

WISCONSIN DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES



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STATE OF WISCONSIN
BEFORE THE REAL ESTATE EXAMINING BOARD

IN THE MATTER OF
DISCIPLINARY PROCEEDINGS AGAINST

KAREN M. BEHNKE-KNOBLAUCH,
RESPONDENT.

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FINAL DECISION AND ORDER

ORDER 0001221

Division of Enforcement Case Number 09 REB 111

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

Karen M. Behnke-Knoblauch
P.O. Box 185
Sussex, WI 53089

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

Wisconsin Department of Safety and Professional Services
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 Examining Board (Board). The Board has reviewed this Stipulation and considers it acceptable.

Accordingly, the Board adopts the attached Stipulation and makes the following:

FINDINGS OF FACT

1. Respondent Karen M. Behnke-Knoblauch (dob 09/25/1955) is licensed in the State of Wisconsin as a Real Estate Broker, having license number 90-27125, first issued on 07/02/1982 and current through 12/14/2012. Ms. Behnke-Knoblauch's most recent address on file with the Department of Safety and Professional Services (Department) is P.O. Box 185, Sussex, WI 53089.

2. On August 24, 2009, the Department received a complaint from Dodge County District Attorney's Office alleging that Ms. Behnke-Knoblauch had pled guilty to Theft by Contractor > \$10,000. A case was subsequently opened for investigation.

3. Court records obtained during the course of the Department's investigation revealed that in 2007, Ms. Behnke-Knoblauch, d/b/a Looking Glass Development, LLC, entered into a contract with Town & Country Underground Utility Construction, Inc. for work in the amount of \$320,515.10 (later increased to more than \$350,000). Between March and October 2007, Ms. Behnke-Knoblauch received nine draws from the construction loan mortgage totaling more than \$400,000 but she only paid Town & Country \$131,740.56. Of the monies drawn from the construction loan mortgage, Ms. Behnke-Knoblauch converted \$130,865.09 for her own personal use.

4. Court records indicate that on or about July 1, 2009, Ms. Behnke-Knoblauch was convicted of a Class G Felony, Theft by Contractor >\$10,000.

5. Ms. Behnke-Knoblauch failed to notify the Department of the conviction within 30 days after the judgment of conviction.

6. In resolution of this matter, Respondent Karen M. Behnke-Knoblauch consents to the entry of the following Conclusions of Law and Order.

CONCLUSIONS OF LAW

1. The State of Wisconsin Real Estate Examining 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. By the conduct described in paragraphs 3-4 of the Findings of Fact, Respondent Karen M. Behnke-Knoblauch has violated Wis. Admin. Code § RL 24.17(1) by being convicted of a crime the circumstances of which substantially relate to the practice of a real estate broker.

3. By the conduct described in paragraph 5 of the Findings of Fact, Respondent Karen M. Behnke-Knoblauch has violated Wis. Admin. Code § RL 24.17(1) by failing to report her conviction to the Department within 30 days after the judgment of conviction.

4. As a result of the violations noted in the Conclusions of Law, Respondent Karen M. Behnke-Knoblauch is subject to discipline pursuant to Wis. Stat. § 452.14(3)(i) and (k) and Wis. Admin. Code § RL 24.17(2).

ORDER

NOW, THEREFORE, IT IS ORDERED that:

1. The VOLUNTARY SURRENDER of the real estate broker's license of Karen M. Behnke-Knoblauch (license number 90-27125) is hereby ACCEPTED.

IT IS FURTHER ORDERED that:

2. Respondent shall not seek to reinstate or apply for any real estate license with the State of Wisconsin, until such time as Ms. Behnke-Knoblauch has completed all terms of her extended supervision in Wisconsin Circuit Court Case Number 2008CF000326.

3. If Respondent ever seeks to renew or reinstate her license or applies for any other credential regulated by the Department, then she shall pay the costs of investigating and prosecuting this matter, in the amount of TWO HUNDRED SEVENTY-FIVE DOLLARS (\$275.00), before any such application may be considered. Payment of the costs shall be made payable to the Wisconsin Department of Safety and Professional Services and sent to:

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

4. In the event that Respondent seeks to renew or reinstate her license or applies for any other real estate license, she shall submit a new application for licensure and meet all requirements for licensure then existing at the time of her request.

5. Should Respondent seek to renew or reinstate her license or apply for any other real estate license, the Wisconsin Real Estate Examining Board may in its sole discretion determine whether, and under what circumstances, a license may be issued.

IT IS FURTHER ORDERED, that:

6. Upon successful completion of her extended supervision, Respondent may petition the Real Estate Examining Board for reinstatement of her credential. This petition will be granted if it affirmatively and unequivocally states in writing, signed under oath, the following:

- a. That Karen Behnke-Knoblauch has not engaged in the practice of real estate in the State of Wisconsin during the time she was not been licensed;
- b. That Karen Behnke-Knoblauch 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 Karen Behnke-Knoblauch 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 Safety and Professional Services;

- d. That Karen Behnke-Knoblauch has not been arrested or charged with criminal activity that substantially relates to the practice of real estate since the voluntary surrender of her real estate credential; and
- e. That Karen Behnke-Knoblauch has not been convicted of any crime that substantially relates to the practice of real estate since the voluntary surrender of her real estate credential.

7. Violation of any terms of this Order may be construed as conduct imperiling public health, safety and welfare. In its discretion the Board or Department may, in the alternative, impose additional conditions and limitations or other additional discipline for a violation of any of the terms of this Order.

8. Ms. Behnke-Knoblauch shall not practice real estate in Wisconsin without being licensed in Wisconsin.

IT IS FURTHER ORDERED that:

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

Dated this 11 day of November, 2011.

WISCONSIN REAL ESTATE EXAMINING BOARD

By: 