

WISCONSIN DEPARTMENT OF REGULATION & LICENSING



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STATE OF WISCONSIN
BEFORE THE REAL ESTATE BOARD

IN THE MATTER OF :
DISCIPLINARY PROCEEDINGS :
AGAINST : **FINAL DECISION AND ORDER**
JULIE R. HARRIS, :
RESPONDENT : LS0810303REB

Division of Enforcement Case File # 06 REB 257

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

Julie R. Harris
8638 S. Fenway Court
Oak Creek, WI 53154

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

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

PROCEDURAL HISTORY

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 Wisconsin Real Estate Board ("Board"). The Board has reviewed this Stipulation and considers it acceptable. Accordingly, the Board adopts the attached Stipulation in this matter and makes the following Findings of Fact, Conclusions of Law, and Order:

FINDINGS OF FACT

1. Julie R. Harris is licensed in the State of Wisconsin as a Real Estate Salesperson, having license # 94-57623, first issued on August 14, 2003.
2. Ms. Harris's most recent address on file with the Department of Regulation and Licensing ("Department") is 8638 S. Fenway Court, Oak Creek, WI 53154.
3. At the time of the events described herein, Ms. Harris was employed as a Salesperson by Shorewest Realty Inc. of Brookfield, Wisconsin.
4. On a date unknown but prior to February 22, 2006, Timothy Gough listed property at 6639 North 91st Street in Milwaukee for sale with Attorney William Pulkinen. Mr. Pulkinen was the listing agent.
5. On February 22, 2006, Julie Harris wrote an offer to purchase the North 91st Street property on behalf of Larry Taylor. Ms. Harris was a seller's agent and Mr. Gough was her client.
6. The offer to purchase contained a financing contingency, a buyer's inspection contingency, closing on or before March 30th, and a term for \$500 earnest money. The offer was countered with a

requirement for \$1,000 in earnest money payable after removal of the inspection contingency. The counter-offer was accepted and a contract was formed.

7. On March 4, 2006, after the buyer's inspection, Ms. Harris drafted an amendment, which was accepted, to address some repair issues with the property. The \$1,000 earnest money payment was made by Mr. Taylor and placed in Mr. Pulkinen's trust account.
8. On April 10, 2006 Ms. Harris drafted another amendment, which was accepted, to address some seller credits, to change the sale price to reflect inclusion of most of the seller paid costs, and to change the closing date from March 30 to on or before April 12, 2006.
9. Mr. Pulkinen anticipated being unavailable for the closing and he prepared a Power of Attorney, valid through April 31, 2006, for Ms. Harris to act for him at closing. He also prepared a check for \$1,000 drawn on his trust account payable to Mr. Taylor, and gave it to Ms. Harris. The check's memo line said "earnest money" and in the endorsement area on the back Mr. Pulkinen wrote "Pay to the order of _____ & deposit to trust account", expecting Mr. Taylor to sign the check and turn it over to the closing agent to be included in the settlement at closing.
10. At some time prior to closing, it was determined that Mr. Taylor would not be able to obtain financing, and the transaction failed to close. Ms. Harris did not obtain documentation of the failure to obtain financing.
11. In the following months, Ms. Harris attempted unsuccessfully to contact Mr. Pulkinen to return the material he had given her to be used at closing.
12. On August 2, 2006, Mr. Pulkinen wrote to Mr. Taylor and Shorewest Realty, Inc. noticing the parties that the earnest money should be disbursed partly to the seller, partly to an attorney for the seller, and partly to himself.
13. On August 10, 2006, under the impression that the earnest money was still being held by Mr. Pulkinen, Ms. Harris sent a letter to Mr. Pulkinen explaining that all contingencies had not been satisfied as Mr. Taylor was unable to obtain financing, and stating that the earnest money should be returned to Mr. Taylor, whom she referred to as "my customer". Ms. Harris did not send any documentation of Mr. Taylor's claim that he was unable to obtain financing. Ms. Harris's letter of August 10th was not sent by certified mail, and it did not contain a statement that Ms. Harris was planning to disburse the check in her possession.
14. When Ms. Harris received no response from Mr. Pulkinen to her August 10th letter, and having discovered the check which Mr. Pulkinen had given her with the closing documents in March, she waited 30 days until September 9, 2006 and then gave the check to Mr. Taylor, who cashed it.
15. Ms. Harris did not obtain a Cancellation and Mutual Release signed either by Mr. Taylor or by her client, Mr. Gough.
16. Ms. Harris violated section RL 18.09 (1) of the Wisconsin Administrative Code by disbursing real estate trust funds without a Cancellation and Mutual Release.
17. Ms. Harris violated section RL 18.09 (2) of the Wisconsin Administrative Code by disbursing real estate trust funds, in the face of competing claims, without notifying all parties by certified mail of the intent to disburse.
18. Ms. Harris violated section 452.133 (2) of the Wisconsin Statutes by failing to represent her client's interests.

CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Board has jurisdiction to act in this matter pursuant to section 452.14 (3) of the Wisconsin Statutes and is authorized to enter into the attached Stipulation pursuant to sec. 227.44(5), Wis. Stats.
2. Respondent Julie Harris is subject to discipline under section 452.14 of the Wisconsin Statutes for having violated section RL 18.09 (1) and (2) of the Wisconsin Administrative Code and section 452.133 (2) of the Wisconsin

Statutes.

ORDER

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

IT IS FURTHER ORDERED that Julie R. Harris is hereby REPRIMANDED.

IT IS FURTHER ORDERED that Julie Harris pay the Department's costs of this matter in the amount of **\$703.48** within 60 days of the date of this Order. Payment shall be made by certified check or money order, payable to the Wisconsin Department of Regulation and Licensing and sent to the Department Monitor. In the event Ms. Harris fails to pay the costs within the time and in the manner as set forth above, her Real Estate Salesperson's license shall be suspended without further notice, without further hearing, and without further Order of the Board, and said suspension shall continue until the full amount of said costs have been paid to the Department of Regulation and Licensing.

Dated this 30th day of October, 2008.

WISCONSIN REAL ESTATE BOARD

By: Peter Sveum, Board Chair