

# 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  
RUSSELL J. WARREN : LS0409231REB  
RESPONDENT :

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Division of Enforcement Case No. 01 REB 315

The parties to this action for the purpose of Wis. Stat. § 227.53 are:

Russell J. Warren  
W9726 Cousins Court  
Beaver Dam, WI 53916

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 Wisconsin Real Estate Board (“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. Russell J. Warren (“Respondent”), date of birth 01/09/47, is licensed in the State of Wisconsin as a real estate having license #90-31116. This license was first granted on 01/19/83.
2. Respondent's last reported address on file with the Department of Regulation and Licensing (“Department”) is: W9726 Cousins Court, Beaver Dam, WI 53916.
3. At all times relevant to the facts stated below, Respondent was a real estate broker for Mary Pautsch Realty (f known as RE/MAX Town & Country Realty), license #90-29119, located at 1748 N. Spring Street, Beaver Dam, WI 53916. license was first granted to the company on 07/01/83.
4. On or about May 11, 2001, Respondent drafted a WB-11 Residential Offer to Purchase Agreement for reside property owned by Rachel and Mark Krug (“Krug”), located at 204 Carroll Street, Beaver Dam, Wisconsin (Property). The offered price was \$95,000.00 with no earnest money to accompany the Offer. Line 2 indicates KS & RW Investment LLC, as buyer. Respondent is a partner with KS & RW Investment LLC. Line 183 reads: Buyer is a Licensed Broker. Line 322 indicat signature of Respondent as the Buyer of the Property. A copy of the Offer to Purchase is attached as **Exhibit 1** and is incorpo herein by reference.
5. On or about June 2, 2001, Respondent prepared a Disclosure of Real Estate Agency With Consent to Multiple

Representation-C Agreement for the signatures of Derrick J. Fletcher and Dawn Fletcher (Fletchers). Line 3 of the agreement lists Respondent as working as the Owner's Agent. The Fletchers signed this agreement on June 2, 2001. A copy of the Disclosure Real Estate Agency With Consent to Multiple Representation-C Agreement is attached as **Exhibit 2** and is incorporated herein by reference.

6. On or about June 2, 2001, Respondent drafted a WB-11 Residential Offer to Purchase as the Seller's Agent for Property owned by the Krugs. The offered price was \$102,000.00 with \$1,000.00 to accompany the Offer. Lines 2 and 321-322 indicate the Fletchers as the buyers of the Property. A copy of the Offer to Purchase and Lead Addendum S are attached as **Exhibit 3** and is incorporated herein by reference.

7. The transaction between the Respondent and the Krugs closed on June 15, 2001.

8. The transaction between the Respondent and the Fletchers closed on June 30, 2001.

9. The Department's investigation did not indicate that the property was ever listed with Mary Pautsch Realty or another licensed realty company.

10. At no time during the transaction between the Respondent and the Fletchers did the Respondent disclose in writing that he was a partner in RS & RW Investments, LLC.

11. At no time during the transaction between the Respondent and the Fletchers did the Respondent disclose in writing that he had an equitable interest of ownership in the Property.

12. As of 12/31/02, the status of Respondent's broker's license was changed from active to expired status. On 04/01/03, the status of Respondent's license was changed from expired to active status.

13. On or about March 7, 2003, the Department of Regulation and Licensing received a newspaper advertisement for Respondent engaging in the practice of real estate without a current license. Respondent is shown advertising his brokerage services. A copy of the advertisement is attached as **Exhibit 4** and is incorporated herein by reference.

### CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Board has jurisdiction to act in this matter pursuant to Wis. Stat. § 452.14.

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

3. Respondent has violated:

a. Wis. Stat. §§ 452.133 (3)(b), 452.14(3)(b) and Wisconsin Administrative Code §§ RL 24.05(2), RL 24.08, RL 24.085, and RL 24.03(2)(b) of the Wisconsin Administrative Code by failing to affirmatively disclose in writing his business relationship as a partner in RS & RW Investment, LLC and his equitable interest of ownership in the Property.

b. Wis. Stat. § 452.14(3)(b) by holding himself out as the owner of the Property to the Fletchers on June 2, 2001, when in fact, his ownership interest would not vest until June 15, 2001.

c. Wis. Stat. § 452.03 by engaging in the practice of Real Estate with an expired license for a three month period.

### ORDER

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

IT IS FURTHER ORDERED that Respondent, license #90-31116, be, and hereby is **REPRIMANDED**.

IT IS FURTHER ORDERED that Respondent, within six months of the date of this Order, successfully complete the following course modules from the 36 hour pre-licensing real estate broker's course at an educational institution approved by the Department of Regulation and Licensing:

- a. The Approved Forms module-section RL 25.02(2)(b), of the Wisconsin Administrative Code and;
- b. The Business Ethics module-section RL 25.02(2)(g), of the Wisconsin Administrative Code.

Respondent must submit proof of the same in the form of verification from the institution providing the education to: **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 fails to successfully complete the educational requirements within the time and in the manner set forth above, then and in that event, and without further notice to the Respondent, his real estate license (#90-31116) shall be suspended without further hearing and without further Order of the Board, and said suspension shall continue until further order of the Board. Failure to successfully complete the business course modules shall be considered a violation of this Order by the Board.

IT IS FURTHER ORDERED that Respondent pay to the Department of Regulation and Licensing **COSTS of THREE THOUSAND ONE HUNDRED DOLLARS (\$3,100.00)**.

IT IS FURTHER ORDERED, that a total payment of **THREE THOUSAND ONE HUNDRED DOLLARS (\$3,100.00)** shall be submitted within thirty (30) days from the date of this signed order. Payments shall be made by **certified or money order**, payable to the Wisconsin Department of Regulation and Licensing and sent to:

**Department Monitor  
Division of Enforcement  
Department of Regulation and Licensing  
P.O. Box 8935  
Madison, WI 53708-8935  
Telephone (608) 267-3817  
Fax (608) 266-2264**

IT IS FURTHER ORDERED that in the event Respondent fails to pay the **\$3,100.00** costs within the time and in the manner as set forth above, then and in that event, and without further notice to the Respondent, his real estate license (#90-31116) shall be **SUSPENDED** without further hearing and without further Order of the Board, and said suspension shall continue until the full amount of said costs has been paid to the Department of Regulation and Licensing. Failure to pay the costs shall be considered a violation of this Order by the Board.

IT IS FURTHER ORDERED, that file **01 REB 315** be, and hereby is, closed.

**WISCONSIN REAL ESTATE BOARD**

By: Richard Kollmansberger  
A member of the Board

4-14-05  
Date