

WISCONSIN DEPARTMENT OF REGULATION & LICENSING



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STATE OF WISCONSIN
BEFORE THE REAL ESTATE BOARD

IN THE MATTER OF THE DISCIPLINARY :
 PROCEEDINGS AGAINST :
 : FINAL DECISION AND ORDER
 : 99 REB 121
 :
 NICHOLAS LADOPOULOS, :
 RESPONDENT. :
 :
 : LS 0007276 REB

The parties to this action for the purpose of Wis. Stats. sec. 227.53 are:

Nicholas Ladopoulos
37 Glacier Edge Square
Cross Plains, WI 53528

Wisconsin Real Estate Board
P.O. Box 8935
Madison, WI 53708

Department of Regulation and Licensing
Division of Enforcement
P.O. Box 8935
Madison, WI 53708-8935

The parties in this matter agree to the terms and conditions of the attached Stipulation as the final disposition of this matter, subject to the approval of the Board . The Board has reviewed this Stipulation and considers it acceptable.

Accordingly, the Board in this matter adopts the attached Stipulation and makes the following:

FINDINGS OF FACT

1. **Nicholas Ladopoulos** ("Ladopoulos"), date of birth 10/21/46, is licensed in the State of Wisconsin as a real estate broker having license # 90-39334. This license was first granted to him on 12/22/86.
2. Ladopoulos' most recent address on file with the Department of Regulation and Licensing is 37 Glacier Edge Square, Cross Plains, WI 53528.

3. At all times relevant to the facts set forth herein Ladopoulos was a principal and part owner of a construction firm known as Prairie Home L.L.C. located at 1725 North High Point Road, Middleton, WI 53562. He was also a principal and part owner of a real estate firm doing business as ERA All-Star Properties.

4. At all times relevant to the facts set forth herein Sofronis Strinopoulos was a licensed real estate broker, license # 48863 and was a employee and agent by Power of Attorney for Prairie Home L.L.C. He was also a principal and part owner of the real estate firm doing business as ERA All-Star Properties. Strinopoulos' real estate license expired on January 1, 1999, and has not been renewed to date. On information and belief he is not presently residing in the United States.

5. On or about February 17, 1997, Ladopoulos, Sofronis Strinopoulos and Herman Kraus entered into a Kraus-Ladopolous L.L.C. Members' Agreement which in part states;

“1. The business of the Company shall be exclusively to conduct a real estate sales operation from offices in Cross Plains and Middleton, Wisconsin, doing business as ERA All-Star Properties.”

The agreement document shows the word “Properties” crossed out and the word “Realty” printed in followed by what purports to be the three member's initials.

A copy of the Kraus-Ladopoulos L.L.C. Member's Agreement is attached as **Exhibit 1** and is incorporated herein by reference.

6. On or about March 4, 1997, Prairie Home L.L.C. entered into a contract with Kraus Real Estate & Builders, Inc. for the construction of a home on Lot 19, Prairie Home Estates, Middleton, WI. Kraus Real Estate & Builders, Inc. completed construction of the home on or about July 29, 1997, and billed Prairie Home L.L.C. \$55,130.87 for labor and material costs. Prairie Home L.L.C. objected to the amount of the bill and refused to remit.

7. On or about October 28, 1997, Kraus Real Estate & Builders, Inc. filed a Claim For Lien against Prairie Home L.L.C. in the amount of \$55,130.87 with the Circuit Court of Dane County. The Claim For Lien was for their labor and material costs associated with the construction of the home and resultant bill described in paragraph 6 above. A copy of the Claim For Lien case # 97CL110 dated October 22, 1997, is attached as **Exhibit 2** and is incorporated herein by reference.

8. On or about November 25, 1997, Kraus Real Estate & Builders Inc. filed suit against Ladopoulos, Prairie Home L.L.C. and Sofronis Strinopoulos with the Circuit Court of Dane County seeking foreclosure and sale of Lot 19, Prairie Home Estates property. On or about January 9, 1998, an Answer to the Complaint was filed on behalf of Prairie Home L.L.C., Ladopoulos, and Strinopoulos and the issues joined. A copy of the Complaint, case No. 97CV3185 filed November 26, 1997, is attached as **Exhibit 3** and is incorporated herein by reference. A copy of the Answer dated January 9, 1998, is attached as **Exhibit 4** and is

incorporated herein by reference. A copy of an Amended Complaint, case No. 97CV3185 filed April 2, 1998, is attached as **Exhibit 5** and is incorporated herein by reference. A copy of the Second Amended Complaint, case No. 97CV3185 filed October 23, 1998, is attached as **Exhibit 6** and is incorporated herein by reference.

9. On or about March 26, 1997, Strinopoulos drafted a Residential Listing Contract-Exclusive Right To Sell agreement on behalf of ERA All-Star Properties and Prairie Home L.L.C. for the marketing of Lot 19, 4723 Bergamot Way. Prairie Home L.L.C. was the seller with Strinopoulos signing on its behalf by power of attorney. Strinopoulos also signed on behalf of ERA All-Star Properties as agent for the broker. The list price was \$232,000.00 with a broker's commission of 5%. The contract expired September 27, 1997. A copy of the Residential Listing Contract-Exclusive Right To Sell agreement, is attached as **Exhibit 7** and is incorporated herein by reference.

10. On or about October 14, 1997, a second Residential Listing Contract-Exclusive Right To Sell agreement between ERA All-Star Properties and Prairie Home L.L.C. for Lot 19, 4723 Bergamot Way was drafted by Strinopoulos. Strinopoulos again signed on behalf of Prairie Home L.L.C. by power of attorney and he also again signed for ERA All-Star Properties. The list price was \$224,900.00 with a broker's commission of 5%. The contract expired October 15, 1998. A copy of the second Residential Listing Contract-Exclusive Right To Sell agreement is attached as **Exhibit 8** and is incorporated herein by reference.

11. On or about September 12, 1998, prospective buyers Richard and Gail Anderson received a copy of a Real Estate Property Condition Report for the 4723 Bergamot Way property as prepared by Strinopoulos. Statement C14 of the Report reads as follows: "I am aware of boundary or lot line disputes encroachments or encumbrances (including a joint driveway)." Strinopoulos responded "No" to this statement on August 25, 1997, the date the report was prepared. On Septmeber 12, 1998, this response should have been "Yes" as the property was in fact encumbered. The Andersons were not so informed either orally or in writing of this encumbrance by Strinopoulos. A copy of the Real Estate Property Condition Report is attached as **Exhibit 9** and is incorporated herein by reference.

12. On or about September 12, 1998, real estate licensee Sandra Grunke of Re/Max Preferred Inc. Madison, WI., drafted a Residential Offer to Purchase on behalf of Richard and Gail Anderson for the 4723 Bergamot Way property. Relying at least in part on the Real Estate Condition Report (Exhibit 9), the offered price was \$195,000.00 with closing to occur on or before October 1, 1998. Lines 66 through 69 of the Offer to Purchase state: "Conveyance Of Title: Upon payment of the purchase price, Seller shall convey the Property by warranty deed (or other conveyance as provided herein) free and clear of all liens and encumbrances, except, municipal and zoning ordinances and agreements entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use restrictions and covenants, general taxes levied in the year of closing and none". A copy of the September 12, 1998, Residential Offer to Purchase is attached as **Exhibit 10** and is incorporated herein by reference.

13. On or about September 13, 1998, Strinopoulos countered the Anderson's offer (Exhibit 10) on behalf of Prairie Home L.L.C. by power of attorney with a purchase price of \$200,000.00. No disclosure is made in the Counter of the October 28, 1997, lien having been placed on the property or the fact that a foreclosure action had been initiated by Krause Real Estate & Builders, Inc. On or about September 15, 1998, the Andersons countered Strinopoulos' Counter-Offer with the purchase price of \$197,000.00. On or about September 16, 1998, Strinopoulos drafted and signed as seller Counter Offer No. 2 with a purchase price of \$199,000.00. Again no disclosure is made on this document by Strinopoulos of the lien and ongoing foreclosure action. The second Counter-Offer was accepted by the Andersons on or about September 17, 1998. Shortly after September 16, 1998, Strinopoulos apparently left the country and has not returned. A copy of the September 13, 1998, Counter-Offer is attached as **Exhibit 11** and is incorporated herein by reference. A copy of the Anderson's Counter-Offer dated September 15, 1998, is attached as **Exhibit 12** and is incorporated herein by reference. A copy of the Seller's Counter-Offer No. 2 and Acceptance of Counter-Offer dated September 16, 1998, and September 17, 1998, respectively, is attached as **Exhibit 13** and is incorporated herein by reference.

14. The transaction closed on October 1, 1998, with broker's commission in the amount of \$11,940.00 paid to Nick Ladopoulos. A Warranty Deed was given to the Andersons that day by Prairie Home L.L.C., as signed by Ladopoulos, and Mary N. Layoun, both Members of Prairie Home L.L.C. A copy of the Settlement Statement is attached as **Exhibit 14** and is incorporated herein by reference. A copy of the Warranty Deed is attached as **Exhibit 15** and is incorporated herein by reference.

15. The Andersons allege that the Title Insurance Commitment from Chicago Title Insurance Company was provided to them on or before the day of closing. Realizing that there was an encumbrance on the property Ladopoulos had a clause at Schedule B-Section 2 t of the Title Insurance Commitment included which states: "Construction Lien docketed in Circuit Court for Dane County, Wisconsin as Case No. 97CL000110 on October 28, 1997, against Prairie Home LLC in favor of Kraus Real Estate & Builders, Inc., in the amount of \$55,130,87. A foreclosure action for the above lien was commenced in Dane County Clerk of Circuit Court under Case No. 97CV3185. The Company expressly guarantees the insured against loss or damage (not exceeding the amount of this commitment) resulting from the existence of the above-mentioned construction lien/foreclosure". A copy of the Title Insurance Commitment is attached as **Exhibit 16** and is incorporated herein by reference.

16. Although the Andersons received a copy of Title Insurance Commitment on or before the day of closing they allege that they did not examine the above mentioned sections prior to closing. They were otherwise never informed of the lien on their property or that a foreclosure action had been initiated involving their property. They allege that they first became aware of the lien and lawsuit on December 29, 1998, when they were served a subpoena for their depositions to be taken regarding the foreclosure action.

17. Case No. 97CV3185 was settled in January 1999, and the Lien against the Anderson's property was lifted by Herman Kraus President of Kraus Real Estate and Builders

Inc. by document titled Full Satisfaction of Claim for Lien filed January 26, 1999. A copy of the Full Satisfaction of Claim for Lien is attached as **Exhibit 17** and is incorporated herein by reference.

CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Board has jurisdiction to act in this matter pursuant to sec. 452.14, Wis. Stats.
2. The Wisconsin Real Estate Board is authorized to enter into the attached Stipulation pursuant to sec. 227.44(5), Wis. Stats.
3. Respondent **Nicholas Ladopoulos** doing business as ERA All-Star Properties has violated:
 - a. Sections RL 24.025(1) and, RL 24.07(2) of the Wisconsin Administrative Code and sections 452.133(1)(a), 452.133(1)(c), and 452.14(3)(i) of the Wisconsin Statutes by failing to directly disclose in writing and in a timely fashion to Richard and Gail Anderson the material adverse fact of an existing construction lien and civil lawsuit to foreclose on that lien against Lot 19, 4732 Bergamot Way, Middleton Wisconsin.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that the attached Stipulation is hereby accepted.

IT IS FURTHER ORDERED, that Respondent **Nicholas Ladopoulos**, license # 90-39334, be, and hereby has received a **PRIVATE LETTER OF WARNING**.

IT IS FURTHER ORDERED, that Respondent **Nicholas Ladopoulos**, within six months of the date of this Order, successfully complete the following course modules from the 36 hour pre-licensing real estate broker's course at an educational institution approved by the Department of Regulation and Licensing:

- a. The Business Ethics module-section RL 25.02(2)(g), of the Wisconsin Administrative Code and,
- b. The Consumer Protection module-section RL 25.02(2)(h), of the Wisconsin Administrative Code.

and submit proof of the same in the form of verification from the institution providing the education to the Real Estate Board, P.O. Box 8935, Madison, WI 53708-8935. None of the

education completed pursuant to this requirement may be used to satisfy any continuing education requirements that are or may be instituted by the Board or the Department of Regulation and Licensing.

IT IS FURTHER ORDERED, that in the event Respondent **Nicholas Ladopoulos** fails to successfully complete the educational requirements within the time and in the manner as set forth above, then and in that event, and without further notice to the Respondent **Nicholas Ladopoulos**, his real estate license shall be suspended without further hearing and without further Order of the Board, and said suspension shall continue until further order of the Board.

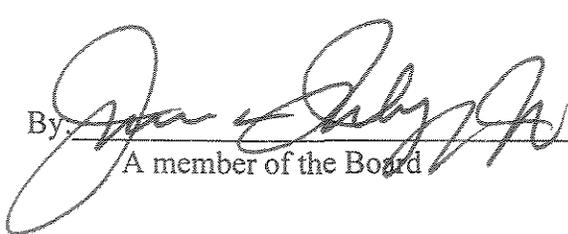
IT IS FURTHER ORDERED, that Respondent **Nicholas Ladopoulos**, pay **PARTIAL COSTS** in this matter in the amount of a \$400.00, within 60 days of the date of this Order by making payment of the same to the Department of Regulation and Licensing, P.O. Box 8935, Madison, WI 53708-8935.

IT IS FURTHER ORDERED, that in the event Respondent **Nicholas Ladopoulos** fails to pay the \$400.00 partial costs within the time and in the manner as set forth above, then and in that event, and without further notice to the Respondent **Nicholas Ladopoulos**, his real estate license shall be suspended without further hearing and without further Order of the Board, and said suspension shall continue until the full amount of said partial costs have been paid to the Department of Regulation and Licensing and his failure to pay the partial costs shall be considered a violation of this Order by the Board.

IT IS FURTHER ORDERED, that file 99 REB 121 be, and hereby is, closed.

Dated this 7 day of 27, 2000.

WISCONSIN REAL ESTATE BOARD

By: 

A member of the Board