



ORDER OF THE WISCONSIN REAL ESTATE BROKERS' BOARD

ADOPTING NEW RULES AND AMENDING OLD RULES

Pursuant to authority vested in the Wisconsin Real Estate Brokers' Board by Section 136.04 (1) and 136.06 (3), Wisconsin Statutes, the Wisconsin Real Estate Brokers' Board hereby adopts and amends the following rules:

Sections REB 6.01 Trust Accounts, REB 7.01 Branch Office, REB 8.01 Nonresident Brokers, REB 9.01 Unlicensed Activity, REB 10.01 Apprentices, REB (2) (a) Minors, REB 2.03 Competency and REB 3.01 (d) Record, of the Wisconsin Administrative Code are adopted to read:

REB 6.01 Trust Accounts.

1. Each broker shall maintain a common trust account in a bank for the deposit of all down payments, earnest money deposits or other trust funds received by the broker or his salesman on behalf of his principal or any other person pursuant to Section 136.01, Wisconsin Statutes.

2. Each broker shall notify the Board of the name of the bank or banks in which said trust account is maintained and also the name of the account on forms provided therefor.

3. Each broker shall authorize the Board to examine said trust account and shall obtain the certification of the bank attesting to said trust account and consenting to the examination and audit of said account by a duly authorized representative of the Board. Said certification and consent shall be furnished on forms prescribed by the Board.

4. Each broker shall only deposit trust funds received on real estate or business opportunity transactions as defined in Section 136.01, Wisconsin Statutes, in said common trust account and shall not commingle his personal funds or other funds in said trust account with the exception that a broker may deposit and keep a sum not to exceed \$100.00 in said account from his personal funds which sum shall be specifically identified and deposited to cover bank service charges relating to said trust account.

5. A broker may maintain more than one trust account provided the Board is advised of said account as specified in REB 6.01 (2) and (3) above.

6. Each broker shall maintain a single entry bookkeeping system in his office, listing the following information on all trust account deposits:

- (a) Offers, dates, names of parties, amount of down payment.
- (b) Options, dates, names of parties, amount of down payment.
- (c) Land Contracts, dates, names of parties, amount of down payment and contractual payments of principal and interest.
- (d) Rent contracts, dates, names of parties, amount of rent installments.
- (e) Mortgages, dates, names of parties, amount of payments of principal and interest.
- (f) Finders fees, dates, names of parties and amount.
- (g) Advance fees, dates, names of parties and amount.
- (h) Earnest money receipts, dates, names of parties, amount of down payment.
- (i) Any other receipts pertaining to the sale, exchange, purchase, rental of real estate or business opportunities, dates, names of parties, amount of payment.

7. Any instrument or equity or thing of value taken in lieu of cash as down payment shall be held by an authorized escrow agent except as otherwise agreed.

8. In the event a branch office maintains a separate trust account, a separate bookkeeping system shall be maintained in said branch office.

9. Commissions or fees earned by the broker out of moneys deposited in said trust account shall be withdrawn from said trust account within 24 hours after the transaction is consummated, terminated or after the commission or fees are earned in accordance with the contract involved.

10. Failure of the broker to follow the rules as set forth in this section shall constitute grounds for revocation or suspension of his license under Section 136.08 (2), Wisconsin Statutes.

#### REB 7.01 Branch Office.

1. If a broker maintains more than one office, then one office shall be designated as the main office and each additional office shall constitute a branch office.

2. If a salesman performs any of the acts as outlined in Section 136.01, Wisconsin Statutes, from his home or any place other than the main office, then said home or other place shall constitute a branch office if:

(a) The salesman does not report in person at least 4 times per week and spend at least 95 per cent of his office time at the broker's office; or

(b) The salesman or broker advertizes property for sale listing the salesman's home address or telephone number (except if item (a) above is applicable); or

(c) The salesman maintains a sign on the outside of his residence indicating that he is engaged in the real estate business; or

(d) The salesman's residence is located more than 40 miles from the broker's office.

(e) A temporary structure established for the sale of subdivisions which structure is located within 40 miles of the broker's main office shall not constitute a branch office.

3. Each branch office shall be under the direct full time supervision of a licensed real estate broker who is also a licensed salesman of employer licensees.

4. The broker-salesman who manages a branch office shall reside in the county in which the branch office is located.

5. The employer-broker shall be responsible for the acts and conduct of all employes of the branch office including the broker-salesman who is supervisor of the branch office.

6. The employes of the branch office shall be directly answerable to the supervising broker-salesman, who shall, in turn, be directly answerable to the employing broker.

7. The employing broker shall at all times notify the Board of the location and address of each branch office which he operates and the name of the broker-salesman who supervises said office.

8. It shall be the responsibility of the broker-employer to notify the Board in writing of any change of address of a branch office or change of supervisor of said office, within ten (10) days after said change.

9. The broker-employer shall notify the Board in writing of the names of all salesmen who work out of a branch office.

10. Every additional office or place of business other than the principal place of business of a broker, shall be licensed only with the approval of the Board and only after the broker has given satisfactory proof that this additional office shall be under the supervision of a duly authorized broker-salesman employe.

11. The broker desiring to open a branch office shall file with the Board an application for branch office license on forms to be furnished by the Board. There shall be no charge for said license.

12. The broker shall post in said branch office, in a conspicuous place available to the public, the aforementioned branch office license.

13. The broker shall place in a conspicuous place available to the employes, a statement of the rules under which said branch office and its employes shall operate.

14. Transfer, termination and replacement of salesmen shall be in the name of and handled by the employing broker.

15. The branch office shall display the conspicuous signs within and without the establishment as required by Section 100.18 (5), Wisconsin Statutes.

16. Failure of the broker to follow the rules set forth in this section shall constitute grounds for revocation or suspension of his license under Section 136.08 (2), Wisconsin Statutes.

#### REB 8.01 Nonresident Brokers.

##### 1. Real Estate Broker:

A nonresident may become a real estate broker in this state if he has a broker's license in the state of his residence, and maintains an active place of business in the state of his residence.

##### 2. Business Opportunity Broker:

A nonresident may become a business opportunity broker in this state if he maintains an active place of business in this state.

3. Nonresident real estate and business opportunity brokers shall not employ real estate or business opportunity salesmen in this state.

4. A nonresident real estate broker applicant shall furnish proof of maintaining an active place of business in his resident state by submitting a photostatic copy of his license and any further information deemed necessary by the Board.

5. A nonresident business opportunity broker shall register the location of his Wisconsin place of business with the Board and shall furnish any further information deemed necessary by the Board.

#### REB 9.01 Unlicensed Activity.

1. The Board may defer the investigation on anonymous complaints of unlicensed activity until a responsible source of information is disclosed to the Board.

2. The Board may recommend to the District Attorney the prosecution of individuals engaged in unlicensed activity in cases where the investigation of the Board indicates prosecution is warranted.

3. Each licensed broker or salesman may bring cases involving unlicensed activity to the attention of the District Attorney for prosecution.

#### REB 10.01 Apprentices.

1. No broker shall employ any person to engage in the real estate business within the meaning of 136.01, 136.10 and 136.05 (3), Wisconsin Statutes, unless and until said individual has received an appropriate license from the Wisconsin Real Estate Brokers' Board.

2. Only persons who are a resident of this state and a citizen of the United States, 20 years of age or over, may apply for an apprentice license.

3. Any person desiring to act as an apprentice real estate salesman shall file with the Board an application for a license. Said application shall be in such form as the Board prescribes and in accordance with Sections 136.05 and 136.06, Wisconsin Statutes.

4. Each applicant for an apprentice salesman's license shall be required to write and pass a preliminary examination covering general knowledge which shall, among other things, include a knowledge and ability to read and write the English language, a knowledge of arithmetic, and a general knowledge of the terminology used in the real estate business and a thorough knowledge of the rules governing apprentices.

5. Any applicant for an apprentice salesman's license who can furnish proof to the Board of having graduated from an accredited high school may not be required to write the examination as set forth in paragraph 4 above.

6. An applicant for an apprentice license must be indentured to a licensed real estate broker of this Board in good standing, which broker has agreed, in writing, to said indenture agreement according to the rules of the Board before the application for said apprentice license will be accepted by the Board.

7. Only one apprentice shall be employed for each individual holding a broker's license including corporate officer broker's license unless said broker shall employ full time salesmen in which case an additional apprentice shall be allowed for each five full time salesmen employed but in no case will an individual, partnership or corporate broker be allowed to employ more than 3 apprentice salesmen.

8. Each application for apprentice license shall be accompanied by a fee of \$15.00.

9. An apprentice license or licenses shall not be granted for a period to exceed one year from the date of issuance by the Board and shall not be renewable.

10. An apprentice who has qualified for a salesman's or broker's license shall surrender said apprentice license to his sponsoring broker before a salesman's or broker's license shall be issued.

11. An apprentice who shall leave the employ of the sponsoring broker for any reason shall surrender said apprentice license to said broker immediately upon the termination of said apprenticeship by the apprentice, the broker or the Board.

12. Scope of Employment:

(a) An apprentice shall not at any time be allowed to close a real estate sale.

(b) An apprentice shall not be allowed to advertise in the newspaper, telephone, signs or by any other means, nor shall the broker be allowed to advertise the name of the apprentice in any manner.

(c) The apprentice may use business cards, but said cards shall clearly state "Apprentice Salesman" in type as large as the type used for the apprentice's name.

(d) The apprentice, at no time, shall be paid a portion of a commission based upon sales or on listings secured nor shall he be allowed to be paid on a percentage basis for any other services performed.

(e) The apprentice shall be paid on an hourly basis only and said rate of pay shall be included in the apprenticeship contract.

(f) Said apprentice shall spend a minimum of 20 hours work each week; said 20 hours to be spent in no less than 3 days each week, performing apprenticeship duties.

(g) A minimum of 6 hours of said 20 hours shall be spent pursuing a course of study of real estate laws, regulations and procedures.

(h) Enrollment in a real estate course at a school recognized by the Board shall meet the requirement of a course of study for a maximum of 4 hours per week.

(i) Further study for the apprentice shall be conducted by the broker or by an instructor hired by the broker and approved in writing by the Board.



(j) During the first 6 months of said apprenticeship, the apprentice shall not be allowed to secure listing contracts, offers to purchase or any other contracts except if accompanied by a fully licensed real estate salesman or broker.

(k) During the first month of said apprenticeship, the apprentice shall not be allowed to negotiate with the public, but shall spend the apprenticeship time becoming acquainted with the operation of the real estate office.

(L) After the first month, the apprentice may handle open houses and rentals, but may not draft or negotiate offers to purchase or earnest money receipts.

(m) After six months of apprenticeship, the apprentice may secure listing contracts, provided said listing contracts are reviewed and approved by the broker within 24 hours after they are secured and further provided said listing contracts contain the following clause:

"This listing contract has been secured by an apprentice salesman and shall not be binding upon either party until approved by the broker. If the broker does not notify the seller that he is not approving this listing contract within 2 days from the date of this contract, then this contract shall be binding upon both parties.

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

\_\_\_\_\_  
Broker

(n) The apprentice shall not execute or have executed any rental agreement until the broker shall have approved said rental agreement on the face of said contract.

### 13. Brokers' Duties:

(a) The broker shall at all times be responsible for the acts of said apprentice salesman and shall properly supervise said apprentice.

(b) The broker shall make available suitable instructions and a course of study for said apprentice, including real estate procedures, real estate law, office procedures and sales techniques.

(c) The broker shall pay said apprentice an hourly rate of pay which shall not be less than \$1.00 per hour.

(d) The broker shall prepare and have executed an apprenticeship contract which shall include the rate of



pay, the hours to be spent by the apprentice, the instructions or course of study that will be offered to the apprentice and a schedule of commissions paid after apprentice has obtained a salesman's license. A copy of said contract shall be filed with the Board.

(e) The broker may include in said apprenticeship contract, reasonable employment requirements after termination of said apprenticeship, but in no case, shall said employment right extend beyond 2 years after the termination of the year's apprenticeship.

(f) The broker will furnish the apprentice with a written copy of the rules of the office.

#### 14. Apprentices' Duties:

(a) The apprentice shall punctually attend all courses of instruction offered by the broker or by schools he shall attend unless excused for reasonable cause by the broker.

(b) The apprentice shall obey all office rules of the broker and also special rules set forth in the apprentice contract.

(c) The apprentice shall not engage in any real estate activities outside of the scope of his apprenticeship employment.

(d) The apprentice shall be punctual on all appointments and shall fully inform his broker concerning all of his activities.

(e) The apprentice shall keep and maintain in the broker's office, a log book entering therein the date, activity and hours spent each day while working on said apprenticeship, including time spent at school or attending a course of instruction. The entries on each page of said log shall be thoroughly reviewed and initialed by the broker.

#### 15. General:

(a) An apprenticeship contract may be canceled on the mutual consent of both parties.

(b) Upon informal written complaint filed with the Board by either the broker or apprentice, the Board may hold a formal or informal hearing to review an apprentice license or apprenticeship program.

(c) The Board may suspend or revoke an apprentice license if the apprentice has violated any of the rules of apprenticeship statutes or rules of the Board.

(d) The Board may suspend or revoke a broker's license if the broker has violated any of the apprenticeship rules, statutes or rules of the Board.

(e) A broker may at any time cancel an apprenticeship contract for just cause provided the broker furnishes the apprentice with a written statement within five days of the cancellation setting forth in detail the reasons for the cancellation of the apprenticeship contract.

The following rules are to be amended to read as follows:

REB 2.02 (2) (d) Minors.

No action shall be taken on any new application for a broker's or salesman's license received from any applicant unless said applicant is a person of the age of 21 years or over.

REB 2.03 Competency. <sup>2.03 (2)</sup>

The grade of 75 or above may be evidence of competency and a grade below 75 shall be proof of incompetency. In addition to a grade of 75, the Board may, in its discretion, require further supplemental proof of competency. In all cases, the grade below 75 received on the written examination shall be controlling on the question of incompetency and cannot be supplemented by other proof.

REB 3.01 (a) Record.

All proceedings at hearing in contested cases or in any other hearings where the Board shall so determine (or any party so request) shall be taken down by a reporter, and the transcript thereof, together with all exhibits, shall be a part of the official records of such hearing. Any party desiring a copy of such transcript shall so indicate in advance and shall pay the proper cost in advance.

The rules contained herein shall take effect on January 1, 1960, as provided in Sections 227.02 (1) (e) and 227.023 (1), Wisconsin Statutes.

Dated this 3rd day of November, 1959, at Milwaukee, Wisconsin.

WISCONSIN REAL ESTATE BROKERS' BOARD

BY:

Roy E. Hays  
ROY E. HAYS, SECRETARY

November 5, 1959

Mr. Roy E. Hays, Secretary-Counsel  
Real Estate Brokers' Board  
Milwaukee, Wisconsin

Dear Mr. Hays:

We have prepared copy incorporating the new sections and amending the old sections of your rules and have submitted the copy to the printer. Printer's copy will be submitted to you for approval in a couple of weeks.

In the interests of uniformity we have changed the numbering to the extent that numbers "1.", "2.", etc. have been enclosed in parenthesis, as follows: "(1)", "(2)", etc.

In connection with amendments, the following statement appears: "The following rules are to be amended to read as follows:

"REB 2.02(2)(d) Minors. No action shall be taken on any new application for a broker's or salesman's license received from any applicant unless said applicant is a person of the age of 21 years or over."

We assume that the statement of general policy which follows the subsection (d) in the text is to be reprinted.

Very truly yours,

Assistant Revisor



ROY E. HAYS  
SECRETARY-COUNSEL

# The State of Wisconsin

WISCONSIN  
REAL ESTATE BROKERS' BOARD  
308 W. NORTH AVENUE  
FRANKLIN 2-5830  
MILWAUKEE 12

JULIUS J. DINGER, PRESIDENT  
EAU CLAIRE  
M. WILLIAM GERRARD  
LA CROSSE  
HOWARD J. MEISTER  
MILWAUKEE

November 3, 1959

Mr. James J. Burke  
Revisor of Statutes  
321 NE  
State Capitol  
Madison, Wisconsin

Dear Sir:

In accordance with the provisions of Section 227.023 (1) of the Wisconsin Statutes, please find enclosed two certified copies of an order of the Wisconsin Real Estate Brokers' Board adopting and amending rules.

It is requested that this order be filed in your office in accordance with the provisions of Section 227.023 (1). These rules were published in the Wisconsin Administrative Register in October, 1959, and inasmuch as no public hearing was requested, the Wisconsin Real Estate Brokers' Board, by formal motion on November 3, adopted said rules. A certified copy of the order and the rules has been forwarded to the Secretary of State this date.

If there are any questions with regard to this matter, kindly advise. I wish to thank you for your courtesies in this matter.

Very truly yours,

WISCONSIN REAL ESTATE BROKERS' BOARD

  
ROY E. HAYS, SECRETARY-COUNSEL

REH:kk

Enclosures