

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

JOHN P. KLOSE, JR. AND
KLOSE REALTY, LLC,
RESPONDENTS.

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FINAL DECISION AND ORDER

0005275

Division of Legal Services and Compliance Case No. 16 REB 067

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

John P. Klose, Jr.
4165 North 162nd St.
Brookfield, WI 53005

Klose Realty, LLC
6025 West North Ave.
Wauwatosa, WI 53213

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 John P. Klose, Jr. (DOB May 31, 1971) is licensed by the State of Wisconsin as a real estate broker, having license number 53513-90, first issued on February 13, 2006, and current through December 14, 2018. Respondent's most recent address on file with the Wisconsin Department of Safety and Professional Services (Department) is 4165 North 162nd Street, Brookfield, Wisconsin 53005.

2. Respondent Klose Realty, LLC is licensed by the State of Wisconsin as a real estate business entity, having license number 936223-91, first issued on May 6, 2008, and current through December 14, 2018. Respondent's most recent address on file with the Department is 6025 West North Avenue, Wauwatosa, Wisconsin 53213.

3. Respondent Klose is identified in Department records as the owner of Respondent Klose Realty, LLC.

4. On July 13, 2016, the Department received a complaint alleging that Respondent Klose had acted to impede the real estate appraisal process and had made disparaging remarks to others about appraiser J.K. Division of Legal Services and Compliance Case No. 16 REB 067 was subsequently opened for investigation.

5. In May 2015, appraiser J.K. contacted Respondent Klose to make arrangements to complete an appraisal. When the appraisal did not meet the contract price, Respondent Klose called J.K., upset about the appraisal. J.K. informed Respondent Klose of the reconsideration process and referred him to J.K.'s manager.

6. In September 2015, J.K. contacted Respondent Klose to arrange for access to a second property for which J.K. was to complete an appraisal. Respondent Klose refused to allow J.K. access to the property. Respondent Klose then called the bank loan officer to request that the appraisal be assigned to someone else because he had had issues with J.K. in the past and questioned her competence.

7. In February 2016, J.K. contacted Respondent Klose to arrange for access to a third property for which J.K. was to complete an appraisal. Respondent Klose refused to allow J.K. access to the property. Respondent Klose subsequently sent an email to the buyer's agent and the bank loan officer stating that he had worked with J.K. in the past, that all deals J.K. had done reports on had fallen apart, and that he was not going to allow J.K. into the property. When the bank loan officer called Respondent Klose to discuss the issue, Respondent Klose asked that the appraisal be reordered so that a different appraiser could be chosen. J.K. ultimately contacted the buyer's agent in an attempt to gain access to the property in order to complete the appraisal. The buyer's agent stated that she had been told by Respondent Klose not to allow J.K. into the house.

8. On July 7, 2016, the Greater Milwaukee Association of Realtors, Professional Standards Committee, Ethics Hearing Panel issued a decision concluding that Respondent Klose violated Article 15 of the Realtors Code of Ethics based upon the February 2016 matter described above.

9. Based on the foregoing and in an effort to take responsibility for his actions, Respondent Klose successfully completed education on the topic of ethics and best practices offered by the Wisconsin Realtors Association (WRA) on March 29, 2017.

10. Respondent Klose has submitted proof of successful completion of said education in the form of verification from the WRA. This education course shall not be used by Respondent Klose to satisfy any continuing education requirements that have been or may be instituted by the Board or Department.

11. 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 Klose violated Wis. Stat. § 452.133(1)(a) by failing to provide brokerage services honestly and fairly.

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

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

5. As a result of the above violations, Respondents are subject to discipline pursuant to Wis. Stat. § 452.14(3)(L) and (4m)(a).

ORDER

1. The attached Stipulation is accepted.

2. Respondent John P. Klose, Jr. is REPRIMANDED.

3. Respondent Klose Realty, LLC is REPRIMANDED.

4. Within 90 days from the date of this Order, Respondent Klose shall pay a FORFEITURE in the amount of \$500, and one-half the COSTS of this matter in the amount of \$248.

5. Within 90 days from the date of this Order, Respondent Klose Realty, LLC shall pay one-half the COSTS of this matter in the amount of \$248.

6. Payment of the forfeiture and costs shall be made payable to the Wisconsin Department of Safety and Professional Services and sent to the Department Monitor at the address below:

Department Monitor
Division of Legal Services and Compliance
Department of Safety and Professional Services
P.O. Box 7190, Madison, WI 53707-7190
Telephone (608) 267-3817; Fax (608) 266-2264
DSPSMonitoring@wisconsin.gov

7. In the event Respondents violate any term of this Order, Respondents' licenses (numbers 53513-90 and 936223-9), 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 the terms of the Order. The Board may, in addition and/or in the alternative refer any violation of this Order to the Division of Legal Services and Compliance for further investigation and action.

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

WISCONSIN REAL ESTATE EXAMINING BOARD

by: Randal Amaglio
A Member of the Board

4/24/17
Date

STATE OF WISCONSIN
BEFORE THE REAL ESTATE EXAMINING BOARD

IN THE MATTER OF DISCIPLINARY
PROCEEDINGS AGAINST

JOHN P. KLOSE, JR. AND
KLOSE REALTY, LLC,
RESPONDENTS.

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STIPULATION

0005275

Division of Legal Services and Compliance Case No. 16 REB 067

Respondents John P. Klose, Jr. and Klose Realty, 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.

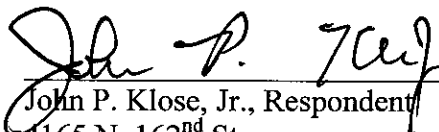
4. Respondents agree to the adoption of the attached Final Decision and Order by the Wisconsin Real Estate Examining Board (Board). The parties to the Stipulation consent to the entry of the attached Final Decision and Order without further notice, pleading, appearance or consent of the parties. Respondents 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.

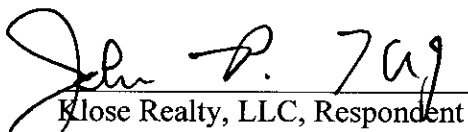
6. The parties to this Stipulation agree that the attorney or other agent for the Division of Legal Services and Compliance and any member of the Board ever assigned as an advisor in this investigation may appear before the Board in open or closed session, without the presence of Respondents, for purposes 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.


John P. Klose, Jr., Respondent
4165 N. 162nd St.
Brookfield, WI 53005
License no. 53513-90

3-6-17
Date


Klose Realty, LLC, Respondent
By: John P. Klose, Jr.
6025 W. North Ave.
Wauwatosa, WI 53213
License no. 936223-91

3-6-17
Date


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

3.15.17
Date