

FILED June 2, 2022 (Date)

IREC

Board / Commission

M. L.
Signature, Executive Officer

BEFORE THE IOWA REAL ESTATE COMMISSION
200 EAST GRAND, SUITE 350
DES MOINES, IOWA 50309

IN RE:)	
)	CASE NUMBER: 21-227
Michael L. Riedmann)	
Broker (B22081000))	COMBINED STATEMENT OF
)	CHARGES, INFORMAL
NP Dodge Real Estate)	SETTLEMENT AGREEMENT,
8701 W Dodge Road, Suite 300)	AND CONSENT ORDER IN A
Omaha, NE 68114)	DISCIPLINARY CASE
)	
RESPONDENT)	

The Iowa Real Estate Commission (Commission) and **Michael L. Riedmann** (Respondent) enter into this Combined Statement of Charges, Informal Settlement Agreement, and Consent Order in a Disciplinary Case (Order) pursuant to Iowa Code Sections 17A.10(1) and 272C.3(4) (2022).

1. The Commission issued the Respondent real estate broker license number B622081000 on August 11, 1994. Respondent's license is in full force and effect until December 31, 2023. At all times relevant to this matter, the Respondent served both as the designated broker in charge and a licensed real estate broker officer of NP Dodge Real Estate Sales, Inc., license number F00356000, located in Omaha, Nebraska.

2. The Commission has jurisdiction of this disciplinary matter pursuant to Iowa Code chapters 17A, 272C, and 543B (2021). Licenses issued by the Commission are subject to the laws of the State of Iowa and to the administrative rules of the Commission.

STATEMENT OF CHARGES

COUNT I
(Security Deposit Trust Account)

3. Respondent is charged with engaging in practices harmful or detrimental to the public in violation of Iowa Code sections 543B.29(1)(d), 543B.29(1)(k), 543B.34(1), 543B.46 (2021) by:

- (a) Failing to properly account for conditionally refundable deposits in the Respondent's trust account containing security deposits. See 193E Iowa Administrative Code §§ 13.1(6)(c), 15.1(7)(e), 18.14(5)(f).
- (b) Failing to provide a means for a monthly reconciliation of the Respondent's trust account containing security deposits to ensure agreement of the general ledger balance, reconciled bank balance, and individual ledger accounts. See 193E Iowa Administrative Code §§ 13.1(6)(a)(3), 15.1(7)(f), 18.14(5)(e), 18.14(5)(f).

COUNT II
(Property Management Trust Account)

4. Respondent is charged with engaging in practices harmful or detrimental to the public in violation of Iowa Code sections 543B.29(1)(d), 543B.29(1)(k), 543B.34(1), 543B.46 (2021) by:

- (a) Failing to maintain at all times a record of the Respondent's trust account and improper trust account procedures. See 193E Iowa Administrative Code §§ 13.1(6), 18.14(5)(e), 18.14(5)(f).
- (b) Failing to provide a means for a monthly reconciliation of the Respondent's trust account to ensure agreement of the general ledger balance, reconciled bank balance and individual ledger accounts. See 193E Iowa Administrative Code §§ 13.1(6)(a)(3), 15.1(7)(f), 18.14(5)(e), 18.14(5)(f).

CIRCUMSTANCES

5. Respondent was assigned as the designated broker in charge of real estate brokerage firm NP Dodge Real Estate Sales, Inc. at all times relevant to this matter. As the designated broker in charge of the real estate brokerage firm, the Respondent is responsible for ensuring compliance with all applicable rules and regulations governing the firm's operations in the state of Iowa, including maintenance of all trust accounts used by the firm.

6. From July 12, 2021 through July 31, 2021, an offsite examination of the Respondent's Iowa real estate trust account and transaction records was conducted by the Commission auditor (Auditor). Consistent with normal auditing protocols, the Auditor asked the Respondent for access to documents related to the trust accounts used by the firm. The auditor examined both the Respondent's trust account containing security deposits and the trust account relating to property management activity.

(Security Deposit Trust Account)

7. The auditor found that for the Respondent's Iowa real estate trust account containing security deposits, there was not an accurate monthly reconciliation being performed to ensure agreement of the general ledger balance, reconciled bank balance and sum of the individual ledgers.

8. The auditor found that for an unknown period of time, the Respondent had a variance in the Iowa real estate trust account containing security deposits in the amount of \$2,175.00.

9. The Respondent rectified the variance by withdrawing \$2,175 from his Iowa real estate security deposit trust account on July 30, 2021.

(Property Management Trust Account)

10. The auditor found that the Respondent is failing to properly maintain accurate accounting of the general ledger balance for the Respondent's Iowa real estate trust account relating to property management activity.

11. The auditor found that for an unknown period of time, the Respondent had a shortage in the Iowa real estate property management trust account in the amount of \$2,186.00.

12. The Respondent rectified the deficiency by depositing \$2,675.00 in his Iowa real estate property management trust account on July 30, 2021.

SETTLEMENT AGREEMENT

13. Respondent admits each and every allegation in the above-stated Statement of Charges. This case shall constitute one violation for purposes of Iowa Code section 543B.29(4) (2022).

14. Respondent acknowledges that he has a right to receive notice of the above-stated charges and to request a hearing before the Commission on the merits of the charges. By freely and voluntarily entering into this Order, the Respondent waives his right to notice and a hearing and all attendant rights, including the right to seek judicial review. This Order constitutes discipline against the Respondent, and is the final agency order in this contested case pursuant to Iowa Code section 17A.10 and 193 Iowa Administrative Code 7.4.

15. Respondent agrees that the State's attorney and/or Commission staff may present this Order to the Commission and may have *ex parte* communications with the Commission while presenting it. Respondent waives any right of notice of this meeting or any right that the Respondent might have to participate in the discussion of this Order among the Commission, the Commission staff and the State's attorney.

16. This Order shall be part of the permanent record of Respondent and shall be considered by the Commission in determining the nature and severity of any future disciplinary action to be imposed in the event of any future violations of the laws and rules governing the practice of real estate by the Respondent.

17. Failure to comply with the terms of this Order shall be prima facie evidence of a violation of Iowa Code sections 543B.29(1)(d), 543B.34(1) and 272C.3(2)(a) (2022) and shall be grounds for further disciplinary action. However, no action may be taken against the Respondent for violations of this Order without a hearing, or waiver of hearing.

18. This Order is not binding on the Iowa Real Estate Commission until it has been formally approved by a majority of the Commission members.

(a) In the event that this Order is rejected by the Commission it shall be of no force or effect to either party, and it shall not be admissible for any purpose in further proceedings in this matter.

(b) If the Commission approves this Order, it shall fully dispose of all issues in this case.

19. Upon acceptance by both the Commission and Respondent, this Combined Statement of Charges, Informal Settlement and Consent Order shall be a public record available for inspection and copying in its entirety in accordance with the requirements of Iowa Code chapter 22 (2022).

CONSENT ORDER

IT IS THEREFORE ORDERED:

20. **REPRIMAND.** Pursuant to 193E Iowa Administrative Code section 18.14(1)(j), the Respondent is reprimanded.

21. **CIVIL PENALTY.** The Respondent shall pay a civil penalty to the Commission in the amount of one thousand, five hundred dollars (\$1,500.00) no later than twelve (12) months after acceptance of this Order by the Commission. The civil penalty must come under a cover letter addressed to the Commission's Executive Officer, referencing Case Number 21-227.

22. **FUTURE COMPLIANCE.** The Respondent also shall at all future times fully and promptly comply with all pertinent Orders of the Commission and the statutes and Commission rules regulating the practice of real estate.

WHEREFORE, the terms of this Combined Statement of Charges, Informal Settlement Agreement and Consent Order are agreed to and accepted by the Iowa Real Estate Commission and the Respondent.

FOR THE RESPONDENT:

Voluntarily agreed to and accepted by **Michael L. Riedmann** on this 11th day of May, 2022.

Michael L. Riedmann
By: **MICHAEL L. RIEDMANN**, Respondent

State of Nebraska)

County of Douglas)

Signed and sworn to before me on this 11th day of May, 2022, by:



Tara L. Handley
Notary Public, State of Nebraska
Printed Name: Tara L. Handley
My Commission Expires: Sept. 13, 2024

FOR THE COMMISSION:

Voluntarily agreed to and accepted by the **IOWA REAL ESTATE COMMISSION** on this 2nd day of June, 2022.

J.M.H. FOR IREC
JAMES M.H. CLINGMAN, Chair
Iowa Real Estate Commission