

**BEFORE THE IOWA REAL ESTATE COMMISSION  
1918 SE HULSIZER  
ANKENY, IOWA**

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<b>IN RE:</b>	)	
	)	<b>CASE NUMBER: 01-010</b>
<b>STEVEN L. WOLVERS</b>	)	
<b>Salesperson (S34763)</b>	)	<b>STATEMENT OF</b>
	)	<b>CHARGES</b>
<b>REMAX SUBURBAN REAL ESTATE</b>	)	
<b>204 8<sup>TH</sup> SW</b>	)	
<b>ALTOONA, IA 50009</b>	)	

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The Iowa Real Estate Commission has jurisdiction of this matter pursuant to Iowa Code chapters 17A, 543B, and 272C (1999 and 2001).

Licenses issued by the Commission are subject to the laws of the state of Iowa and to the administrative rules of the Commission.

STEVEN L. WOLVERS was at all material times, during the following events, a licensed salesperson with ReMax Suburban Real Estate, a licensed real estate firm (F03915) in Altoona, Iowa. His license, number S34763 is in full force and effect through 12-31-2002.

**COUNT I**

The Respondent is charged with making a substantial misrepresentation, pursuing a continued and flagrant course of misrepresentation, making untrue or improbable statements in advertisements, and knowingly making misleading, deceptive, or untrue representations in the practice of real estate by routinely advertising properties at a price higher than the listing price with inadequate disclosures, in violation of Iowa Code sections 543B.29(3), (7), and 543B.34(1), (3) (1999 and 2001), and 193E IAC 1.24(1) and 4.54(19).

**COUNT II**

The Respondent engaged in an unethical practice which is harmful or detrimental to the public, and knowingly made a misleading, deceptive, or untrue representation in the practice of real estate by preparing an addendum to an offer to purchase which, on its face, causes representations in the body of the offer to be untrue and possibly hidden from persons making underwriting decisions on the secondary market, in violation of Iowa Code sections 543B.29(3) and 543B.34(1) (1999 and 2001), and 193E IAC 1.20 and 4.54(19).

## CIRCUMSTANCES OF THE COMPLAINT

1. From a date uncertain, but at least from December, 2000, Respondent has routinely advertised property for a sales price substantially higher than the listing price. Typically, the advertised price was over 6% higher than the listing price.
2. Respondent apparently increased the advertised price over the listing price to accommodate so-called "equity financing" options for buyers. Respondent's disclosures were inadequate to communicate this practice and are misleading.
3. On or about January 20, 2001, the Respondent prepared an offer on the property located at 1613 Delaware Place, Des Moines, Iowa, for \$54,900, approximately \$10,000 above the listed price. Item 1(e) Other Financing Terms: stated "Seller agrees to carry back 2nd mortgage in the amount of \$10,980 at 7% int. 3yr. amortization 5yr balloon." Item 20. Other provisions # 2 which stated in part "Seller to pay 2,049 for buyer closing cost, pre pids or buy down at closing."
4. On or about January 20, 2001, Respondent prepared an Addendum to the Purchase Agreement providing for the following: "Both buyer and seller agree the 2<sup>nd</sup> mortgage is for qualifying purposes only and buyers will never be required to pay this mortgage back that is why the offer is higher."
5. The addendum was not referenced in the purchase agreement and drafted only for the purpose of deception. As a result, the buyer qualified for a 80% mortgage with actually nothing down, based upon showing 20% equity that did not exist. The addendum could become detached when the mortgage is sold in the secondary market, falsely giving the appearance of equity.
6. Designing an offer which includes an immediately forgivable second mortgage under conditions where the true terms of the mortgage may not be fully disclosed raises numerous consumer and business issues including inflated property values, potentially misleading declarations of value forms in public records, potentially unforeseen tax consequences for a buyer and seller, and possible deception in the secondary market.

## FINDING OF PROBABLE CAUSE

On June 20, 2001 the Iowa Real Estate Commission found probable cause to file this Statement of Charges and to order that a hearing be set in this case.

Executed this 20<sup>th</sup> day of SEPTEMBER, 2001.

  
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Roger L. Hansen, Executive Secretary  
Iowa Real Estate Commission

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<b>IN RE:</b>	)	
	)	<b>CASE NUMBER: 01-010</b>
<b>STEVEN L. WOLVERS</b>	)	
Salesperson (S34763)	)	<b>STIPULATION</b>
	)	<b>AND</b>
	)	<b>ORDER</b>
<b>REMAX SUBURBAN REAL ESTATE</b>	)	
<b>204 8<sup>TH</sup> SW</b>	)	
<b>ALTOONA, IA 50009</b>	)	

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On this 20<sup>th</sup> day of SEPTEMBER, 2001, the Iowa Real Estate Commission and STEVEN L. WOLVERS, each hereby agree with the other and stipulate as follows:

1. The allegations specified in the Statement of Charges in this case shall be resolved without proceeding to hearing, as the parties have agreed to the following Stipulation and Consent Order.
2. The Respondent has a right to a hearing on the charges, but waives the right to hearing and all attendant rights, including the right to appeal, by freely and voluntarily agreeing to this Order. Once entered, this Order shall have the force and effect of a disciplinary order entered following a contested case hearing.
3. The Respondent was issued a real estate salesperson license on March 02, 1994, which is in full force and effect through December 31, 2001.
4. The Iowa Real Estate Commission has jurisdiction over the parties and subject matter jurisdiction over each allegation in the Statement of Charges.
5. A Statement of Charges will be filed against Respondent together with this voluntary Stipulation and Consent Order.
6. The Respondent does not necessarily admit all allegations of the Statement of Charges, but agrees the Commission could find one or more violations following hearing.
7. If this Stipulation and Consent Order is approved by the Commission it will be filed, along with the Statement of Charges, and upon filing both documents will become public records.

8. This Stipulation and Consent Order shall be made a part of the record of the Respondent and may be considered by the Commission in determining the nature and severity of any disciplinary action to be imposed on the Respondent for any future violations of the laws and rules governing the practice of real estate.

9. Failure to comply with the terms of this Stipulation and Consent Order shall be prima facie evidence of a violation of Iowa Code sections 543B.29(3), 543B.34(2) and 272C.3(2)(a) (2001).

10. This Stipulation and Consent Order shall be presented to the Commission in closed session by the prosecuting attorney and/or Commission staff. Respondent waives any right of notice of this meeting or any right which the Respondent might have to participate in the discussion of this Stipulation and Consent Order among the Commission, the Commission staff and the prosecuting attorney.

11. This Stipulation and Consent Order is not binding on the Iowa Real Estate Commission until it has been formally approved by a majority of the Commission members. In the event that this Stipulation and Consent Order is rejected by the Commission it shall be of no force or effect to either party.

IT IS THEREFORE ORDERED that the Respondent is **Reprimanded**.

IT IS FURTHER ORDERED that the Respondent shall pay a civil penalty in the amount of \$1,000 for Count I and \$1,000 for Count II, for a total of \$2,000, due in full to the Commission within thirty (30) days of acceptance of this Stipulation and Consent Order by the Commission.

IT IS FURTHER ORDERED that the Respondent shall immediately cease misleading advertising practices, and shall, in particular, use the listing price of the property as the advertised sales price, clearly separating any information provided on financing options from the list price of the property.

IT IS FURTHER ORDERED that Respondent shall immediately cease misleading or potentially deceptive practices in drafting offers to purchase, and shall, in particular, assure that representations concerning seller financing in the body of an offer to purchase are genuine and not designed to create the impression of an inflated property value for the purpose of qualifying a buyer for financing or other potentially deceptive purpose.

IT IS FURTHER ORDERED AND AGREED that at all future times Respondent shall fully and promptly comply with all pertinent Orders of the Commission and the statutes and Commission rules regulating the practice of real estate.

**FOR THE RESPONDENT:**

This Stipulation and Consent Order is voluntarily entered into by STEVEN L. WOLVERS on this 4<sup>th</sup> day of SEPTEMBER, 2001.

[Redacted Signature]

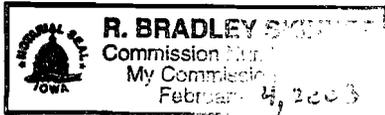
STEVEN L. WOLVERS, Respondent

State of Iowa )

County of Polk )

Signed and sworn to before me on this 4<sup>th</sup> day of September, 2001, by

[Redacted Signature]



Notary Public, State of Iowa  
Printed Name: R. Bradley Skinner  
My Commission Expires: 2-4-2003

**FOR THE COMMISSION:**

This Stipulation and Consent Order is accepted by the Iowa Real Estate Commission on this 20<sup>th</sup> day of SEPTEMBER, 2001.

[Redacted Signature]

Robert J. Miller, Chair  
Iowa Real Estate Commission