

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
PAUL E. HANDLE AND :
HANDLE REAL ESTATE, :
RESPONDENTS. : **ORDER 0008132**

Division of Legal Services and Compliance Case No. 20 REB 009

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

Paul E. Handle
Milwaukee, WI 53211

Handle Real Estate
Wauwatosa, WI 53213

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 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 Paul E. Handle (Birth Year 1967) is licensed by the State of Wisconsin as a real estate broker, having license number 54724-90, first issued on August 14, 2007 and current through December 14, 2022. Respondent's most recent address on file with the Wisconsin Department of Safety and Professional Services (Department) is in Milwaukee, Wisconsin 53211.

2. Respondent Handle Real Estate is licensed by the State of Wisconsin as a real estate business entity, having license number 701849-91, first issued on August 14, 2007 and expired as of December 15, 2020. Pursuant to Wis. Stat. § 440.08(3), Respondent retains the

right to renew its license until December 14, 2025. Respondent's most recent address on file with the Department is in Wauwatosa, Wisconsin 53213.

3. Respondent Paul E. Handle is identified in Department records as the responsible licensee in charge of Respondent Handle Real Estate.

4. In February 2020, the Department received two complaints alleging that Respondents improperly managed Complainants' rental properties and funds. The Division of Legal Services and Compliance (DLSC) subsequently opened Case Number 20 REB 009 for investigation.

5. In 2009, Respondents and business partner David J. Klevgard started a business named The Management Group, LLC (TMG), which provided property management services for rental properties. TMG was registered with the Department of Financial Institutions by Klevgard in 2009 and administratively dissolved in March 2021.

6. According to Department records, TMG has never had a real estate business entity license, but "TMG Real Estate LLC" is registered with the Department as a trade name for Respondent Handle Real Estate.

7. According to one Complainant (Complainant A), Respondents had not made rent deposits into Complainant A's account since September 30, 2019. Further, Complainant A alleged that Respondents had ignored requests to return security deposits, ignored requests for copies of leases, failed to pay for a new furnace provided in October 2019, and had failed to provide requested accounting reports for Complainant A's properties.

8. According to the second Complainant (Complainant B), Respondents failed to transfer rent payments to Complainant B for January and February 2020 and had failed to return security deposits to tenants. Complainant B stated that Respondents were holding \$5,500 in rent and \$2,700 in security deposits to which they were not entitled. Further, Complainant B alleged that Respondents had ignored requests to return keys, leases, and other documents.

9. On July 8, 2021, Respondents' attorney responded to the complaints. Respondents' attorney stated that Respondents were not involved in TMG's day-to-day operations, and that unbeknownst to Respondents, "several missteps and errors" and "accounting discrepancies" occurred under the management of Respondents' business partner, Klevgard.

10. On September 21, 2021, Respondents' attorney stated that Respondents had returned all funds owed to Complainants A and B.

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

CONCLUSIONS OF LAW

1. The 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, Respondents violated Wis. Stat. § 452.133(1)(f) by failing to safeguard trust funds and other property held as required, pursuant to Wis. Stat. § 452.133(4m)(a).

3. By the conduct described in the Findings of Fact, Respondents violated Wis. Stat. § 452.133(1)(b) by failing to provide brokerage services with reasonable skill and care pursuant to Wis. Stat. § 452.133(4m)(a).

4. By the conduct described in the Findings of Fact, Respondent Handle Real Estate violated Wis. Stat. § 452.12(5)(bm)1. by failing to file an application for renewal of its license on or before the renewal date and continuing to engage in activities covered by the license.

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

ORDER

1. The attached Stipulation is accepted.

2. Respondent Paul E. Handle is REPRIMANDED.

3. Respondent Handle Real Estate is REPRIMANDED.

4. Within ninety (90) days from the date of this Order, Respondent Paul E. Handle shall pay the COSTS of this matter, for a total of \$672.

5. Payment of costs (made payable to the Wisconsin Department of Safety and Professional Services) shall be sent by Respondents 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) 266-2112; Fax (608) 266-2264
DSPSMonitoring@wisconsin.gov

Payment may also be made online via DSPS' Monitoring Case Management System at: <https://dspsmonitoring.wi.gov/>

6. In the event Respondents violate any term of this Order, Respondents' credentials (numbers 54724-90 and 701849-91), or Respondents' right to renew their credentials, 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.

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

WISCONSIN REAL ESTATE EXAMINING BOARD

by: Thomas J. Reine
A Member of the Board

8/18/2022
Date

STATE OF WISCONSIN
BEFORE THE REAL ESTATE EXAMINING BOARD

IN THE MATTER OF DISCIPLINARY
PROCEEDINGS AGAINST

PAUL E. HANDLE AND
HANDLE REAL ESTATE,
RESPONDENTS.

:
:
:
:
:
:

STIPULATION

ORDER 0008132

Division of Legal Services and Compliance Case No. 20 REB 009

Respondents Paul E. Handle and Handle Real Estate 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 Joseph Scherwenka.
4. Respondents agree to the adoption of the attached Final Decision and Order by the 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. Respondents are further informed that should the Board adopt this Stipulation, the Board's Final Decision and Order will be reported as required by the National Practitioner Databank (NPDB) Guidebook and as otherwise required by any licensure compact or any other state or federal law.

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



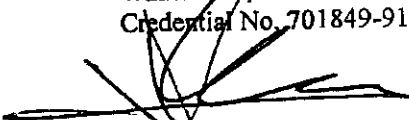
Paul E. Handle, Respondent
Milwaukee, WI 53211
Credential No. 54724-90

6/13/22
Date




Handle Real Estate, Respondent
By: Paul E. Handle, Responsible Licensee
Wauwatosa, WI 53213
Credential No. 701849-91

6/13/22
Date



Joseph Scherwenka, Attorney for Respondents
Scherwenka Law, LLC
12970 W. Bluemound Road, # 103
Elm Grove, WI 53122

6-15-22
Date



Megan Reed, Attorney
Division of Legal Services and Compliance
P.O. Box 7190
Madison, WI 53707-7190

06/16/2022

Date