

# 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**  
**CHESTER P. BROWN AND** :  
**CRC REAL ESTATE MANAGEMENT** : **LS0708231REB**  
**CORPORATION** :  
**RESPONDENTS** :

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[Division of Enforcement Case File #'s: **04 REB 200, 04 REB 234, 04 REB 267** ]

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

Chester P. Brown  
W312N763 Fairfield Way  
Delafield, WI 53018

CRC Real Estate Management Corporation  
W312N763 Fairfield Way  
Delafield, WI 53018

Department of Regulation and Licensing  
Division of Enforcement  
P.O. Box 8935  
Madison, WI 53708-8935

Wisconsin Real Estate Board  
P.O. Box 8935  
Madison, WI 53708

**PROCEDURAL HISTORY**

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. Chester P. Brown, date of birth: 05/27/43, is licensed in the State of Wisconsin as a real estate broker having license #090-0041793. This broker license was first granted on 05/26/87.

2. Mr. Brown's last reported home address on file with the Department of Regulation and Licensing ("Department") is W312N763 Fairfield Way, Delafield, Wisconsin 53018.

3. Mr. Brown is the owner of CRC Real Estate Management (“CRC Management”), license number 091-0833529. This real estate entity license was first granted to the company on 06/11/87 and expired on 01/01/05.

4. CRC Management’s last reported address on file with the Department is: W312N763 Fairfield Way, Delafield, Wisconsin 53018.

5. At all times relevant to the facts stated below, Mr. Brown was listed as the managing broker of CRC Management. As the responsible licensee for CRC, Mr. Brown was and is at all times relevant to this action responsible for compliance with Wisconsin Statutes, Chapter 452 and the Wisconsin Administrative Code for Real Estate Chapters 18 and 24.

6. Between September 2, 2004 and November 23, 2004, the Department received three complaints from property owners that had received real estate management services from CRC Management. Two of the complaints alleged Mr. Brown issued checks from the CRC Management’s trust account while the account was in closed status. The third complaint alleged Mr. Brown issued checks from CRC’s Management trust account without sufficient funds being present in the account. The third complaint further alleged funds were not being kept in the trust account.

7. Based upon the information contained in the complaints, the Department opened an investigation.

8. On or about March 31, 2005, an audit of CRC Management’s business accounts was commenced. The Department’s audit revealed the following:

Records obtained from First Federal Bank show that account 3008170436 is titled ‘CRC Investments LLC’ and is a checking account. Chester P. Brown and Ruth Brown are authorized signatories to the account. The account was opened on March 1, 2004. Bank records show this account as a “Force Close” on August 11, 2004. Bank officials explain that the term refers to the bank’s action taken based on the account’s history of overdrafts and the presentation of a check or checks for \$18,000 with about \$1,000 in the account at the time. First Federal has since been bought out by Associated Bank.

Records obtained from First Federal Bank show that account 200813614 is titled ‘CRC Real Estate Mngt Corp.’ with an address of 222 W. Milwaukee St. Janesville, WI. Bank records call this a small business account and it is a checking account. It is not characterized as a trust account. Chet Brown is the only authorized signatory to the account. This account was opened on August 22, 2003. Between December 2003 and June 2004, the account is charged for overdrafts in each month. The account is also charged for gasoline, telephone and restaurant costs, even though Mr. Brown described the account as holding owner funds. The statement shows the account was closed on August 11, 2004 as “Force Closed”.

Records obtained from First Federal Bank show that account 9008107588 is titled ‘CRC Real Estate Mngt Corp.’ with a post office box in Delafield. There are three authorized signatories on the account, Chester P. Brown, Ruth E. Brown and Corina Brown. This account was opened on March 28, 2003. On three consecutive months, the statements show three or more overdraft each month. The statement shows the account was closed on August 11, 2004 as “Force Closed”.

9. In addition to the CRC management account findings, the following violations were also noted as part of the audit:

monthly reconciliations or trial balances from CRC Management real estate transactions had not been performed by Mr. Brown since 2001; and

use of duplicate check numbers from CRC Management real estate transactions could not be accounted for by Mr. Brown.

10. During the Department’s audit, it was discovered that Triumph Management LLC had been formed as a real estate

property management company by Mr. Brown. Records from the Department's audit revealed the following:

Bank records for Triumph Management were obtained. One account was found at Guaranty Bank under the name of Chester P. Brown, Triumph Maintenance, PO Box 1800110, Delafield. The account number 29804523. This account was closed on July 28, 2006. Statements indicate that either Mr. Brown or Triumph Management had or has another account at Guaranty Bank, account number 29804531, which is identified as a basic business account.

Two more accounts were found at US Bank, one under account number 182370891240 and titled "Triumph Management LLC". This account appears to be a business account. Statements from December 2005 to July 2006 show a total of four months with overdrafts. The other Triumph account is under account number 182370892289 and titled "Triumph Management LLC". This last account is identified as a real estate account. Between December 2005 and July 2006, no checks were returned for insufficient funds in this account.

11. To date, Triumph Management LLC is not licensed as a real estate entity in the State of Wisconsin.

12. In resolution of this matter, Respondents Chester P. Brown and CRC Management Corporation consent to the entry of 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 Wis. Stat. sec. 452.14.

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

3. Respondent Chester P. Brown has violated:

a. Wis. Admin. Code § RL 18.034 (1) by failing to properly name CRC trust accounts with the name appearing on the broker's license or with a trade name submitted to the Department under Wis. Admin. Code § RL 23.03;

b. Wis. Admin. Code § RL 18.035(1) by failing within ten (10) days of opening an account to notify the Department of such action;

c. Wis. Admin. Code § RL 18.035(2) by failing within ten (10) days after making changes or closing the account to notify the Department of such action;

d. Wis. Admin. Code § RL 18.036 (1) by failing within ten (10) days of opening an account to furnish the Department a Consent to Examine and Audit Trust Account form for the Department to examine and audit all of the broker's real estate trust account records and interest-bearing common trust accounts maintained for client funds;

e. Wis. Admin. Code §§ RL 18.036 (2) and 18.037 by failing within ten (10) days of opening an account to furnish the Department with a form from every depository institution in which the broker maintains a real estate trust account attesting to the existence of the account and consenting to the examination and audit of the account by a duly authorized representative of the Department, or in the case of interest-bearing common trust accounts maintained for client funds, the Department of Administration;

f. Wis. Admin. Code §§ RL 18.09(3)(b) and 24.15 by failing to properly disburse trust funds;

g. Wis. Admin. Code § RL 18.10 by failing to properly keep real estate funds separate from personal funds or other funds; and failing to deposit additional person funds in the broker's real estate trust account within ten (10)

business days following receipt of a statement or other notification from a depository institution that a service charge has been made against the account for which non-sufficient funds are available in the account;

h. Wis. Admin. Code §§ RL 18.13 (1-5) by failing to properly maintain and be responsible for a bookkeeping system;

i. Wis. Stat. § 452.133 (1)(f) by failing to account for or remit all property that came into his possession within a reasonable time of receiving the property; and

j. Wis. Stat. § 452.12(2)(a) by operating Triumph Management LLC before first obtaining a real estate credential for the company.

4. Based on the above-noted violations, Respondent Chester P. Brown has failed to adequately safeguard the interests of the public and is in violation of Wis. Stats. §§ 452.14 (3) (i)(k)(L).

5. The above-noted violations found in paragraph three, subsections a-j, also attach to Respondent CRC Real Estate Management Corporation.

### **ORDER**

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

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The Real Estate Board **ACCEPTS** the **VOLUNTARY SURRENDER OF THE RIGHT TO RENEW** the real estate broker's license of Chester P. Brown (#90-0041793) and CRC Real Estate Management Corporation (#091-0833529), effective thirty (30) days from the date this order is signed by a representative from the Real Estate Board.

IT IS FURTHER ORDERED, that all rights and privileges granted to Chester P. Brown and CRC Real Estate Management Corporation pursuant to real estate license #'s 090-0041793 and 091-0833529 are hereby terminated effective thirty (30) days from the date this order is signed by a representative of the Real Estate Board.

IT IS FURTHER ORDERED, that neither Chester P. Brown nor CRC Real Estate Management Corporation shall be granted a credential under chapter 452 of the Wisconsin Statutes for a minimum period of five years subsequent to the date of this Order. During the five year period subsequent to the date of this Order, the denial, in whole or in part, of any application or petition by Chester P. Brown or CRC Real Estate Management Corporation 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 at any time after five years subsequent to the date of this Order, that Chester P. Brown and CRC Management or any real estate management company of Chester P. Brown's may petition the Real Estate Board for reinstatement of credentials. This petition will be granted if it affirmatively and unequivocally states in writing, signed under oath, the following:

- a. That Chester P. Brown has not engaged in the practice of real estate in the State of Wisconsin during the time he was not been licensed. This Order will not preclude Mr. Brown from being allowed to manage real estate properties that are owned in his name;
- b. That Mr. Brown has not been the subject of further disciplinary action by the State of Wisconsin. "Further disciplinary action" shall be further limited to include only disciplinary actions that substantially relate to the Respondent's competence and integrity to practice real estate;
- c. That Mr. Brown is not, at the time of the filing of the Petition with the Board, a subject of a pending investigation by the Division of Enforcement of the Department of Regulation and Licensing;
- d. That Mr. Brown has not been arrested or charged with criminal activity that substantially relates to the practice of real estate since the voluntary surrender of his and CRC Real Estate Management Corporation's real estate credential; and
- e. That Mr. Brown has not been convicted of any crime that substantially relates to the practice of real estate

since the voluntary surrender of his real estate credential.

IT IS FURTHER ORDERED, that if a real estate credential is granted to Mr. Brown after the five year period, audits by the Department shall be performed of any business/trust accounts held by Mr. Brown and his real estate companies at six months and annually thereafter, per the Board's discretion.

IT IS FURTHER ORDERED, that if Mr. Brown ever petitions for reinstatement or applies for any license offered by the Department of Regulation and Licensing in the State of Wisconsin, then he shall pay the costs of investigating and prosecuting this matter in the amount of **FIVE THOUSAND DOLLARS** (\$5,000.00) before such petition or application may be considered.

IT IS FURTHER ORDERED, that failure to adhere to the terms of this Order will be considered a violation of this Order by the Board.

2. This Order shall become effective upon the date of its signing.

IT IS FURTHER ORDERED, that files **04 REB 200, 04 REB 234, 04 REB 267** be, and hereby are, closed as to Chester P. Brown and CRC Real Estate Management Corporation.

Dated this 23<sup>rd</sup> day of August, 2007.

## **WISCONSIN REAL ESTATE BOARD**

By: Peter A. Sveum  
A member of the Board