

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	:	
	:	FINAL DECISION AND ORDER
CATHY L. HANSEN AND ASSOCIATED	:	
REALTY OF RICE LAKE, LLC,	:	
RESPONDENTS.	:	0005053

Division of Legal Services and Compliance Case No. 15 REB 082

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

Cathy L. Hansen
P.O. Box 127
Rice Lake, WI 54868

Associated Realty of Rice Lake, LLC
1111 W. Knapp St.
P.O. Box 127
Rice Lake, WI 54868

Wisconsin Real Estate Examining Board
P.O. Box 8366
Madison, WI 53708-8366

Division of Legal Services and Compliance
Department of Safety and Professional Services
P.O. Box 7190
Madison, WI 53707-7190

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 in this matter adopts the attached Stipulation and makes the following Findings of Fact, Conclusions of Law and Order.

FINDINGS OF FACT

1. Respondent Cathy L. Hansen (DOB September 10, 1955) is licensed by the State of Wisconsin as a real estate broker, having license number 30927-90, first issued on January 17, 1984 and current through December 14, 2016. Respondent's most recent address on file with the

Wisconsin Department of Safety and Professional Services (Department) is P.O. Box 127, Rice Lake, Wisconsin 54868.

2. Respondent Associated Realty of Rice Lake, LLC is licensed by the State of Wisconsin as a real estate business entity, having license number 700068-91, first issued on March 10, 1997 and current through December 14, 2016. Respondent's most recent address on file with the Department is 1111 West Knapp Street, P.O. Box 127, Rice Lake, Wisconsin 54868.

3. Respondent Hansen is a broker employer for Respondent Associated Realty of Rice Lake, LLC.

4. In July 2014, Respondent Hansen acted as a scrivener at the request of Respondent Hansen's clients and the clients' parents (parents), for the sale of a home located in Cameron, Wisconsin. Neither Respondent Hansen nor Respondent Associated Realty of Rice Lake, LLC received a commission for the above-referenced transaction.

5. Respondent Hansen was not acting as a dual agent for such transaction pursuant to Wis. Stat. § 452.135(1)(a) because she did not negotiate on behalf of any party to the transaction.

6. On July 11, 2014, Respondent Hansen's clients and the clients' parents closed on the sale in Respondent Hansen's office for a purchase price of \$117,500.

7. Respondent Hansen explains that the buyers to the July 11, 2014 transaction were the parents of the sellers (her clients), and never intended to take possession of the home. Instead, the parents wished to buy the home for cash so that her clients could pay off their existing mortgage and sell the home to a third party buyer.

8. In response to Department inquiries, Respondent Hansen stated she did not believe the transaction was improper but was instead a creative way to make the deal happen at the request of Respondent Hansen's clients and the parents.

9. On July 11, 2014, the parents received a warranty deed for the property, which Respondent Hansen notarized, and a transfer return. The parents were given all information required to record the warranty deed.

10. Following the closing and warranty deed transfer on July 11, 2014, Respondent Hansen continued to list the property on MLS, as her clients still wished to sell their home to a third party buyer.

11. On December 3, 2014, a third party buyer made an offer to purchase the home for \$100,000. Respondent Hansen presented this offer to her clients.

12. Around this time, the clients signed an undated letter stating "The transfer return fee and recording of the deed fee was not used, and is being refunded to [the clients]."

13. The third party buyer was not informed of the previous transaction between the parents and Respondent Hansen's clients.

14. On December 6, 2014, after two (2) counter-offers, the clients accepted the third party buyer's offer to purchase the home for \$117,500.

15. Respondents maintain a common real estate trust account at Dairy State Bank designated as Associated Realty of RL LLC IBRETA Trust Account with account number ending in -77.

16. Respondents maintain a common real estate trust account at Dairy State Bank designated as Associated Realty of RL LLC H & H Rentals IBRETA Trust Account with account number ending in -49, which is only used by Respondent Hansen in regards to management of rental properties.

17. On July 14, 2015, an auditor with the Department audited Respondents' trust accounts. The audit revealed that transactions were not properly entered into the ledgers and cash journals, and the account with account number ending in -49 held \$516.21 of personal funds at the time of the audit.

18. Respondent Hansen understands and recognizes that (a) the July 11, 2014 transaction would have been more properly handled had a note and mortgage been given to the parents, instead of a warranty deed; (b) the same should have been disclosed to the third party buyers; and (c) the parents should have been the correct party to execute the sale documents for the sale of the property to the third party buyers.

19. Respondent Hansen understands and recognizes that personal funds in excess of \$300.00 should not be kept in the above-referenced trust accounts.

20. Based on the foregoing and in an effort to take responsibility for her actions, Respondent Hansen has successfully completed education in each of the following topics: trust accounts (6 hours), business ethics (3 hours), and consumer protection (6 hours), offered by the Wisconsin Realtors Association (WRA).

21. Respondent Hansen has submitted proof of successful completion of said education in the form of verification from the WRA. None of these education courses shall be used by Respondent Hansen to satisfy any continuing education requirements that have been or may be instituted by the Board or Department, nor shall they be used in future attempts to upgrade a credential in Wisconsin.

22. In resolution of this matter, Respondents consent to the entry of the following Conclusions of Law and Order.

CONCLUSIONS OF LAW

1. The 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 the Findings of Fact, Respondent Hansen violated Wis. Stat. § 452.133(1)(a) and (b) by failing to:

- a. provide brokerage services honestly and fairly, and
- b. provide brokerage services with reasonable skill and care.

3. By the conduct described in the Findings of Fact, Respondent Hansen violated Wis. Admin. Code § REEB 24.03(2)(b) by failing to act to protect the public against fraud, misrepresentation and unethical practices.

4. By the conduct described in the Findings of Fact, Respondent Hansen violated Wis. Admin. Code § REEB 24.085 by drafting or using any document which she knew or should have known falsely portrayed an interest in real estate.

5. By the conduct described in the Findings of Fact, Respondent Hansen violated Wis. Admin. Code § REEB 18.13(1) by failing to maintain a cash journal showing the chronological sequence in which real estate trust funds are received and disbursed.

6. By the conduct described in the Findings of Fact, Respondent Hansen violated Wis. Admin. Code § REEB 18.10(1)(a) by holding personal funds or other funds in excess of the allowable amount in the real estate trust account.

7. By the conduct described in the Findings of Fact, Respondents violated Wis. Admin. Code § REEB 17.08(1) by failing to supervise the activities of any licensee employed by them.

8. By the conduct described in the Findings of Fact, Respondent Associated Realty of Rice Lake, LLC violated Wis. Admin. Code § REEB 24.17(3) by aiding or abetting the above violations.

9. As a result of the above violations, Cathy L. Hansen and Associated Realty of Rice Lake, LLC are subject to discipline pursuant to Wis. Stat. § 452.14(3)(h), (i), (k), and (L) and Wis. Stat. § 452.14(4m)(a) and (b).

ORDER

1. The attached Stipulation is accepted.
2. Respondent Hansen is REPRIMANDED.
3. Respondent Associated Realty of Rice Lake, LLC is REPRIMANDED.
4. Within ninety (90) days from the date of this Order, Associated Realty of Rice Lake, LLC shall pay a FORFEITURE in the amount of \$1,000 and one-half of the COSTS of this matter in the amount of \$627.

5. Within ninety (90) days from the date of this Order, Cathy L. Hansen shall pay one-half of the COSTS of this matter in the amount of \$627.

6. In the event Respondents fail to timely submit payment of the forfeiture and costs as ordered, Respondents' licenses (numbers 30927-90 and 700068-91), or Respondents' right to renew their licenses, may, in the discretion of the Board or its designee, be SUSPENDED, without further notice or hearing, until Respondents have complied with payment of the forfeiture and costs.

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

WISCONSIN REAL ESTATE EXAMINING BOARD

by: Michael Mulleady
A Member of the Board

12/1/16
Date

STATE OF WISCONSIN
BEFORE THE REAL ESTATE EXAMINING BOARD

IN THE MATTER OF DISCIPLINARY
PROCEEDINGS AGAINST

CATHY L. HANSEN AND ASSOCIATED
REALTY OF RICE LAKE, LLC,
RESPONDENTS.

:
:
:
:
:
:

STIPULATION

0005053

Division of Legal Services and Compliance Case No. 15 REB 082

Respondents Cathy L. Hansen and Associated Realty of Rice Lake, LLC and the Division of Legal Services and Compliance, Department of Safety and Professional Services, stipulate as follows:

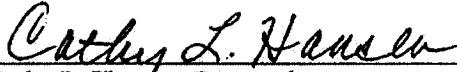
1. This Stipulation is entered into as a result of a pending investigation by the Division of Legal Services and Compliance. Respondents consent to the resolution of this investigation by Stipulation.
2. Respondents understand that by signing this Stipulation, Respondents voluntarily and knowingly waive the following rights:
 - the right to a hearing on the allegations against Respondents, at which time the State has the burden of proving those allegations by a preponderance of the evidence;
 - the right to confront and cross-examine the witnesses against Respondents;
 - the right to call witnesses on Respondents' behalf and to compel their attendance by subpoena;
 - the right to testify on Respondents' own behalf;
 - the right to file objections to any proposed decision and to present briefs or oral arguments to the officials who are to render the final decision;
 - the right to petition for rehearing; and
 - all other applicable rights afforded to Respondents under the United States Constitution, the Wisconsin Constitution, the Wisconsin Statutes, the Wisconsin Administrative Code, and other provisions of state or federal law.
3. Respondents are aware of Respondents' right to seek legal representation and have been provided an opportunity to obtain legal counsel before signing this Stipulation. Respondents are represented by Attorney Paul J. Mirr.
4. Respondents agree to the adoption of the attached Final Decision and Order by the Wisconsin Real Estate Examining Board (Board). The parties to the Stipulation consent to the entry of the attached Final Decision and Order without further notice, pleading, appearance or consent of the parties. Respondents waive all rights to any appeal of the Board's order, if adopted in the form as attached.

5. If the terms of this Stipulation are not acceptable to the Board, the parties shall not be bound by the contents of this Stipulation, and the matter shall then be returned to the Division of Legal Services and Compliance for further proceedings. In the event that the Stipulation is not accepted by the Board, the parties agree not to contend that the Board has been prejudiced or biased in any manner by the consideration of this attempted resolution.


6. The parties to this Stipulation agree that the attorney or other agent for the Division of Legal Services and Compliance and any member of the Board ever assigned as an advisor in this investigation may appear before the Board in open or closed session, without the presence of Respondents, for purposes of speaking in support of this agreement and answering questions that any member of the Board may have in connection with deliberations on the Stipulation. Additionally, any such advisor may vote on whether the Board should accept this Stipulation and issue the attached Final Decision and Order.

7. Respondents are informed that should the Board adopt this Stipulation, the Board's Final Decision and Order is a public record and will be published in accordance with standard Department procedure.

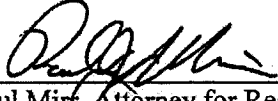
8. The Division of Legal Services and Compliance joins Respondents in recommending the Board adopt this Stipulation and issue the attached Final Decision and Order.


Cathy L. Hansen, Respondent
P.O. Box 127
Rice Lake, WI 54868
License no. 30927-90

11-16-16
Date


Associated Realty of Rice Lake, LLC, Respondent
By: Authorized Representative
1111 W. Knapp St.
P.O. Box 127
Rice Lake, WI 54868
License no. 700068-91

11-16-16
Date


Paul Mirt, Attorney for Respondents
Rude Ware
402 Graham Ave.
P.O. Box 187
Eau Claire, WI 54702-0187

11-17-16
Date

Sarah E. Norberg
Sarah E. Norberg, Attorney
Division of Legal Services and Compliance
P.O. Box 7190
Madison, WI 53707-7190

11.17.16
Date