

FILED April 6, 2017 (Date)

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

JREC
Board / Commission
Signature, Executive Officer

IN RE:)	
)	CASE NUMBER: 16-285
Karen M. Feltman)	
Salesperson (S44645000))	
)	INFORMAL SETTLEMENT
Lepic Kroeger Realtors, LLC)	AGREEMENT AND CONSENT
2346 Mormon Trek Blvd)	ORDER IN A DISCIPLINARY CASE
Iowa City, IA 52246)	
)	
RESPONDENT)	

The Iowa Real Estate Commission (Commission) and **Karen M. Feltman** (Respondent) enter into this Informal Settlement Agreement and Consent Order in a Disciplinary Case (Order) pursuant to Iowa Code Sections 17A.10(1) and 272C.3(4) (2017).

1. The Commission issued **Karen M. Feltman** real estate salesperson license number S44645000 on March 11, 2004. The Respondent's license is in full force and effect until December 31, 2018.

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

SETTLEMENT AGREEMENT

3. On January 5, 2017, the Commission issued a Statement of Charges against the Respondent. A true and accurate copy of said Statement of Charges is attached to this Order as Exhibit 1. The parties voluntarily enter into this Order in compromise of contested claims. Solely for settlement purposes, the Respondent, without admission of wrongdoing or guilt, does not contest the violations alleged in Counts I and III of the above-referenced Statement of Charges. This case shall constitute one violation for purposes of Iowa Code section 543B.29(4).

4. The Respondent acknowledges that she has a right to a hearing before the Commission on the merits of the charges. By freely and voluntarily entering into this Order, the Respondent waives her right to a hearing and all attendant rights, including the right to seek judicial review. This Order constitutes the final agency order in this contested case pursuant to Iowa Code section 17A.10 and 193 Iowa Administrative Code 7.

5. The 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.

6. The Respondent 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. This Order shall be part of the permanent record of the 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.

7. 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) 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.

8. This Order is not binding on the 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.

9. Upon acceptance by both the Commission and Respondent, this Informal Settlement Agreement 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.

CONSENT ORDER

IT IS THEREFORE ORDERED:

10. **PROBATION.** The Respondent's real estate salesperson license shall be placed on probation commencing upon the Commission's acceptance of this Order and ending on December 31, 2018. The Respondent's probation shall be subject to the following terms:

A. The Respondent shall maintain full compliance with all terms and conditions of her court-ordered probation in the matter of *State of Iowa v. Karen Marie*

Feltman, Linn County No. SRCR117438. Respondent shall promptly provide all necessary documentation to verify such compliance upon request of the Commission.

- B. The Respondent shall notify the Commission within ten (10) days of the entry of any order either discharging or revoking the deferred judgment entered against her in the matter of *State of Iowa v. Karen Marie Feltman*, Linn County No. SRCR117438.
- C. The Respondent has provided the Commission information concerning her current treatment program and the independent opinion of her psychologist that she can safely practice real estate as long as she continues with the treatment program. The Commission shall have the right to request that the Respondent provide the Commission with independent verification that she is maintaining full compliance with the treatment program established by her psychologist or other treatment provider. Such verification shall include a statement of the Respondent's compliance with the treatment program, and a statement that the Respondent may safely practice real estate while in compliance with her treatment program. The Respondent shall notify the Commission within ten (10) days of any change in treatment providers.
- D. The Respondent shall submit to the Commission within ten (10) days of the Commission's approval of this Order an executed release in a form sufficient to permit the Commission to receive information directly from Respondent's psychologist or other treatment provider, the information referred to in paragraph C above.
- E. Upon the recommendation of the Respondent's psychologist or treatment provider, or upon termination of the Respondent's psychologist or treatment provider without immediate continuation of supervised treatment by an approved successor, the Commission may order the Respondent to be evaluated pursuant to Iowa Code § 272C.9. However, absent a finding of cause to order such an evaluation, this provision shall not apply if the psychologist or treatment provider has released the Respondent from further need of treatment and the Respondent has provided that statement to the Commission.
- F. In addition to the reporting requirements detailed in Iowa Code § 543B.29(f)(1), the Respondent shall notify the Commission of any conviction for a criminal offense within ten (10) days of the court entering judgment. Should the Respondent fail to timely report the entry of any criminal conviction, the Commission shall have the right to revoke and/or deny the renewal of the

Respondent's real estate salesperson license following notice of the alleged violation and opportunity for hearing before the Commission.

G. Should the Respondent commit any felony or misdemeanor criminal offense (not including simple misdemeanor traffic offenses) or commit any violation of law governing the practice of real estate in the state of Iowa during the pendency of the probationary period, the Commission shall have the right to revoke and/or deny the renewal of the Respondent's real estate salesperson license following notice of the alleged violation and opportunity for hearing before the Commission.

11. DISMISSAL. In consideration of the Respondent's submission of additional information verifying that she made a good faith effort to notify the Commission of her criminal conviction in the matter of *State of Iowa v. Karen Marie Feltman*, Linn County No. SRCR117438, the Commission dismisses Count II of the above-referenced Statement of Charges.

12. FUTURE COMPLIANCE. The Respondent 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 Informal Settlement Agreement and Consent Order is agreed to by the Iowa Real Estate Commission and the Respondent.

FOR THE RESPONDENT:

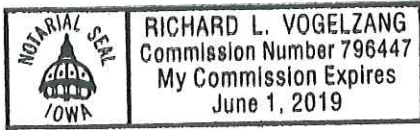
Voluntarily agreed to and accepted by **Karen M. Feltman** on this 28th day of March, 2017.


By: **KAREN M. FELTMAN**, Respondent

State of Iowa)

County of Johnson)

Signed and sworn to before me on this 28 day of March, 2017, by:





Notary Public, State of Iowa

Printed Name: _____

My Commission Expires: _____

Richard Vogelzang

06/01/2019

FOR THE COMMISSION:

Voluntarily agreed to and accepted by the **IOWA REAL ESTATE COMMISSION** on this
6th day of APRIL, 2017.



TERRANCE M. DUGGAN, Chair
Iowa Real Estate Commission

FILED January 5, 2017 (Date)

3061
Board / Commission
[Signature]
Signature, Executive Officer

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

IN RE:)	
)	CASE NUMBER: 16-285
Karen M. Feltman)	
Salesperson (S44645000))	NOTICE OF HEARING AND
)	STATEMENT OF CHARGES
Lepic Kroeger Realtors, LLC)	
2346 Mormon Trek Blvd)	
Iowa City, IA 52246)	
RESPONDENT)	

The Iowa Real Estate Commission ("Commission") issues this Notice of Hearing pursuant to Iowa Code Section 17A.12(2). The Commission has jurisdiction of this matter pursuant to Iowa Code chapters 17A, 543B and 272C (2016). Licenses issued by the Commission are subject to the laws of the State of Iowa and to the administrative rules of the Commission.

The Commission issued Karen M. Feltman ("Respondent") real estate salesperson license number S44645000 on March 11, 2004. Respondent's license is in full force and effect until December 31, 2018. Between March 2004 and May 2016, the Respondent was a licensed real estate salesperson assigned to Skogman Realty, a licensed real estate firm, license number F01272000, located in Cedar Rapids, Iowa. Since June 2016, the Respondent has been a licensed real estate salesperson assigned to Lepic Kroeger Realtors, LLC, a licensed real estate firm, license number F02229000, located in Iowa City, Iowa.

NOTICE OF HEARING

1. **HEARING.** A contested case hearing will be held concerning the below-stated disciplinary charges before the Iowa Real Estate Commission on the 2nd day of **March, 2017** at **9:30 o'clock AM**, at 200 East Grand, Suite 350, Des Moines, Iowa.

2. **ACKNOWLEDGMENT.** The Commission requests that you file a statement to acknowledge receipt of the notice of hearing within 10 days of the date you are served with this Notice.

3. **ANSWER.** Within 20 days of the date you are served with this Notice you must file an answer to the charges as provided in 193 Iowa Administrative Code 7.9.

4. **PREHEARING CONFERENCE.** A prehearing conference will be held by telephone on the 23th day of February, 2017 at 9:30 o'clock AM before an Administrative Law Judge from the Iowa Department of Inspections and Appeals ("ALJ"). You are responsible for notifying the Commission office of the telephone number at which you or your counsel can be reached. Commission rules on prehearing conferences may be found at 193 Iowa Administrative Code 7.21.

5. **PRESIDING OFFICER.** The full Commission shall serve as presiding officer at hearing, pursuant to Iowa Code section 272C.6(1) and 193 Iowa Administrative Code 7.10(1). The Commission may request that an ALJ make initial rulings on prehearing matters, and be present to assist and advise the Board at hearing, as described in 193 Iowa Administrative Code 7.10(4).

6. **HEARING PROCEDURES.** Commission rules on hearing procedures may be found at 193 Iowa Administrative Code chapter 7. You have the right to respond to the charges, produce evidence on your behalf, cross-examine witnesses, and examine any documents introduced at hearing. You may appear personally and be represented by counsel at your own expense. Consult rule 193 Iowa Administrative Code 7.22 if you need to request an alternative time or date. The hearing may be open to the public or closed to the public at the discretion of the Respondent.

7. **DEFAULT.** If you fail to appear at hearing, the Commission may enter a default decision or proceed with the hearing and render a decision in your absence, in accordance with Iowa Code section 17A.12(3) and 193 Iowa Administrative Code 7.27.

8. **STATE'S COUNSEL.** Licensee disciplinary cases are prosecuted by an Assistant Attorney General acting on behalf of the public interest (the State). Copies of all pleadings shall be filed with the Commission, with copies mailed to:

John R. Lundquist
Assistant Attorney General
Iowa Department of Justice
2nd Floor, Hoover State Office Building
Des Moines, Iowa 50319

Phone: 515-281-3658
Fax: 515-281-4209
john.lundquist@iowa.gov

9. **RESPONDENT'S COUNSEL.** Copies of all pleadings filed with the Commission shall also be provided to Respondent's counsel of record:

NONE

10. **SETTLEMENT.** The procedural rules governing the Commission's settlement process are found at 193 Iowa Administrative Code 7.42. If you are interested in pursuing settlement of this matter, please contact Assistant Attorney General John R. Lundquist.

11. **COMMUNICATIONS.** You may not contact Commission members by phone, letter, facsimile, e-mail, or in person about this Notice of Hearing and Statement of Charges. Commission members may only receive information about the case when all parties have notice and an opportunity to participate, such as at the hearing or in pleadings you file with the Commission office and serve upon all parties in the case. You should direct any questions to Assistant Attorney General John R. Lundquist at 515-281-3658, or the Commission's Executive Officer, Jeff Evans, at 515-725-9026, or Fax 515-725-9032.

STATEMENT OF CHARGES

COUNT I

12. Respondent is charged with having been convicted of a felony criminal offense and/or a criminal offense involving forgery, embezzlement, obtaining money under false pretenses, theft, arson, extortion, conspiracy to defraud, or other similar offense, any offense involving moral turpitude, or other offense involving a criminal breach of fiduciary duty in a court of competent jurisdiction in this state, or in any other state, territory, or district of the United States in violation of Iowa Code section 543B.29(1)(f). See Iowa Code §§ 543B.15(3) and 193E Iowa Administrative Code §§ 2.1 (definition of "moral turpitude"), 18.2(1), 18.2(4).

COUNT II

13. Respondent is charged with failing to timely notify the Commission of her conviction for a felony criminal offense and/or other criminal offense included in Iowa Code section 543B.15(3)(a) in violation of Iowa Code section 543B.29(1)(f)(1).

CIRCUMSTANCES

14. On or about August 10, 2016, the Respondent pled guilty in the Iowa District Court for Linn County to the serious misdemeanor offense of False Report of the occurrence of a criminal act to a public safety entity in violation of Iowa Code section 718.6(1). *See State of Iowa v. Karen Marie Feltman*, Linn County No. SRCR117438. On that same date, the Court accepted the Respondent's guilty plea, deferred judgment against the Respondent, imposed a \$315 fine plus court cost, and ordered the Respondent to serve one year of unsupervised probation.

15. In pleading guilty to and receiving a deferred judgment for violating Iowa Code section 718.6(1), the Respondent stands convicted of an indictable offense that constitutes an offense involving moral turpitude as her conduct was, among other things, contrary to justice, honesty, and good morals. *See Iowa Code §§ 543B. 15(3)(a), 543B.29(1)(f); 193E Iowa Administrative Code § 2.1.*

16. The Respondent failed to report the conviction entered against her in Linn County No. SRCR117438 to the Commission within ten days of entry as required by Iowa Code § 543B.29(1)(f)(1). The failure of a licensee to timely notify the Commission of a qualifying conviction is sufficient grounds for revocation of that licensee's real estate license. *See Iowa Code § 543B.29(1)(f)(1).*

COUNT III

17. Respondent is charged with knowingly making misleading, deceptive, untrue, or fraudulent representations in the practice of the profession, or engaging in unethical conduct, or a practice harmful or detrimental to the public in violation of Iowa Code section 543B.29(1)(d); making a substantial misrepresentation in violation of Iowa Code section 543B.34(1)(a); and/or being unworthy to act as a real estate salesperson in such manner as to safeguard the interests of the public in violation of Iowa Code section 543B.34(1)(h) by falsely reporting to law enforcement officers that she had been the victim of criminal act occurring upon a client's property. *See 193E Iowa Administrative Code section 18.14(5)(s).*

CIRCUMSTANCES


18. In April 2016, the Respondent was the listing agent for a residential property located in Hiawatha, Iowa.

19. On April 28, 2016, the Respondent was found in the basement of the Hiawatha property by Hiawatha Police with her wrists bound. The Respondent reported to the responding police officers that while checking on the Hiawatha property, she had been attacked, bound, and held against her will by an unknown assailant. The Respondent subsequently admitted fabricating the attack and falsifying her report to police.

20. On August 10, 2016, the Respondent pled guilty to violating Iowa Code section 718.6(1) by making a false report of the fabricated attack at the Hiawatha property to police. *See State of Iowa v. Karen Marie Feltman*, Linn County No. SRCR117438.

21. The Respondent's false report to police occurred during or was otherwise related to her practice as a licensed real estate salesperson. The Respondent's conduct violated the standard of conduct a licensed real estate salesperson owes to her clients and the public. The Respondent's misrepresentations and false statements furthermore had the potential to harm or otherwise detrimentally affect her client's ability to market and sell the Hiawatha property.

This Notice of Hearing and Statement of Charges is filed and issued on the 5th day of January, 2017.



Jeffrey M. Evans, Executive Officer
Iowa Real Estate Commission

Copies to:
Assistant Attorney General John Lundquist
Department of Inspections and Appeals, assigned Administrative Law Judge
Richard L. Vogelzang, Lepic Kroeger Realtors, LLC