

# WISCONSIN DEPARTMENT OF REGULATION & LICENSING



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**STATE OF WISCONSIN**

**BEFORE THE REAL ESTATE BOARD**

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**IN THE MATTER OF THE DISCIPLINARY**

**PROCEEDINGS AGAINST:**

**LARRY F. BUZZELL, CAYMAN REALTY, INC., FINAL DECISION AND ORDER**

**RESPONDENTS**

**LS0104191REB**

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

Larry F. Buzzell

2669 South 92<sup>nd</sup> Street

West Allis, Wisconsin 53227

Cayman Realty, Inc.,

2669 South 92<sup>nd</sup> Street

West Allis, Wisconsin 53227

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. Larry F. Buzzell, (Buzzell), 2669 South 92<sup>nd</sup> Street, West Allis, Wisconsin 53227, date of birth 06/23/1945, is licensed in the State of Wisconsin as a real estate broker having license number 90-10884. Buzzell was first granted a Wisconsin real estate license in 1970.
2. Buzzell was the subject of disciplinary action before the Wisconsin Real Estate Board in Case Number 86 REB 134. A copy of the Final Decision and Order in that matter is attached hereto as **Exhibit A**, and incorporated herein by this reference.
3. Cayman Realty, Inc., (Cayman) is licensed as a real estate corporation in the State of Wisconsin having been

issued a Real Estate license on February 19, 2001. This license is number 91-835406. The address of Cayman is 2669 South 92<sup>nd</sup> Street, West Allis, Wisconsin 53227. Cayman is listed as "delinquent" with the Department of Commerce.

4. Buzzell is the President of Cayman.

5. On or about December 30, 1999 Buzzell purchased residential property located at 4735 West Luscher, Milwaukee, Wisconsin for the sum of \$25,000.00.

6. At the time he purchased this property, Buzzell was aware of significant foundation problems existing on the property.

7. On or about January 26, 2000, Buzzell attempted to sell the property to Tina C. Holmes for the price of \$46,900.00. In pursuit of this sale, Buzzell drafted aWB-11 RESIDENTIAL OFFER TO PURCHASE for the signature of Holmes. A copy of this offer is attached as **Exhibit B**, and is incorporated herein by this reference.

8. The Holmes offer indicates that Buzzell is acting as both agent of seller and a dual agent.

9. At no time did Buzzell enter into an agency agreement with Holmes.

10. At no time did Buzzell make an appropriate agency disclosure to Holmes.

11. The offer fails to disclose the significant foundation problems existing on the property.

12. The offer drafted by Buzzell indicates that he is to construct a "rec room & bedroom in basement including carpeting" on the property. Buzzell proceeded to construct these improvements in the basement without obtaining a building permit required by the City of Milwaukee.

13. During April 2000, in an effort to obtain financing for the purchase of the property, Holmes obtained an appraisal of the property. This appraisal indicated the need for basement repair. Holmes made Buzzell aware of this appraisal and the appraisers observation of basement defects.

14. On or about April 28, 2000, Buzzell engaged the inspection services of Charles Weber for inspection of the basement. When Weber noted significant problems with the basement, Buzzell requested that Weber not make a written report.

15. On or about April 29, 2000, Buzzell engaged the inspection services of Mike Shadid for inspection of the basement. When Shadid noted significant problems with the basement, Buzzell requested that Shadid not make a written report.

16. Buzzell did not disclose to Holmes the Weber and Shadid negative comments regarding the condition of the basement

17. Buzzell did not disclose to Holmes his failure to obtain building permits from the City of Milwaukee.

18. On or about May 8, 2000, Holmes obtained an inspection report from James Maletta of North Star Home Inspection LLC. This report indicates significant problems with the basement.

19. On or about May 17, 2000 the Holmes offer was terminated by Buzzell and Holmes entering into a Cancellation Agreement.

20. On or about May 16, 2000 Buzzell drafted a WB-11 RESIDENTIAL OFFER TO PURCHASE for the signature of Kim M. Barkow wherein Barkow offered to purchase the property for the price of \$47,900.00. Buzzell accepted the offer on the same date. A copy of this offer is attached hereto as **Exhibit C** and incorporated herein by this reference.

21. Buzzell did not disclose to Barkow, before or at the time of her entering into the offer, the negative results of the three inspections.

22. Buzzell did not disclose to Barkow, before or at the time of her entering in the offer, the significant basement problems.

23. On or about May 15, 2000, Weber made a complaint about Buzzell's efforts to hide the basement problems to the Department of Regulation and Licensing. An investigation of Buzzell was opened by the Division of Enforcement on or about June 1, 2000.

24. On or about June 1, 2000, the Division of Enforcement mailed a letter to Buzzell informing him of the complaint.

25. On or about June 14, 2000, Buzzell made his first disclosure to Barkow regarding the basement problems. A

copy of this disclosure titled "Amendment to Contract of Sale/Notice Relating to Contract of Sale" is attached hereto as **Exhibit D** and is incorporated herein by this reference.

26. On or about May 3, 2000 Buzzell engaged Independent Foundation Inspections to do repairs to the east wall of the basement in the property. No building permit from the City of Milwaukee was obtained for these repairs.

27. In the Offer Buzzell drafted for Barkow dated May 16, 2000, Buzzell lists himself as acting for the seller, the buyer and as a dual agent.

28. At no time did Buzzell enter into an agency agreement with Barkow.

29. At no time did Buzzell make an appropriate agency disclosure to Barkow.

30. The June 14, 2000 "Amendment to Contract of Sale/Notice Relating to Contract of Sale" drafted by Buzzell is on an out of date form and is, therefore, on a form not approved by the Department of Regulation and Licensing.

31. At various times during his marketing of this property and in his responses to the Division of Enforcement prior to the time Cayman was licensed in the state of Wisconsin as a real estate entity, Buzzell represented himself as a broker for "Cayman Realty Inc.", which was not licensed at the time of the representations.

### **Case 01 REB 068**

32. On February 19, 2001 Buzzell filed with the Department of Regulation and Licensing the Cayman Realty, Inc., application for licensure stating under oath that no business representative of Cayman had been disciplined and further stating that no business representative of Cayman was the subject of any pending disciplinary action.

33. Both of these statements were false.

### **Stipulated Resolution of Cases 00 REB 117 and 01 REB 068.**

34. Cayman and Buzzell have offered to resolve these investigations with the voluntary revocation of their respective real estate licenses pursuant to the terms of this Final Decision and Order.

### **CONCLUSIONS OF LAW**

1. The Wisconsin Real Estate Board has jurisdiction to act in this matter pursuant to section 452.14, Wis. Stats.

2. The Wisconsin Real Estate Board is authorized to enter into the attached Stipulation pursuant to section 227.44(5), Wis. Stats.

3. Respondent Larry F. Buzzell, license 90-10884, has violated:

a) Sections RL 24.07(8)(a) and (c) of the Wisconsin Administrative Code and sections 452.135(1) and (2) of the Wisconsin Statutes by failing to provide the required written disclosure of agency to Holmes and to Barkow and by providing brokerage services to these consumers without a written agency agreement.

b) Sections RL 24.03(2)(b) and 24.07(2) and (3) of the Wisconsin Administrative Code and sections 452.14(3)(i) and 452.14(3)(k) of the Wisconsin Statutes by engaging in conduct that constitutes improper, fraudulent or dishonest dealing by failing to make timely and appropriate disclosure to Holmes and Barkow of the basement foundation defects and of the failure on his part to obtain required building permits for the remodeling of the basement and of the foundation repairs.

c) Section RL 24.17(1) of the Wisconsin Administrative Code and section 452.14(3)(i) of the Wisconsin Statutes by violating the building code ordinances of the City of Milwaukee.

d) Section RL 16.04 of the Wisconsin Administrative Code and section 452.14(3)(m) of the Wisconsin Statutes by failing to use forms approved by the Department of Regulation and Licensing.

e) Section RL 23.04 of the Wisconsin Administrative Code and section 452.14(3)(L) of the Wisconsin Statutes by engaging in real estate activities under a different form of business entity than he is licensed as and without first obtaining a required real estate license for the entity known as Cayman Realty, Inc.

4. Cayman Realty, Inc., license 91-835406, has violated section 452.14(3)(a) of the Wisconsin Statutes by having made a material misstatement in the application for a license.

5. Cayman Realty, Inc., license 91-835406, is subject to discipline due to unlawful acts of its business representative Larry F. Buzzell, pursuant to section 452.14(4) of the Wisconsin Statutes.

**ORDER**

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

IT IS FURTHER ORDERED, that the Voluntary Revocation of the Real Estate Broker's license of Respondent Larry F. Buzzell, 2669 South 92<sup>nd</sup> Street, West Allis, Wisconsin 53227, date of birth 06/23/1945, credential #90-10884, is accepted.

IT IS FURTHER ORDERED, that all rights and privileges heretofore granted to Respondent Larry F. Buzzell pursuant to real estate broker license #90-10884 are forever terminated effective at 11:59 P.M. on the date of this Order as set forth below.

IT IS FURTHER ORDERED, that Respondent Larry F. Buzzell, and any entity owned or controlled in part by him, shall not be granted a credential under chapter 452 of the Wisconsin at any time in the future. The denial, in whole or in part, of any petition or license application by Larry F. Buzzell, or any entity owned or controlled in part by him, for a credential authorized under chapter 452 of the Wisconsin Statutes shall not constitute denial of a license and shall not give rise to a contested case within the meaning of sections 227.01(3) and 227.42 of the Wisconsin Statutes.

IT IS FURTHER ORDERED, that the Voluntary Revocation of the Real Estate license of Respondent Cayman Realty, Inc., 2669 South 92<sup>nd</sup> Street, West Allis, Wisconsin 53227, credential #91-835406, is accepted.

IT IS FURTHER ORDERED, that all rights and privileges heretofore granted to Respondent Cayman Realty, Inc., pursuant to credential #91-835406 are forever terminated effective at 11:59 P.M. on the date of this Order as set forth below.

IT IS FURTHER ORDERED, that files 00 REB 117 and 01 REB 068 be, and hereby are, closed.

**WISCONSIN REAL ESTATE BOARD**

By: Richard Hinsman

4-26-01

A Member of the Board

Date