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STATE OF WISCONSIN BEFORE THE REAL ESTATE BOARD

IN THE MATTER OF THE DISCIPLINARY PROCEEDINGS AGAINST

FINAL DECISION AND ORDER

ANDREA M. KRUEGER. CENTURY 21 BEST WAY REALTY RESPONDENT. ORDERODODO65

[Division of Enforcement Case File #: 06 REB 229]

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

Andrea M. Krueger 1318 E. Main Street Merrill, Wisconsin 54452

Century 21 Best Way Realty 1318 E. Main Street Merrill, Wisconsin 54452

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

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. Andrea M. Krueger, date of birth: 12/11/61, is licensed in the State of Wisconsin as a real estate broker having license #90-47594. This license was first granted on: 08/31/94.
- 2. Ms. Krueger's last reported business address on file with the Department of Regulation and Licensing ("Department") is: 1318 E. Main Street, Merrill, Wisconsin 54452.
- 3. At all times relevant to the facts stated below, Ms. Krueger was employed as the supervising broker at Century 21 Best Way Realty (#91-700166), located at 1318 E. Main Street, Merrill, Wisconsin 54452. This license was first granted to the business entity on 07/09/98.
- 4. On or about October 17, 2006, the Department received a consumer complaint alleging that Century 21 Best Way Realty had failed to disclose information related to problems with the property that was being sold to the Complainant.
- 5. On or about January 12, 2006, a Master Servicing Listing Agreement ("Agreement") was entered into between the seller of foreclosed properties, Option One Mortgage Corporation from Irvine, California ("Sellers") and agents Tina M. Dengel (#94-55069; granted: 07/08/02) and Ms. Krueger. Ms. Krueger acted as the "state designated" broker for the Agreement.
- 6. The Agreement provided guidelines as to how real estate transactions involving properties owned by the Sellers were to be conducted. One of the requirements for properties under the Agreement stated that Ms. Dengel and Ms. Krueger would make sure that each property was inspected within twenty-four (24) hours, and at least weekly thereafter, once the Sellers had assigned the listing to them.
- 7. On May 10, 2006, the Sellers assigned a listing of foreclosed property under the Agreement to Ms. Dengel from Century 21 Best Way Realty. The property was located at 325 Main Drive, Town of Maine, Merrill, Wisconsin 54452 ("Property") and listed for \$68,000. The listing for the Property was to run from May 10, 2006 through August 14, 2006. The Property was also being sold in "as in" condition.
- 8. On August 14, 2006, the Property was re-listed with Ms. Dengel for \$61,900. The listing for the Property was to run from August 14, 2006 through September 30, 2006. The Property remained to be sold in "as in" condition.
- 9. On August 25, 2006, a Residential Offer to Purchase ("Offer") the Property was presented to Ms. Dengel by the Complainant's real estate agent. The Offer stated a purchase price for forty-four thousand dollars (\$44,000.00) with one thousand dollars (\$1,000.00) accompanying the Offer. The Offer included a Financing Contingency which provided that the prospective buyer would obtain a first mortgage loan commitment within twenty-one (21) days of the acceptance of this Offer. A Mold Disclosure addendum drafted by the Sellers was attached to the Offer. The Offer also included an

Inspection Contingency in which an inspection by a mold remediation company be completed within ten (10) days of acceptance. The closing date for the Property was scheduled for September 20, 2006.

- 10. On August 31, 2006, the Offer was accepted by the Sellers.
- 11. On September 8, 2006, the Towne of Maine issued a report regarding an August 23, 2006 inspection of the Property. On August 23, 2006, the Town of Maine conducted an inspection of the Property for the purpose of discovering any health and life safety issues that may have existed on the premises. The September 8, 2006 report concluded that the Property was unfit for human inhabitation and should be demolished. The report did include recommendations on ways to make the Property satisfying to the Town of Maine.
- 12. Ms. Dengel was present at the August 23, 2006 inspection. The Department's review of the sale file in the above-noted transaction does not indicate that Ms. Dengel informed the Complainant's agent or lender of the August 23, 2006 inspection.
- 13. On September 15, 2006, the Town of Maine issued an Order To Make Safe or Raze ("Order") the Property. In order for the Property to be satisfactory for human inhabitation, the problems noted in the September 8, 2006 inspection report would need to be corrected within sixty (60) days of service of the Order to the satisfaction of the Town of Maine.
- 14. The Order was addressed to the Property address and received by Ms. Dengel and Century 21 Best Way Realty on September 19, 2006. On that same day, Ms Dengel faxed the Order and the September 8, 2006 inspection report to the lender and Complainant's real estate agent.
- 15. On or about September 18, 2006, the Complainant's real estate agent drafted a Notice Relating to Offer to Purchase ("Notice"). The Notice stated that the buyer was unable to obtain financing or secure homeowners insurance because of the Town of Maine's September 15, 2006 Order.
- 16. On September 20, 2006 a Cancellation and Release was signed by both parties. Earnest money was subsequently released to the Complainant.
- 17. At no time between the August 23, 2006 inspection and September 19, 2006 receipt of the Order did Ms. Dengel, Ms. Krueger, or any affiliate of Century 21 Best Way Realty, notify the Complainant's real estate agent of the problems associated with the Property.
- 18. In resolution of this matter, the Respondents, Andrea M. Krueger and Century 21 Best Way Realty, 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. § 452.14.
- 2. The Wisconsin Real Estate Board is authorized to enter into the attached Stipulation pursuant to Wis. Stat. § 227.44(5).

- 3. Respondents, Andrea M. Krueger and Century 21 Best Way Realty have violated:
 - Wis. Stats. §§ 454.14(3)(i)(k) and Wis. Admin. Code §§ RL 17.08(1)(2) by failing to reasonably supervise a real estate salesperson in the above-noted real estate transaction. The violations of law constitute negligent and unprofessional conduct.

ORDER

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

IT IS FURTHER ORDERED that Respondents, Andrea M. Krueger (#90-47594) and Century 21 Best Way Realty (#91-700166) be, and hereby are **REPRIMANDED**.

IT IS FURTHER ORDERED that the Respondent pay to the Department of Regulation and Licensing COSTS of SEVEN HUNDRED FIFTY DOLLARS (\$750.00).

IT IS FURTHER ORDERED that the Respondent pay to the Department of Regulation and Licensing a FORFEITURE of FIVE HUNDRED DOLLARS (\$500.00).

IT IS FURTHER ORDERED, that a down payment of SIX HUNDRED TWENTY FIVE DOLLARS (\$625.00) shall be submitted within sixty (60) days from the date of this order and one more payment of SIX HUNDRED TWENTY FIVE DOLLARS (\$625.00) will due every sixty (60) days from the previous payment until the full ONE THOUSAND TWO HUNDRED FIFTY DOLLARS (\$1,250.00) is paid. Payments shall be made by certified check 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 the Respondent fails to pay the ONE THOUSAND TWO HUNDRED FIFTY DOLLAR(\$1,250.00) costs and forfeiture within the time and in the manner as set forth above, then and in that event, and without further notice to the Respondents, the license number of Andrea M. Krueger (#90-47594) and Century 21 Best Way Realty (#91-700166) 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 **06 REB 229** be, and hereby is, closed as to Andrea M. Krueger and Century 21 Best Way Realty.

WISCONSIN REAL ESTATE BOARD

Peter Sveum, Board Chair

Date