.

The Broker Management Course's instructor training dates are as follows: April 24th in Springfield at the President Lincoln Hotel; and May 8th in Chicago at the Marriott in Hickory Ridge; there will be additional instructor training seminars to follow.

Mr. Brockhouse mentioned that approximately 30 percent of the licensees have renewed to date; 50 percent is normally processed at this time. Licensing is expecting about a 15 percent drop off of salespersons, renewing in this period. The on-line renewal is working this week after the vendor fixed the problems that caused some difficulty for the licensees to use the system. The vendor also worked on the automatic paper renewal process.

The Chicago Real Estate staff is expected to be moving to the Thompson Center on May 1, 2007; therefore, the next meeting will be held at the Thompson Center on the 9th floor unless otherwise notified.

EDUCATIONAL ADVISORY COUNCIL (EAC):

EAC approved the following number of applications at the April 12, 2007 meeting:

- 7 continuing education courses
- 3 pre-license instructor
- 1 limited pre-license instructor
- 15 CE instructors
- 3 Limited CE instructors
- 3 CE extensions

LICENSING:

The Licensing report reflecting the number of all professional licenses issued within the Real Estate Bureau for March 31, 2007 was distributed; and included last year figures for salespersons and brokers. Licensing is expecting that there will be 6 to 12 thousand licenses that will expired but majority of them will renew sometime the following year.

There was no report on the percentage of individuals passing the brokers and salesperson's state exam.

Mr. Straza mentioned that he is receiving calls regarding licensed professions in Illinois that go to other states to practice and failed to formally inform the Division to change their status to inactive to remain in good standing in Illinois. Mr. Hardgrove mentioned that currently our Real Estate licensees no longer have that option; but the department is reevaluating the situation at this time.

Active Real Estate Licensees:

All Licensees	102,646
Brokers	29,155
Salespersons	63,428
Leasing agents	1,204

FISCAL REPORT:

Fiscal Reports as of March 31, 2007 were distributed. The report showed the 850 fund having a balance of approximately \$13,750,000.

RECESS:

The Board recessed at 12:45 p.m. The Real Estate Administration and Disciplinary Board resumed its regular meeting at 1:15 p.m.

EXAMINATIONS:

Distributed were three examination reports for the month of March 2007 that was categorized by "Examinations Completed by Examiner – Licensees with First Examination", "Examinations Completed by Examiner – Compliance Review," and "Examinations – 60 Day Follow-Up" for the month of March. Examinations have conducted 45 audits by using the "Brokerage Verification Report." Examiners completed 22 examinations with 21 not inspected – as authorized. The compliance review showed 16 offices had no pending issues; and the 60 day follow up showed 95 offices had no pending issues, 3 offices "referred to supervisor" and 6 offices with follow-up no longer required.

Mr. Hardgrove mentioned that the Division is getting the CE school's schedule for the examiners to begin conducting unannounced audits; the Division will eventually have the examiners visit the testing sites.

INVESTIGATIONS:

Mr. Straza reported that there are 800 opened real estate cases. Mr. Straza also thanked the Board for reviewing the cases to determine if it should be closed or investigated. The real estate investigators have been assigned to a task force to address mortgage fraud which will impact the investigation of real estate cases. The Board had a lengthy discussion on HB4050 and the mortgage fraud issues.

PROSECUTIONS:

The Prosecution reports were distributed to the Board. Ms. Benden reported that the caseload numbers are not bad considering Mike Garvin is part of the mortgage fraud task force; in addition, the law students will be leaving in May. There are 4 formal hearings scheduled for the next several months.

Prosecutions received approximately 170 salespersons deficient in continuing education for the 2005 renewal and 17 child support cases that Enforcement put a block on renewing their license; this will also dramatically increase prosecutions caseload.

DELIBERATIONS:

At 1:30 p.m., a motion made/seconded to go into closed session to deliberate on disciplinary matters and March's CRC recommendations pursuant to the provisions of Section 2 of the Open Public Meeting Act. Motion passed unanimously.

BRE v. Donald Felton #E2006-122RE
BRE v. Maria Larson #E2006-133RE
BRE v. Valerie Coleman #E2006-89RE
BRE v. Samuel Shoshoo #E2006-93RE

BRE v. Jessica Salgado #E2006-118RE
BRE v. James Kenyon #E2006-81RE
BRE v. Betty Brown #E2006-68RE
BRE v. Arvind Patel #E2006-89RE
BRE v. Ronald Culps #E2007-14RE

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 April 11, 2007 were Judie McConville, Ron Hardgrove and Mary Anne Benden.

Motion made/seconded to ratify the 17 cases for closure by Investigations from the memo dated March 30, 2007. Motion passed unanimously.

Motion made/seconded to ratify the 1 follow-up from Investigations from the memo dated March 30, 2007. Motion passed unanimously.

Motion made/seconded to ratify the 11 cases recommended for referral to Prosecutions from Investigations with 8 cases to be closed from the memo dated March 30, 2007. Motion passed unanimously.

Motion made/seconded to ratify the 18 cases recommended for closure by Prosecutions from the memo dated March 30, 2007. Motion passed unanimously.

Motion made/seconded to ratify the 12 cases recommended for closure by Prosecutions from the memo dated April 11, 2007. Motion passed unanimously.

RECOMMENDATIONS:

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

BRE v. Donald Felton #E2006-122RE
BRE v. Maria Larson #E2006-133RE
BRE v. Valerie Coleman #E2006-89RE
BRE v. Samuel Shoshoo #E2006-93RE
BRE v. Jessica Salgado #E2006-118RE
BRE v. James Kenyon #E2006-81RE

RECOMMENDATIONS:

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

BRE v. Betty Brown #E2006-68RE

Motion made/seconded that the above mentioned be assessed a \$25,000.00 civil penalty for each of the two unlicensed practice violations, for a total of \$50,000.00. Motion passed unanimously.

BRE v. Arvind Patel #E2006-89RE

Motion made/seconded that the above mentioned be revoked. Motion passed unanimously.

BRE v. Ronald Culps #E2007-14RE

Motion made/seconded that the above mentioned be revoked. Motion passed unanimously.

FINDINGS/CONCLUSIONS/RECOMMENDATIONS:

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

BRE v. Arvind Patel #E2006-89RE
BRE v. Ronald Culps #E2007-14RE

ADJOURNMENT:

Motion made/seconded to adjourn the meeting at 2:00 pm. Motion passed unanimously. The next scheduled meeting of the Real Estate Administration and Disciplinary Board is May 10, 2007 at 100 W Randolph, Chicago, Illinois.

APPROVED:

Respectfully submitted,

REAL ESTATE ADMINISTRATION
AND DISCIPLINARY BOARD

Ron Hardgrove, Real Estate Director

DATE: _____

Debra Dolinski, Liaison