

# 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 :  
 : FINAL DECISION AND ORDER  
KAREN M. PEARCE, : LS0310237REB  
Respondent. :

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

Karen M. Pearce  
314 Grant St.  
Elkhorn, WI 53121

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. **Karen M. Pearce** (hereinafter "Pearce"), date of birth 01/03/63, is licensed in the State of Wisconsin as a real estate salesperson having license # 94-52363. This license was first granted to her on 11/16/00. Pearce's most recent address on file with the Department of Regulation and Licensing is 314 Grant St., Elkhorn, WI 53121.

2. On or about September 10, 2001, a Criminal Complaint was filed in the State of Wisconsin Circuit Court in Walworth County, court case # 01CF371. The facts in the criminal complaint state, in part;

Karen M. Pearce did on or about June 15, 2001, in Walworth County, obtain title to property of another, namely, Auto Club Ins. Association, of value which exceeds \$2,500.00, by intentionally deceiving that person with a false representation which was know to be false, made with intent to defraud, and which did defraud the person to whom it was made, contrary to Section 943.20(1)(d) and (3)(c), Wisconsin Statutes.

Karen M. Pearce did on April 23, 2001, in Walworth County, intentionally utter as genuine a forged writing, to-wit: State of Wisconsin-DOT knowing it to have been falsely made, contrary to Section 943.38(2), Wisconsin Statutes.

Karen M. Pearce did on or about March 21, 2001, and April 23, 2001, in Walworth County, knowingly made a false statement in an application for certificate of title in the State of Wisconsin, contrary to Section 342.06(2), Wisconsin Statutes.

A copy of the Criminal Complaint is attached as **Exhibit 1** and is incorporated herein by reference.

3. On or about March 8, 2002, Pearce was convicted of a felony in the State of Wisconsin Circuit Court, Walworth County, for violating Wis. Statute 342.06(2) KNOWINGLY MAKE A FALSE STATEMENT IN AN APPLICATION FOR A CERTIFICATE OF TITLE. The violations were committed on or about March 21, 2001 and April 23, 2001. Sentence was withheld on the conviction and Pearce was placed on 2 years probation. A copy of the CRIMINAL COMPLAINT AND JUDGMENT OF CONVICTION is attached as **Exhibit 2** and is incorporated herein by reference.

4. On or about July 2, 1997, Pearce was convicted of a misdemeanor in the State of Wisconsin Circuit Court, Walworth County, for FRAUDLULENT INSURANCE CLAIM. The violations were committed on or about March 8, 1995. Pearce was sentenced to a forfeiture and restitution or in the event of non-payment to serve thirty (30) consecutive days in the County Jail. A copy of the CRIMINAL COMPLAINT AND JUDGMENT OF CONVICTION is attached as **Exhibit 3** and is incorporated herein by reference.

In resolution of this matter, Pearce knowingly and voluntarily consents to the following Conclusions of Law and Order.

### **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 Karen M. Pearce has violated:

a. Section RL 24.17(1) of the Wisconsin Administrative Code and section 452.14(3)(i) of the Wisconsin Statutes by having been convicted on March 8, 2002, of KNOWINGLY MAKE A FALSE STATEMENT IN AN APPLICATION FOR A CERTIFICATE OF TITLE, the circumstances of which substantially relate to the practice of real estate.

Section RL 24.17(1) of the Wisconsin Administrative Code and section 452.14(3)(i) of the Wisconsin Statutes by having been convicted on July 2, 1997, of FRAUDULENT INSURANCE CLAIM, the circumstances of which substantially relate to the practice of real estate.

## ORDER

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

IT IS FURTHER ORDERED that the Real Estate Salesperson license # 94-52363 of Respondent **Karen M. Pearce**, is **SUSPENDED** for a period of **one (1) year**.

IT IS FURTHER ORDERED that Respondent Karen M. Pearce shall be granted a **STAY OF SUSPENSION** for period of **six (6) months**, after completion of her initial six month suspension, subject to approval by the Board, and subject to satisfactory compliance with the following terms:

### Practice Restrictions

4. During the first six (6) months of her suspension, Respondent may continue to work for her current broker-employer, or for a new broker-employer, in the capacity of an unlicensed personal assistant. Respondent must strictly adhere to the rules governing the activities of unlicensed personal assistants, as set forth in chapter RL 17 of the Wisconsin Administrative Code.
5. During the remaining six (6) months of her suspension, which shall be stayed, the Respondent may resume her work as a real estate salesperson for her current employer or for a new employer, provided that she is closely supervised by a licensed broker. The licensed supervising broker must in good standing with the Department and must be pre-approved by the Board.
6. For good cause shown, upon a violation of the terms of the Order or other violations of law, the Board may in its discretion, decline to approve the stay of suspension. In that event, the Respondent may continue to work as an unlicensed personal assistant until the full suspension is served and must abide by all other requirements set forth herein, or subsequently imposed by order of the Board.

### Required Reporting

7. During the first six (6) months of suspension, Respondent shall arrange for **monthly** reports to be submitted to the Board by her supervising broker. The reports shall be in narrative form and shall describe the Respondent's activities as an unlicensed personal assistant as required under the terms of this Order. The reports are due on or before the fifteenth (15th) day of the each month following the effective date of the Order.
8. During the stayed portion of suspension, Respondent shall arrange for **bi-monthly** reports to be submitted to

the Board by her supervising broker. The reports shall be in narrative form and shall verify that the Respondent is in compliance with all rules and regulations governing real estate practice and with the terms of this Order. The reports are due on or before the **fifteenth (15th) day** of the bi-monthly reporting period.

9. If during the period of suspension or stayed suspension, the supervising broker becomes aware of any violation or suspected violation of the terms of the Order, or of any other laws, the broker shall **immediately** report the information to the Board.
10. Respondent shall report to the Board any change in her employment status (if it involves real estate sales), or any change of residence address or phone number, within fifteen (15) days of any such occurrence.

### **Compliance with Probation and Notification**

11. Respondent shall comply with the terms of her court ordered probation and shall immediately notify the Board if she is in violation of the terms. Respondent shall provide current privacy releases to the Board, in compliance with state and federal laws, which authorize the release and access to the Board of her probation records. Respondent shall arrange for the Probation Officer to report to the Board any known or suspected violation of probation.

### **Restriction on Application for Broker License**

12. Respondent may not apply for a Real Estate Broker's license for a period of **two (2) years** from the effective date of the Order.

### **Continuing Education**

13. Respondent shall complete a minimum of three (3) credit hours of continuing education from the pre-approved course module, Ethical Real Estate Practices, described in Wis. Admin. Code, RL 25. 03 (3) (m). The continuing education must be completed within six (6) months from the date of this Order, with proof of completion to be submitted to the Board.

### **Disclosure**

14. Respondent shall provide her current employer with a complete copy of the Order, including any referenced exhibits. If Respondent should change employers during the period of her suspension, she shall notify the Board and provide a complete copy of the order to her new employer. The new employer must be approved by the Board and must be willing to comply with the reporting requirements under this order.
15. Respondent shall provide her current or future Probation Officer with a complete copy of the Order.

### **Personal Appearance before the Board.**

16. Upon a report of non-compliance, a violation of the Order or a Petition for Modification by the Respondent, the Board may require the Respondent to make a personal appearance before the Board in conjunction with such report or petition. Denial in whole or in part of a petition under this paragraph shall not constitute denial

of a license and shall not give rise to a contested case within the meaning of Wis. Stats. sec. 227.01(3) and 227.42.

### **Department Monitor**

17. The Department Monitor is the individual designated by the Board as its agent to coordinate compliance with the terms of this Order, including receiving and coordinating all reports and petitions to be provided to the Board. The Department Monitor may be reached as follows:

Department Monitor  
Department of Regulation Division of Enforcement  
P.O. Box 8935,  
Madison, WI 53708-8935  
FAX (608) 266-2264      TEL. (608) 261-7938

### **Assessment of Costs**

IT IS FURTHER ORDERED that Respondent shall pay one thousand dollars (**\$1,000.00**) as partial costs of the investigation and prosecution of this matter. Respondent shall have twelve (12) months from the effective date of this Order to pay this amount in full.

**If Respondent fails to comply with terms of this Order, as set forth above, such failure shall be construed as conduct imperiling public health, safety and welfare and shall result in a Summary Suspension of Respondent's license without further notice or hearing and the suspension shall continue until compliance has been gained. Furthermore, the Board in its discretion may in the alternative impose additional conditions and limitations or other discipline for a violation of any of the terms of this Order.**

IT IS FURTHER ORDERED, that file 02 REB 142 be, and hereby is, closed.

Dated this 23<sup>rd</sup> of October, 2003.

### **WISCONSIN REAL ESTATE BOARD**

Richard Kollmansberger

A member of the Board

