

WISCONSIN DEPARTMENT OF REGULATION & LICENSING



Wisconsin Department of Regulation & Licensing Access to the Public Records of the Reports of Decisions

This Reports of Decisions document was retrieved from the Wisconsin Department of Regulation & Licensing website. These records are open to public view under Wisconsin's Open Records law, sections 19.31-19.39 Wisconsin Statutes.

Please read this agreement prior to viewing the Decision:

- The Reports of Decisions is designed to contain copies of all orders issued by credentialing authorities within the Department of Regulation and Licensing from November, 1998 to the present. In addition, many but not all orders for the time period between 1977 and November, 1998 are posted. Not all orders issued by a credentialing authority constitute a formal disciplinary action.
- Reports of Decisions contains information as it exists at a specific point in time in the Department of Regulation and Licensing data base. Because this data base changes constantly, the Department is not responsible for subsequent entries that update, correct or delete data. The Department is not responsible for notifying prior requesters of updates, modifications, corrections or deletions. All users have the responsibility to determine whether information obtained from this site is still accurate, current and complete.
- There may be discrepancies between the online copies and the original document. Original documents should be consulted as the definitive representation of the order's content. Copies of original orders may be obtained by mailing requests to the Department of Regulation and Licensing, PO Box 8935, Madison, WI 53708-8935. The Department charges copying fees. *All requests must cite the case number, the date of the order, and respondent's name as it appears on the order.*
- Reported decisions may have an appeal pending, and discipline may be stayed during the appeal. Information about the current status of a credential issued by the Department of Regulation and Licensing is shown on the Department's Web Site under "License Lookup." The status of an appeal may be found on court access websites at: <http://ccap.courts.state.wi.us/InternetCourtAccess> and <http://www.courts.state.wi.us/wscca>.
- Records not open to public inspection by statute are not contained on this website.

By viewing this document, you have read the above and agree to the use of the Reports of Decisions subject to the above terms, and that you understand the limitations of this on-line database.

Correcting information on the DRL website: An individual who believes that information on the website is inaccurate may contact the webmaster at web@drl.state.wi.gov

**STATE OF WISCONSIN
BEFORE THE REAL ESTATE BOARD**

IN THE MATTER OF THE DISCIPLINARY	:	
PROCEEDINGS AGAINST	:	
	:	FINAL DECISION AND ORDER
CHARLES J. CHVALA,	:	
RESPONDENT.	:	LS 0702081 REB
	:	

Division of Enforcement Case File # 06 REB 019

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

Charles J. Chvala
44 E. Mifflin St. Suite 802
Madison, WI 53703

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

PROCEDURAL HISTORY

A disciplinary proceeding was commenced in this matter by the filing of a Notice of Hearing and Complaint with the Real Estate Board on February 8, 2007. Prior to the hearing on the Complaint, the parties in this matter agreed 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. Charles J. Chvala, (Respondent), whose date of birth is 12/05/54, is licensed as a real estate broker in the state of Wisconsin, having license # 90-22853 which was first granted on 10/31/79.

2. Respondent's most recent address on file with the Department of Regulation and Licensing is 44 E. Mifflin St., Suite 802, Madison, WI 53703. This is Respondent's business address.

3. On October 17, 2002, a criminal complaint was filed in *State v. Chvala*, Dane County Circuit Court Case No. 2002CF002461. On February 28, 2003, a nineteen count Information was filed.

4. On October 23, 2005, the Respondent entered into a plea agreement whereby:

The Respondent agreed to plead guilty to two counts of the Information—misconduct in public office, a class E felony [Count 9] and making a campaign contribution exceeding lawful limits as party to a crime, an unclassified felony [Count 11];

The State agreed to dismiss eight counts with prejudice;

The State agreed to dismiss and “read in” six counts;

The State agreed to dismiss three counts, with the understanding the Respondent continued to deny the allegations contained in those counts, but that each side may comment on such charges as part of sentencing.

5. On October 25, 2005, pursuant to the plea agreement, Respondent entered guilty pleas to, and was adjudged guilty of, misconduct in public office [Count 9] and making a campaign contribution exceeding lawful limits as party to a crime [Count 11].

6. By pleading guilty to Count 9, misconduct in public office, Respondent admitted that from July 1998 through November 1998, while acting as a public officer (a Wisconsin state senator), he exercised a discretionary power in a manner inconsistent with the duties of his office and with the intent to obtain a dishonest advantage for another by directing one or more employees of the Senate Democratic Caucus to participate and manage the campaigns of Democratic candidates for the Wisconsin State Senate on State of Wisconsin time and using State of Wisconsin resources, contrary to Wis. Stat. § 946.12(3).

7. By pleading guilty to Count 11, making a campaign contribution exceeding lawful limits as party to a crime, Respondent admitted that during or about the Fall of 2000, he, as party to a crime, intentionally made a contribution to a candidate for the Wisconsin State Senate exceeding the maximum contribution of \$1,000 per Wisconsin State Senate candidate that was allowed under Wis. Stat. § 11.26(2)(b). Specifically, Respondent admitted that he used Independent Citizens for Democracy, a Political Action Committee (PAC), to intentionally make contributions exceeding \$1,000 to Wisconsin State Senate candidate Mark Meyer, contrary to Wis. Stat. §§ 11.26(2)(b), 11.61(1)(b) and 939.05.

8. On December 15, 2005, Dane County Circuit Court Judge David Flanagan withheld sentencing and instead placed the Respondent on probation for a period of two years. As conditions of probation, the Respondent was ordered to serve nine months of incarceration in the Dane County Jail with work-release privileges and was prohibited from engaging in lobbying during his probation. The Respondent was also ordered to pay fines and costs totaling \$7,011. A copy of the judgment of conviction is attached as **Exhibit 1** and incorporated herein by reference.

9. Conviction of the crimes of misconduct in public office and making a campaign contribution exceeding lawful limits as party to a crime are convictions substantially related to the practice of a real estate broker.

10. Respondent failed to notify the Department of Regulation and Licensing of his convictions within 30 days after the judgment of conviction as required, and in fact never notified the Department of his criminal convictions. The Department learned of Respondent's convictions through the press.

11. Respondent also holds a license to practice law in the state of Wisconsin.

12. Respondent's license to practice law in Wisconsin was summarily suspended on April 10, 2006, by the Supreme Court of Wisconsin pursuant to SCR 22.20. The Court's summary suspension order was based upon its finding that the two crimes of which the Respondent was convicted were serious crimes which reflected adversely upon the Respondent's fitness to be licensed to practice law.

13. On June 9, 2006, a disciplinary complaint was filed against Respondent by the Office of Lawyer Regulation (OLR) in which OLR requested that the Wisconsin Supreme Court suspend Respondent's license to practice law in Wisconsin for two years, retroactive to April 10, 2006. The disciplinary complaint alleged that Respondent committed criminal acts that reflect adversely on his honesty, trustworthiness or fitness as a lawyer in other respects, in violation of SCR [11](#) 20:8.4(b).

14. On July 13, 2006, the Respondent and the Office of Lawyer Regulation entered into a stipulation whereby Respondent agreed to accept a two-year suspension of his law license. By entering into the stipulation with OLR, Respondent admitted that, by virtue of his criminal convictions, he committed criminal acts that reflect adversely on his honesty, trustworthiness or fitness as a lawyer in other respects, in violation of SCR 20:8.4(b).

15. On May 2, 2007, the Wisconsin Supreme Court approved the stipulation between the Office of Lawyer Regulation and Respondent, and ordered a two-year suspension of Respondent's law license, retroactive to April 10, 2006.

16. Respondent is actively practicing as a real estate broker at this time, d/b/a/ Custom Realty.

CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Board has jurisdiction to act in this matter pursuant to Wis. Stat. § 452.14, and is authorized to enter into the attached Stipulation pursuant to Wis. Stat. § 227.44(5).
2. The circumstances of Respondent's criminal convictions for misconduct in public office and making a campaign contribution exceeding lawful limits as party to a crime are substantially related to the practice of a real estate broker within the meaning of Wis. Stat. § 111.335(c) and Wis. Admin. Code § RL 24.17.
3. In having been convicted of crimes, the circumstances of which substantially relate to the practice of a real estate broker, Respondent has violated Wis. Admin. Code § RL 24.17(1). Pursuant to Wis. Admin. Code § 24.01(3), Respondent has thereby violated Wis. Stat. § 452.14(3)(i) and is subject to discipline pursuant to Wis. Admin. Code § RL 24.17(2) and Wis. Stat. § 452.14(3).
4. By failing to report his criminal convictions to the Department within 30 days from the date of conviction, Respondent has violated Wis. Admin. Code § RL 24.17(1) and is subject to discipline pursuant to Wis. Admin. Code § RL 24.01(3) and Wis. Stat. § 452.14(3)(i).
5. Respondent's admitted violation of section 20:8.4(b) of the Wisconsin Supreme Court Rules governing the professional conduct of attorneys constitutes a violation of law, the circumstances of which substantially relate to the practice of a real estate broker within the meaning of Wis. Admin. Code § RL 24.17(1). Pursuant to Wis. Admin. Code § 24.01(3), Respondent has thereby violated Wis. Stat. § 452.14(3)(i) and is subject to discipline pursuant to Wis. Stat. § 452.14(3).

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The real estate broker's license of respondent Charles J. Chvala, license # 90-22853 is **SUSPENDED** for a period of EIGHT (8) MONTHS, commencing on August 1, 2007 and ending on March 31, 2008. Respondent shall not engage in the practice of real estate during the term of the suspension.
2. Respondent Charles J. Chvala shall, within 90 days of the date of this Order, pay **COSTS** of this proceeding in the amount of \$4,000.00. Payment shall be made payable to the Wisconsin Department of Regulation and Licensing, and mailed to:

Department Monitor
Division of Enforcement
Department of Regulation and Licensing
P.O. Box 8935, Madison, WI 53708-8935
Telephone (608) 261-7904
Fax (608) 266-2264
3. Beginning April 1, 2008, following the term of suspension of his real estate broker's license, Respondent Charles J. Chvala's real estate broker's license, #90-22853, shall be **LIMITED** as follows:
 - a. Respondent shall be required to work under the close supervision of a Wisconsin licensed real estate broker in good standing. The name of the supervising broker shall be submitted to the Department Monitor within sixty (60) days from the date of signing this Order. Any change in the name of the supervising broker shall thereafter be submitted to the Department Monitor within five (5) days of the change in supervisors.
 - b. Respondent shall file with the Department Monitor quarterly reports during the period of supervision. Each report shall contain the following:

The name, address, and telephone number of the Respondent and the name, address and telephone number of Respondent's supervising broker.

A statement from Respondent as to whether he has been convicted of a crime or has criminal charges pending during the terms of this Order.

A statement from Respondent confirming his compliance with all of the statutes and rules governing the practice of real estate licensees in Wisconsin.

A statement from Respondent's supervising broker evaluating Respondent's performance as a real estate broker and stating whether or not Respondent has been in compliance with all of the statutes and rules governing the practice of real estate licensees in Wisconsin.

The reports are due to be filed with the Department Monitor on June 15, 2008, September 15, 2008, December 15, 2008, and March 15, 2009.

c. An auditor employed or appointed by the Department of Regulation and Licensing, Division of Enforcement, shall be permitted to audit any then-existing trust account of Charles J. Chvala, d/b/a Custom Realty, and the real estate transaction files of Custom Realty, at least twice during the period of Respondent's supervision.

d. The limitations on Respondent's real estate broker's license shall terminate on March 31, 2009, without any further action by the Board, so long as Respondent has complied with all of the terms of this Order.

4. Violation of any of the terms of this Order may be construed as conduct imperiling public health, safety and welfare and may result in a summary suspension of Respondent's license. The Board in its discretion may, in the alternative impose additional conditions and limitations or other additional discipline for a violation of any of the terms of this Order. In the event Respondent fails to timely submit any payment as ordered, or any report ordered, Respondent's license, # 90-22853, SHALL BE SUSPENDED, without further notice or hearing, until Respondent has complied with the terms of this Order.

5. This Order is effective on the date of its signing.

WISCONSIN REAL ESTATE BOARD

By: Peter A. Sveum
A Member of the Board

6/28/07
Date

[\[1\]](#) SCR refers to the Supreme Court Rules governing the professional conduct of attorneys in Wisconsin.