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FILE COPY

STATE OF WISCONSIN
BEFORE THE REAL ESTATE BOARD

IN THE MATTER OF THE DISCIPLINARY	:	
PROCEEDINGS AGAINST	:	FINAL DECISION
	:	AND ORDER
MARION F. BERNTSEN,	:	90 REB 235 and 90 REB 455
RESPONDENT.	:	LS 9308181 REB

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

Marion F. Berntsen
Box 52, Douglas Street
Fontana, WI 53125

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

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. Marian F. Berntsen ("Berntsen"), Box 52, Douglas Street, Fontana, WI 53125, is and was at all times relevant to the facts set forth herein a real estate broker licensed to practice in the State of Wisconsin pursuant to license #11402, originally granted on August 8, 1974. Berntsen does business under the trade name of "Southern Lakes Real Estate Investments".

RELATING TO CASE 90 REB 235

2. On or about February 9, 1990, Joseph L. McCarthy ("McCarthy") contacted Berntsen for the purpose of locating a summer rental in the Fontana, Wisconsin area.

3. On or about March 20, 1990 Berntsen drafted a WB-18 House Lease for the signature of Joseph L. McCarthy and Marian E. McCarthy, as tenants and Marion F. Berntsen, d/b/a Southern Lakes Real Estate Investments, agent for lessor, as landlord. This house lease will be referred to herein as the "McCarthy lease".

4. The McCarthy lease involved the lease by the McCarthys of residential property known as Gate 4-707 Adahi Way, Indian Hills Subdivision, Fontana, Walworth County, Wisconsin. The term of the lease was for June, July and August 1990 with the first day of the lease being June 1, 1990 and the last day of the lease being August 31, 1990. A copy of this lease is attached hereto as "Exhibit A", and incorporated herein as if fully set forth at length.

5. On or about April 4, 1990 McCarthy returned the signed lease to Berntsen along with a check in the amount of \$500 payable to Berntsen and/or her business known as "Southern Lakes Real Estate Investments".

6. Berntsen deposited the McCarthy \$500 check into her real estate trust account at the Walworth State Bank on or about April 9, 1990.

7. The purpose of the \$500 McCarthy payment was to pay the security deposit referred to at line 48 of the McCarthy lease.

8. The rent for the three-month period covered by the McCarthy lease totalled \$3,600 and, according to terms of the McCarthy lease, was payable "in full prior to occupancy".

9. On or about May 25, 1990, McCarthy mailed his check in the amount of \$3,600 to Berntsen and Berntsen received this check on or before June 1, 1990.

10. On or about June 4, 1990, ^{McCarthy's} ~~Berntsen~~ daughter, Noreen Ann Seegers, of Elkhorn, Wisconsin, contacted Berntsen and requested the keys to the property rented by the McCarthys.

11. At the time that Ms. Seegers contacted Berntsen, Berntsen informed Ms. Seegers that the property had been rented to another party and that possession of the premises was not going to be delivered to the McCarthys.

12. Berntsen told Seegers that the McCarthys had failed to comply with the payment terms of the lease and that was the reason the lease would not be honored by the landlord.

13. On or about June 5, 1990 McCarthy personally contacted Berntsen and was told by Berntsen that occupancy of the premises was not going to be delivered to McCarthy and that the property had been rented to another party. On or about June 5, 1990 McCarthy's \$500 security deposit was returned to him along with his uncashed check of \$3,600.

14. At no time did McCarthy consent to a cancellation of the McCarthy lease.

15. At all times relevant to this matter the owner of the premises known as Gate 4-707 Adahi Way, Fontana, Wisconsin was Carl W. Berntsen, the husband of Marion F. Berntsen.

16. That on or about May 26, 1990 Berntsen drafted an Offer To Purchase for Gate 4-707 Adahi Way, Fontana, Wisconsin for the signature of Dominic Spatola and Giovanna B. Spatola.

17. The Spatola offer was accepted on or about May 30, 1990.

18. At no time did Berntsen disclose to the McCarthys that the property was listed for sale, or that Carl W. Berntsen, the owner of the property, had accepted the Spatola offer on the property.

19. As of June 4, 1990, the property had not been rented to any party, besides the McCarthys.

RELATING TO CASE 90 REB 455

20. On or about May 26, 1990 Dominic Spatola and Giovanna B. Spatola, ("Spatola"), executed a WB-11 Residential Offer To Purchase, for the purchase of 707 Adahi Way, Gate 4, Indian Hills Subdivision, Fontana, Wisconsin. A copy of the Spatola offer is attached hereto as "Exhibit B", and incorporated herein as if set forth at length.

21. The Spatola Offer was drafted by Berntsen.

22. The Spatola Offer was accepted by the owner of the property, on or about May 30, 1990.

23. On or about June 8, 1990 the Spatola Offer was amended by Amendment To Contract Of Sale, a copy of said amendment being attached hereto as "Exhibit C", and incorporated herein as if set forth at length.

24. Subsequent to the May 26, 1990 Spatola offer, the Spatolas leased the premises from Berntsen for the time period of June 15, 1990 to July 15, 1990, a copy of said lease being attached hereto as "Exhibit D", and incorporated herein as if set forth at length.

25. At no time relevant hereto did Berntsen disclose to the Spatolas that the property was owned by her husband, and instead, claimed that the property was owned by "Nation-Wide Equities."

26. The terms of the Spatola Offer to Purchase included a provision that the Spatola's purchase of the property was contingent upon the Spatolas obtaining a first mortgage loan secured by the property.

27. Berntsen, acting as an agent for Nation-Wide Equities, an unlicensed loan company, drafted a commitment for the granting of a mortgage loan to the Spatolas under document dated July 23, 1990, a copy of which is attached hereto as "Exhibit E", and incorporated herein as if set forth at length.

28. The Spatolas accepted the July 23, 1990 loan commitment on July 31, 1990.

29. On or about July 31, 1990 Berntsen withdrew the earlier loan commitment and made a new, less desirable, loan commitment. A copy of said July 31, 1990 loan commitment is attached hereto as "Exhibit F", and incorporated herein as if set forth at length. This second loan commitment was declined by the Spatolas.

30. During the course of the purchase-sale negotiations with the Spatolas, Berntsen collected \$8,000 as earnest money from the Spatolas in Berntsen's capacity as agent for the seller, Carl W. Berntsen.

31. The Berntsen to Spatola transaction failed to close and the Spatolas demanded a return of their \$8,000 earnest money.

32. Berntsen refused to return the \$8,000 earnest money to the Spatolas.

33. Berntsen's refusal to return the \$8,000 earnest money to the Spatolas was premised upon her claim that the \$8,000 earnest money had been forfeited.

34. On or about October 28, 1989 Berntsen prepared a WB-1 residential listing contract-exclusive right to sell for the signature of Carl Berntsen whereby Carl Berntsen listed for sale with Berntsen the property known as 707 Adahi Way, Gate 4, Indian Hills Subdivision, Village of Fontana, County of Walworth, Wisconsin. The term of this listing commenced on October 28, 1989 and terminated on April 30, 1990.

35. At the time that Berntsen drafted the Spatola Offer to Purchase and Amendment To Offer To Purchase, Berntsen did not have a listing contract with Carl W. Berntsen.

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 Marion F. Berntsen has violated:

CASE 90 REB 235

- a. Sections RL 24.025, 24.03(2)(b) and 24.08 Wis. Adm.Code and Sec. 452.14(3)(i), Wis. Stats., by her incompetency in failing to protect the interests of the public and the interests of Joseph L. McCarthy and Marion E. McCarthy in drafting a lease agreement for their signature and for the signature of the landlord whom she represented by failing to state in said lease agreement any contingencies other than those specifically set forth therein which would require payment of rent in any method not set forth in the lease and by failing to state specifically that occupancy of the premises would be denied to the McCarthys if the rent was not paid prior to occupancy.

- b. Sections RL 24.025 and 24.07(1) Wis. Adm. Code and Sec. 452.14(3)(i) Wis. Stats., by failing to disclose to the McCarthys that the owner of the premises was Carl Berntsen, husband of Marion F. Berntsen, that the property was listed for sale and that an offer to purchase was accepted as of May 30, 1990, which offer contradicted the rental of the premises to the McCarthys and contradicted the explanation given to the McCarthys by Berntsen for refusing to provide possession of the premises pursuant to the terms of the lease.
- c. Sections 452.14(3)(i) and 452.14(3)(k) Wis. Stats. and Sec. 134.09(6) Wis. Adm. Code, by failing to deliver possession of the rental premises to the McCarthys pursuant to the terms of the lease and as a subterfuge claiming to the McCarthys that the failure to provide that possession was the consequence of some failure on the part of the McCarthys to comply with the terms of the lease when the McCarthys had been in substantial conformance with the terms of the lease.

CASE 90 REB 455

- d. Sections RL 24.025, 24.03(2)(b) and 24.08 Wis. Adm. Code and Sec. 452.14(3)(i) Wis. Stats. by failing to draft documents on behalf of the Spatolas which were fair to them as well as fair to her principal, and which were overreaching in that they required the forfeiture of \$8,000 of earnest money for the failure to close the transaction wherein the Respondent acted as both the broker and as an unlicensed loan solicitor or loan broker and where, in acting as such a loan broker, Respondent failed to provide the financing initially offered to the Spatolas and as a consequence the transaction failed to close.
- e. Section 452.14(3)(m) Wis. Stats., and Sec. RL 24.08 Wis. Adm. Code by failing to have a valid listing contract with the owner of the property at the time that Respondent drafted the Spatola's offer to purchase, her previous listing contract with the owner having terminated.
- f. Sections RL 24.07(1) and 24.05(2) Wis. Adm. Code and Sec. 452.14(3)(i) Wis. Stats., by failing to disclose to the Spatolas the interest that she and her husband had in the property being sold and failing to disclose to the Spatolas that the document she drafted to amend the first offer to purchase included additional language which called for forfeiture of the earnest money of \$8,000.00 if the transaction failed to close "for any reason".
- g. Sections 452.14(3)(b), 452.14(3)(c) and 452.14(3)(k) Wis. Stats., by acting dishonestly and improperly in the transaction between her husband and the Spatolas by representing that the property was owned by someone different than the true owner, by representing to the Spatolas that she could provide financing through an unlicensed loan company and by acting as an unlicensed loan solicitor or mortgage broker by making specific offers to the Spatolas for financing the

transaction and then withdrawing an offer to finance the property at the time that the Spatolas attempted to accept the financing offer causing the transaction to fail and the sum of \$8,000 to be forfeited by the Spatolas.

ORDER

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

IT IS FURTHER ORDERED, that the VOLUNTARY SURRENDER of the Real Estate Broker credentials of Respondent Marion F. Berntsen, license #90-11402, is hereby accepted and, effective on the date of this Order, all rights and privileges held by Marion F. Berntsen pursuant to those credentials are terminated.

IT IS FURTHER ORDERED, that Marion F. Berntsen shall not be issued a credential under Chapter 452 of the Wisconsin Statutes for a period of one year from the date of this Order.

IT IS FURTHER ORDERED, that investigative files 90 REB 235 and 90 REB 455, and formal administrative proceeding LS 9308181 REB, be and hereby are closed.

Dated this 23RD day of JUNE, 1994.

WISCONSIN REAL ESTATE BOARD

By: 

ATY2-5635/03/94

HOUSE LEASE

This lease of the house identified below is entered into by and between the Landlord and Tenant (referred to in the singular whether one or more) on the following terms and conditions:

PARTIES

Tenant: JOSEPH L. MCCARTHY and Landlord: Marion F. Berntsen, d/b/a
MARION F. MCCARTHY SOUTHERN LAKES REAL ESTATE
Royal Wood Country Club INVESTMENTS, Agent for Lessor
 Agent for maintenance, management: Above-named Agent
4532 Andover Way II-103 (address)
Naples, Florida 33962

HOUSE ADDRESS

Address: Gate 4 - 707 Adahi Way Agent for collection of rents: Above-named Agent
Indian Hills Subdivision (address)
Fontana
Walworth Wisconsin Agent for service of process: Above-named Agent
 (county) (state) (address)

TERM

Lease term: June, July and August 1990
 First day of lease term: June 1, 1990 Last day of lease term: August 31, 1990

RENTALS

House: \$ 3,600.00 office of Southern Lakes Real Estate Investments, P. O. Box 52,
 Payable at 1363 Douglas Street, Fontana, WI 53125 in full prior to occupancy

UTILITIES

Utility charges are payable by Tenant

SPECIAL CONDITIONS

Special conditions: A maximum of six (6) people at any one time may occupy this residence. Absolutely no pets shall be permitted on the premises.

RENEWAL OF LEASE TERM

This lease shall be automatically renewed, without notice from either party, on identical terms, except that it shall be for a term of six (6) months, unless either party gives written notice to the other in writing of the termination of the lease. However, if the lease is terminated, it shall not be more than 30 days prior to the time specified for giving the notice as herein provided. This lease shall be automatically renewed, without notice from either party, on identical terms, except that it shall be for a term of six (6) months, unless either party gives written notice to the other in writing of the termination of the lease. However, if the lease is terminated, it shall not be more than 30 days prior to the time specified for giving the notice as herein provided.

ASSIGNMENT, SUBLETTING

Tenant shall not assign this lease nor sublet the premises or any part thereof without the prior written consent of Landlord. If Landlord permits an assignment or a sublease, such permission shall in no way relieve Tenant of Tenant's liability under this lease.

SECURITY DEPOSIT

Upon execution of this lease Tenant paid a security deposit in the amount of \$ 500.00 to be held by Agent.

If the person holding the security deposit is a licensed real estate broker, acting as agent, it shall be held in the broker's trust account. The deposit, less any amounts withheld, will be returned in person or mailed to Tenant's last known address within 21 days after Tenant vacates the premises. If any portion of the deposit is withheld, Landlord will provide an accompanying itemized statement specifically describing any damages and accounting for any amount withheld. Failure to return the deposit or provide a written accounting within 21 days will result in the waiver of any claim against the deposit. The reasonable cost of repairing any damages caused by Tenant, normal wear and tear excepted, will be deducted from the security deposit. Tenant has 7 days after the beginning of the lease term to notify Landlord in writing of damages or defects in the premises; no deduction from Tenant's security deposit shall be made for any damages or defects of which notification is given. Landlord will give Tenant a written description of any physical damages charged to the previous tenant's security deposit as soon as such description is available.

VACATION OF PREMISES

Tenant agrees to vacate the premises at the end of the lease term or the extended lease term, and promptly deliver the keys to Landlord.

LANDLORD'S RIGHT TO ENTER

Landlord may enter the premises at reasonable times and with 12 hours advance notice, with or without Tenant's permission, to inspect the premises, make repairs, show the premises to prospective tenants or purchasers, or to comply with any applicable law or regulation. Landlord may enter with less than 12 hours advance notice upon specific consent of Tenant. No advance notice is required for entry in a health or safety emergency or where entry is necessary to preserve and protect the premises from damage in Tenant's absence.

FOR RENT SIGN

During the last 2 months of the lease term Landlord may place a "for rent" sign on the premises.

ABANDONMENT BY TENANT

If Tenant shall abandon the premises before the expiration of the lease term, Landlord shall make reasonable efforts to re-lease premises and shall apply any rent received, less costs of re-leasing, to the rent due or to become due on this lease, and Tenant shall remain liable for any deficiency. If Tenant is absent from the premises for three successive weeks without notifying Landlord in writing of such absence, Landlord, at Landlord's sole option, may deem the premises abandoned.

DISPOSAL OF TENANT'S PROPERTY

If Tenant shall leave any property on the premises after vacation or abandonment of the premises, Tenant shall be deemed to have abandoned the property, and Landlord shall have the right to dispose of the property as provided by law.

L-1151A

WB-11 RESIDENTIAL OFFER TO PURCHASE

Fontana
May 26, 1990

THE BROKER DRAFTING THIS OFFER IS THE AGENT OF (SELLER) ~~XXXXXXXXXXXX~~
IF ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT BOTH PARTIES
SHOULD READ THIS DOCUMENT CAREFULLY AND UNDERSTAND IT BEFORE SIGNING

DOMINIC SPATOLA and GIOVANNA B. SPATOLA, husband and wife,
The undersigned Buyer,

hereby offer to purchase the property known as (Street Address) 707 Adah Way, Gate 4, Indian Hills
in the Village of Fontana-on-Geneva Lake, County of Walworth, Wisconsin

more particularly described as N 1/2 Lot 1 Block 5 and N 1/2 of Lot 2 Block 5, Indian Hills Sub-
division, Village of Fontana-on-Geneva Lake, Walworth County, Wisconsin

at the price of EIGHTY THOUSAND AND NO/100 - - - - - Dollars (\$80,000.00)

and on the terms and conditions as follows:
1. Earnest money of \$1,000.00 in the form of [personal] check
2. money of \$1,000.00 in the form of Cashier's check to be paid within ten (10) days of acceptance of this offer by
3. Failure of Buyer to make earnest money payment as provided voids offer at Seller's option. Earnest money, if held by broker, shall
4. be held in selling broker's trust account prior to acceptance of offer and thereafter in listing broker's trust account until applied to
5. the purchase price at closing or disbursed as provided herein or permitted by law.

6. TIME IS OF THE ESSENCE AS TO ADDITIONAL EARNEST MONEY PAYMENT, ACCEPTANCE, LEGAL POSSESSION
7. OCCUPANCY DATE OF CLOSING AND AS TO ALL DATES INSERTED IN THIS OFFER EXCEPT - - - - -

8. THE BUYER'S OBLIGATION TO CONCLUDE THIS TRANSACTION IS CONDITIONED UPON THE CONSUMMATION
9. OF THE FOLLOWING: (If none, so state)

10. This offer is not contingent upon the sale of any other real estate by Buyer.

11. This offer is contingent upon Seller obtaining a first mortgage in the sum of at least
12. \$64,000.00 at an interest rate not to exceed 10.8% interest per annum amortized over thirty
13. (30) years with monthly principal and interest payments not to exceed \$599.83. Written
14. commitment from lender shall be delivered to Broker no later than sixty (60) days from
15. date of acceptance of this offer.

16. A survey of the property, if required by lender, shall be paid for by Buyer.

17. Should Buyer fail to qualify for the above loan, this offer shall become null and void and
18. all earnest monies deposited with Broker shall be returned to Buyer.

19. BUYER RESERVES THE RIGHT TO INSPECT THE PREMISES

20. PRIOR TO CLOSING.

21. Included in the purchase price are such of the following items as may be on the property on the date of this offer, which will be
22. delivered free and clear of encumbrances: all fixtures; all garden, trees, plants, shrubs and trees; screen doors and windows;
23. electric lighting fixtures; window shades; curtain and traverse rods; blinds and shutters; central heating and cooling units and
24. attached equipment, water heaters and softener; sump pump; attached or filled floor coverings, awnings; exterior attached
25. antennas and component parts; garage door opener and remote control; installed security systems.

26. ADDITIONAL ITEMS INCLUDED IN THE SALE All furniture and furnishings as are on the premises.

27. ITEMS NOT INCLUDED IN THE SALE All other personal property.

28. Seller shall, upon payment of the purchase price, convey the property by warranty deed, or other conveyance provided herein,
29. free and clear of all liens and encumbrances, excepting: municipal and zoning ordinances, recorded easements for public utilities
30. serving the property, recorded building and use restrictions and use restrictions and covenants, general taxes levied in the year of closing and
31. and shall complete and execute the documents necessary to record the conveyance. (WARNING: Recorded building and use
32. restrictions and covenants can have material impact on the use of or improvements to the property.)

33. (Buyer) (Seller) will be responsible for compliance with DLUH's rental weathertization program requirements unless this
34. transaction is exempt from the requirements because it is residential property of 1 to 4 units which will be occupied by the
35. purchaser for at least one year after transfer ~~XXXXXXXXXXXX~~

36. This offer is binding upon both parties only if a copy of the accepted offer is deposited, postage or fees prepaid, in the U.S. mail
37. or a commercial delivery system, addressed to Buyer at 1430 Craik, Park Ridge, Illinois 60068
38. Otherwise, this offer is void and all earnest money shall be promptly returned to Buyer.

39. In escrow at Title Company of
40. This transaction is to be closed ~~XXXXXXXXXXXX~~ Seller's choice
41. on or before ~~XXXXXXXXXXXX~~ 1990 or at such other time and place as may be agreed in writing

42. Legal possession of property shall be delivered to Buyer on date of closing.
43. It is understood the property is now occupied by The premises is vacant.

44. Occupancy of Premises shall be given to Buyer on ~~XXXXXXXXXXXX~~ per day, which ~~XXXXXXXXXXXX~~

45. (Seller) (Buyer) shall be refundable based on actual occupancy
46. The sum of \$1,000.00 shall be withheld from the purchase price to be escrowed with Southern XXXXXX Lakes Real
47. Estate Investments

48. To guarantee delivery of occupancy to Buyer AND FOR NO OTHER PURPOSE, which sum upon Seller's failure to deliver
49. occupancy shall be paid to Buyer as liquidated damages or returned to Seller if occupancy is delivered to Buyer on the agreed date.

Exhibit "B"

AMENDMENT TO CONTRACT OF SALE

It is hereby mutually agreed that the contract dated May 26, 19 90, (and accepted June 1, 19 90) between the undersigned for the sale and purchase of the real estate at 707 Adahi Way, Gate 4, Indian Hills Subdivision, Fontana, WI is hereby amended as follows:

1. (X) Closing date is changed from August 15 to on or before July 15, 1990.
2. () Purchase price is changed from \$_____ to \$_____.
3. () Physical occupancy of the premises is changed from _____ to _____.
4. () ~~XXXXXX~~ occupancy charge is changed from \$_____ per day to \$_____ per day.
5. () Purchaser is aware there are contemplated special assessments in the estimated amount of \$_____ for the installation of _____ and agrees to pay for same.
6. () Seller agrees to pay \$_____ to purchaser at closing for contemplated special assessments for the installation of _____.
7. () Seller shall provide title insurance in the amount of purchase price and per contract printed provisions, and Purchaser agrees to pay the difference in cost between the title policy and extension of the existing abstracts.
8. () The mortgage loan amount stated in the financing contingency is changed from \$_____ to \$_____; interest rate from _____% to _____%; year term to _____ year term, monthly payment changed from \$_____ to \$_____.
9. () The following item(s) of personal property are deleted: from sale: _____
10. () The following item(s) of personal property are included: from sale: _____
11. () Purchaser and/or Seller waive the following contingencies: _____
12. (X) In consideration of Seller allowing Buyer to lease and occupy the premises prior to closing, the earnest money on deposit shall be forfeited to the Seller in the event Buyer does not close this transaction for any reason.

All other terms of said contract shall remain unchanged and in full force and effect as though fully set forth at length.

Dated this 8TH day of June, 19 90.

Domenico Spatola
(Buyer)

[Signature]
(Seller)

Giuseppe Spatola
(Buyer)

(Seller)

Exhibit "C"

WARNING: THIS IS A LEGALLY BINDING
AMENDMENT TO A CONTRACT.

THIS AMENDMENT SHOULD BE ATTACHED TO THE OFFER TO

HOUSE LEASE

PARTIES

This lease of the house identified below is entered into by and between the Landlord and Tenant (referred to in this singular whether one or more) on the following terms and conditions:

Tenant: DOMENICO SPATOLA and GIOVANNA B. Landlord: Marion F. Berntsen, d/b/a Southern Lakes Real Estate Investments, Agent for Landlord

SPATOLA, husband and wife

Agent for
maintenance,
management:

1430 North Crain

Park Ridge, Illinois 60068

HOUSE
ADDRESS

Address:

707 Adahi Way, Gate 4 Indian Hills Subd.

Agent for
collection
of rents:

Above named Agent

363 Douglas Street

Fontana-on-Geneva Lake

Fontana, WI 53125

Walworth

Wisconsin

Agent for
service of
process:

TERM

Lease term: One Month

First day of lease term: June 15, 1990

Last day of lease term: July 15, 1990

RENTALS

House: \$2,000.00

office of Southern Lakes Real Estate Investments, 363 Douglas

Payable at / Street, Fontana, Wisconsin 53125 payable in advance upon signing this lease prior to occupancy.

UTILITIES

Utility charges are payable by Tenant promptly when billed. Tenant shall also be responsible for the maintenance of the home during this lease and agrees to keep the premises as neat and clean as when property was turned over to Tenant.

SPECIAL
CONDITIONS

Tenant further agrees to assume full responsibility for any broken, damaged or missing property and agrees to pay for same. Special conditions: Tenants have inspected the house and accept it in "as is" condition. Any changes tenants wish to make to the property must be approved by Owner in writing prior to the project's commencement. However, no changes or additions requiring a building permit may be made during the term of this agreement and tenants pledge not to permit any liens to be placed upon the house during this rental period on account of any changes they desire. Private lake rights cannot be used by Tenant or guests until closing and title has been transferred. (Continued) On writing of the termination of the lease, Landlord must, at least 30 days but not more than 30 days prior to the time specified for giving the notice as required by law, notify Tenant in writing of the above provision for automatic renewal or extension.

RENEWAL OF
LEASE TERM

2. This lease shall be renewed, without notice from either party, on identical terms, for the period of one month to one month.

ASSIGNMENT,
SUBLETTING

Tenant shall not assign this lease nor sublet the premises or any part thereof without the prior written consent of Landlord. If Landlord permits an assignment or a sublease, such permission shall in no way relieve Tenant of Tenant's liability under this lease.

SECURITY
DEPOSIT

Upon execution of this lease Tenant paid a security deposit in the amount of \$_____ to be held by

If the person holding the security deposit is a licensed real estate broker, acting as agent, it shall be held in the broker's trust account. The deposit, less any amounts withheld, will be returned in person or mailed to Tenant's last known address within 21 days after Tenant vacates the premises. If any portion of the deposit is withheld, Landlord will provide an accompanying itemized statement specifically describing any damages and accounting for any amount withheld. Failure to return the deposit or provide a written accounting within 21 days will result in the waiver of any claim against the deposit. The reasonable cost of repairing any damages caused by Tenant, normal wear and tear excepted, will be deducted from the security deposit. Tenant has 7 days after the beginning of the lease term to notify Landlord in writing of damages or defects in the premises; no deduction from Tenant's security deposit shall be made for any damages or defects of which notification is given. Landlord will give Tenant a written description of any physical damages charged to the previous tenant's security deposit as soon as such description is available. (If none, so specify _____) (Strike paragraph if no security deposit is paid.)

VACATION OF
PREMISES
LANDLORD'S
RIGHT TO
ENTER

Tenant agrees to vacate the premises at the end of the lease term or the extended lease term, and promptly deliver the keys to Landlord.

FE NT SIGN
ABANDONMENT
BY TENANT

Landlord may enter the premises at reasonable times and with 12 hours advance notice, with or without Tenant's permission, to inspect the premises, make repairs, show the premises to prospective tenants or purchasers, or to comply with any applicable law or regulation. Landlord may enter with less than 12 hours advance notice upon specific consent of Tenant. No advance notice is required for entry in a health or safety emergency or where entry is necessary to preserve and protect the premises from damage in Tenant's absence. During the last 2 months of the lease term Landlord may place a "for rent" sign on the premises. If Tenant shall abandon the premises before the expiration of the lease term, Landlord shall make reasonable efforts to re-lease premises and shall apply any rent received, less costs of re-leasing, to the rent due or to become due on this lease, and Tenant shall remain liable for any deficiency. If Tenant is absent from the premises for three successive weeks without notifying Landlord in writing of such absence, Landlord, at Landlord's sole option, may deem the premises abandoned.

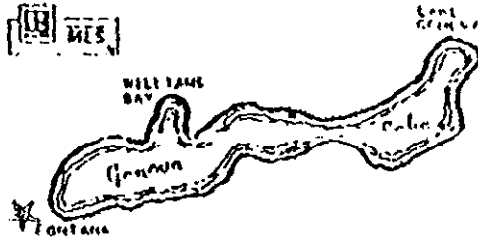
DISPOSAL OF
TENANT'S
PROPERTY

If Tenant shall leave any property on the premises after vacation or abandonment of the premises, Tenant shall be deemed to have abandoned the property, and Landlord shall have the right to dispose of the property as provided by law.

Exhibit "O"

From : SOUTHERN LAKES REAL ESTATE INVEST. (414) 275-5656

P01



Southern Lakes

REAL ESTATE INVESTMENTS

July 23, 1990

Mr. and Mrs. Domenico Spatola
1430 Craiu
Park Ridge, IL 60068

Dear Mr. and Mrs. Spatola:

The following loan commitment is being extended to you, in accordance with the purchase contract, dated July 8, and my letter to you of July 20th.

AMOUNT: \$64,000.00

INTEREST RATE: 10.8% per annum

TERM: Thirty (30) years

LENDER: Nation-Wide Equities

CONDITIONS:

1. That you deliver evidence of Fire Insurance and Extended Coverage to us, and/or Assigns, in an amount at least equal to the loan and authorize your agent to deliver a standard mortgage clause in our favor. We require a one year paid receipt.
2. Your mortgage loan will include the monthly payment of 1/12 of the annual real estate taxes and 1/12 of the annual property insurance.
3. Any future sale of this property on Land Contract is subject to our prior written approval. Rates and terms are subject to change upon sale.

Enclosed are two additional copies of this letter for your files. Please sign below where indicated, and return the original to my office. We will then schedule a time for closing that is mutually acceptable.

Sincerely,

SOUTHERN LAKES
Real Estate Investments

Marion F. Berntsen
Marion F. Berntsen
Broker/Agent

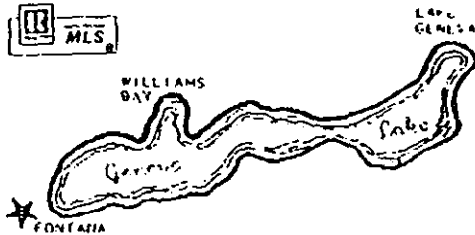
Accepted this 27 day of July, 1990.

Domenico Spatola
Domenico Spatola

Giovanna B. Spatola
Giovanna B. Spatola

DOUGLAS STREET & P. O. BOX 52 & FONTANA, WI 53125 & 414/275-5656

Exhibit "E"



Southern Lakes

REAL ESTATE INVESTMENTS

July 31, 1990

Mr. and Mrs. Domenico Spatola
1430 Crain
Park Ridge, IL 60069

Dear Mr. and Mrs. Spatola:

The loan commitment, dated July 23, 1990, has been rescinded and withdrawn. The following terms and conditions will replace those offered July 23:

AMOUNT: \$64,000.00

INTEREST RATE: 10.8% per annum

TERM: Thirty (30) years

BALLOON: Five (5) years

CONDITIONS:

1. Subject of approval of Buyer's current financial statement to be delivered to Broker within five (5) days of this date.
2. At acceptable credit report. Buyers will sign a consent form and be responsible for payment of a current credit report.
3. That deliver evidence of Fire Insurance and Extended Coverage to us, and/or Assigns, in an amount at least equal to the loan and authorize your agent to deliver a standard mortgage clause in our favor. We require a one year paid receipt.
4. Mortgage loan will include the monthly payment of 1/12th of the annual real estate taxes and 1/12th of the annual property insurance.
5. Any future sale of this property on Land Contract is subject to our prior written approval. Rates and terms are subject to change upon sale.
6. This commitment will automatically expire if the loan is not closed by August 10th. To be valid this commitment must be accepted in writing and returned to us no later than 4:00 p.m., August 1, 1990.
7. Buyers may not occupy premises until day of closing immediately after closing.

Inasmuch as time is of the essence, this commitment is also being faxed to your office at 312-225-6517 and to your attorney Mr. Tom Tartaglia at 708-456-7215 in accordance with our telephone conversation this morning. THIS COMMITMENT IS NOT NEGOTIABLE.

Sincerely,

SOUTHERN LAKES
Real Estate Investments

Marion F. Bernsten
Broker/Agent

Accepted this _____ day _____, 1990.

Domenico Spatola

Giovanna A. Spatola

Exhibit "F"

STATE OF WISCONSIN
BEFORE THE REAL ESTATE BOARD

IN THE MATTER OF THE DISCIPLINARY
PROCEEDINGS AGAINST

MARION F. BERNTSEN
RESPONDENT.

:
:
:
:
:

STIPULATION
90 REB 235 and 90 REB 455
LS 9308181 REB

The parties in this matter agree and stipulate as follows:

1. This Stipulation is entered into for the purpose of resolving formal disciplinary proceeding LS 9308181 REB, previously known as investigative files 90 REB 235 and 90 REB 455. Respondent Marion F. Berntsen ("Respondent") consents to the resolution of these matters by this Stipulation and the attached Final Decision and Order.

This case is currently scheduled for hearing before Administrative Law Judge Wayne R. Austin. In the event this Stipulation is accepted by the Real Estate Board and the Final Decision and Order is issued, the hearing on this matter shall be cancelled. In the event that the Stipulation is not approved by the Board, the scheduling of the hearing will continue.

Respondent hereby offers to surrender her real estate broker's license pursuant to the terms of this stipulation and the attached Final Decision and Order.

2. Respondent understands that by the signing of this Stipulation she voluntarily and knowingly waives her rights, including: the right to a hearing on the allegations against her, at which time the State has the burden of proving those allegations; the right to confront and cross-examine the witnesses against her; the right to call witnesses on her behalf and to compel their attendance by subpoena; the right to testify herself; the right to file objections to any proposed decision and to present briefs or oral arguments to the officials who are to render the final decision; the right to petition for rehearing; and all other applicable rights afforded to her under the United States Constitution, the Wisconsin Constitution, the Wisconsin Statutes, and the Wisconsin Administrative Code.

3. Respondent has had the opportunity to consult with legal counsel regarding these matters and the legal implications of this Stipulation. Respondent was previously represented by Attorney David A. Sayas, 11430 West Bluemound Road, Suite 200, Wauwatosa, WI 53226. Respondent is not represented by an attorney at the present time.

4. Respondent voluntarily and knowingly waives the rights set forth in paragraph 2 above, on the condition that all of the provisions of this Stipulation are approved by the Board.


5. With respect to the attached Final Decision and Order, Respondent neither admits nor denies the facts as set forth in the Findings of Fact however, she agrees that the Board may make the Findings of Fact and may reach the Conclusions set forth in the Conclusions of Law and may enter the Order of accepting the voluntary surrender of her real estate broker license as set forth in the Order.

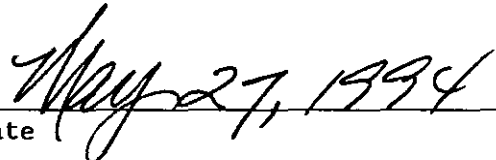
6. If the terms of this Stipulation are not acceptable to the Board, the parties shall not be bound by the contents of this Stipulation or the proposed Final Decision and Order. The matter shall then be returned to the Administrative Law Judge for further proceedings. In the event that the Stipulation is not accepted by the Board, the parties agree not to contend that the Board or the Administrative Law Judge have been prejudiced or biased in any manner by the consideration of this attempted resolution.


7. If the Board accepts the terms of this Stipulation, the parties to the Stipulation consent to the entry of the attached Final Decision and Order without further notice, pleading, appearance or consent of the parties.

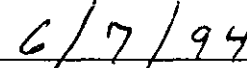
8. Respondent agrees that Complainant's attorney, Charles J. Howden, may appear at any deliberative meeting of the Board with respect to the Stipulation but that his appearance is limited to statements in support of the Stipulation and to answer any questions the Board may have regarding the Stipulation. Respondent waives her right to have notice of that hearing and to be present at the meeting of the Board.

9. The Division of Enforcement joins Respondent in recommending that the Board adopt this Stipulation and issue the attached Final Decision and Order.


MARION F. BERNTSEN, Respondent


Date


Charles J. Howden, Attorney
Division of Enforcement


Date

ATY2-5636