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STATE OF WISCONSIN
BEFORE THE REAL ESTATE BOARD

IN THE MATTER OF THE DISCIPLINARY
PROCEEDINGS AGAINST

ARI B. FRIEDMAN,
RESPONDENT.

FINAL DECISION AND ORDER
97 REB 258
LS9906243REB

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

Ari B. Friedman
8114 N. Whitney Rd.
Milwaukee, WI 53217

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. **Ari B. Friedman** ("Friedman"), date of birth 11/15/69, is licensed in the State of Wisconsin as a real estate salesperson having license # 94-38047. This license was first granted to him on 10/30/92.
2. Friedman's most recent address on file with the Department of Regulation and Licensing is, 8114 N. Whitney Rd., Milwaukee, WI 53217.
3. Friedman was at all time relevant to the facts set forth herein employed by Double Corp. d/b/a Remax Lakeside Real Estate located at 1648 W. Bradford Dr. Mequon, WI 53092, license # 91-834338.
4. On January 1, 1997, Friedman's Wisconsin real estate salesperson's license expired and it was not renewed by him until on or about February 23, 1998. During that timeframe he continued to practice real estate as exemplified by paragraphs 6 through 11 below.
5. Daniel and Deborah Bartmann were owners of property located at, 132 Debbie Court, Waukesha WI. In 1997 they were marketing this property as being "For Sale By Owner".
6. On or about August 22, 1997, Friedman drafted a Buyer Agency Agreement contract for potential homebuyer Mr. Ralph W. Floyd Jr. Lines 13 and 14 of the contract identifies 132 Debbie Court, Waukesha, WI. as the specific

property involved. Line 22 of the Buyer Agency Agreement indicates that the broker's compensation would be a "\$500.00 Document Preparation Fee". A copy of the Buyer Agency Agreement contract is attached as **Exhibit 1** and is incorporated herein by reference.

7. On or about August 22, 1997, Friedman drafted a Residential Offer To Purchase contract on behalf of Floyd for the 132 Debbie Court property. Lines 9 & 10 of the Residential Offer To Purchase requires \$1,000.00 in earnest money in the form of a check to be paid within 3 days of acceptance. The offer was accepted by the Bartmanns on August 25, 1997. Line 23 indicates that TIME IS OF THE ESSENCE as to earnest money payment(s). Attached to the Residential Offer To Purchase was Addendum A, and other real estate forms prepared by Friedman while he was not licensed. A copy of the Residential Offer To Purchase contract with attachments is attached as **Exhibit 2** and is incorporated herein by reference.

8. On or about August 26, 1997, an Amendment To Offer To Purchase was drafted by Friedman and signed by Floyd changing the closing date from August 29, 1997, to September 5, 1997, and changing the occupancy date from August 29, 1997, to September 30, 1997. A copy of the Amendment To Offer To Purchase is attached as **Exhibit 3** and is incorporated herein by reference.

9. On or about August 29, 1997, check # 2486 in the amount of \$500.00 was issued to ReMax Lakeside by Floyd. At the bottom left corner of the check the words " For Document Preparation" appear. A copy of check # 2486 is attached as **Exhibit 4** and is incorporated herein by reference.

10. The Bartmann/Floyd transaction failed because Floyd was unable to obtain necessary financing.

11. Floyd never submitted the \$1,000.00 earnest money as required by the Residential Offer To Purchase (Exhibit 2). Friedman did not inform Bartmann of Floyd's failure to submit the earnest money until after the transaction failed.

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 **Ari B. Friedman** has violated:

a. Wis. Adm. Code sec. RL 24.17(3) and Wis. Stats. sec. 452.03, Wis. Stats. sec. 452.14(3)(i) and Wis. Stats. sec. 452.14(3)(L) by practicing real estate between January 1, 1997, and February 23, 1998, without having a valid Wisconsin real estate license.

b. Wis. Adm. Code sec. RL 16.05(4) and Wis. Adm. Code sec. RL 16.06(8), and Wis. Stats. sec. 452.14(3)(i), and Wis. Stats. sec. 452.14(3)(m), by making a separate charge for completing approved forms in connection with a transaction.

c. Wis. Adm. Code sec. RL 24.025(1) and Wis. Adm. Code sec. RL 24.07(2) and Wis. Stats. sec. 452.133(2)(a), Wis. Stats. sec. 452.133(2)(b) and Wis. Stats. sec. 452.14(3)(i) by failing to collect the \$1,000.00 earnest money within three days of acceptance as set forth on lines 9 and 10 of the Residential Offer To Purchase (Exhibit 2), and by failing to timely disclose to Bartmann that he had not collected the earnest money as required.

ORDER

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

IT IS FURTHER ORDERED, that Respondent **Ari B. Friedman** license # 94-38047 be, and hereby is, **Reprimanded**.

IT IS FURTHER ORDERED, that Respondent **Ari B. Friedman**, within six months of the date of this Order, successfully complete the following course modules from the 72 hour pre-licensing real estate salesperson's course at an educational institution approved by the Department of Regulation and Licensing:

a. The three hour Real Estate Brokerage module - section RL 25.03(3)(c), of the Wisconsin Administration Code,

b. The five hour Real Estate Listing Agreements module - section RL 25.03(3)(d), of the Wisconsin Administration Code and,

c. The four hour Ethical Real Estate Practices module - section RL 25.03(3)(m), of the Wisconsin Administration 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 **Ari B. Friedman** fails to successfully complete and report 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 **Ari B. Friedman**, 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 **Ari B. Friedman**, pay partial costs of this matter in the amount of \$300.00 within 30 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 **Ari B. Friedman** fails to pay the \$300.00 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 **Ari B. Friedman**, 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 forfeiture 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 97 REB 258 be, and hereby is, CLOSED.

Dated this 24th day of June, 1999.

WISCONSIN REAL ESTATE BOARD

By: James Imhoff