

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

Department of Commerce
Professional Licensing Bureau
FILED 2-2-23 (Date)
IREC
Board / Commission
Renita Paul
Signature, Executive Officer

IN RE:)	
)	CASE NUMBER: 21-096
Jerry E. Hegtvedt)	
Broker (B42390000))	COMBINED STATEMENT OF
)	CHARGES, INFORMAL
Cedar Valley Iowa Realty and Auction, L.L.C.)	SETTLEMENT AGREEMENT,
1206 Gilbert Street)	AND CONSENT ORDER IN A
Charles City, IA 50616)	DISCIPLINARY CASE
)	
RESPONDENT)	

The Iowa Real Estate Commission (Commission) and **Jerry E. Hegtvedt** (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 B42390000 on January 5, 2005. Respondent’s license is current and in full force and effect through December 31, 2022. At all times relevant to this matter, the Respondent was a licensed real estate sole-proprietor broker operating as Cedar Valley Iowa Realty, a licensed real estate trade name, license number T04968000, located in Charles City, Iowa.

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

3. Respondent is charged with engaging in practices harmful or detrimental to the public and/or failing to supervise a licensee employed by the broker in violation of Iowa Code sections 543B.29(1), 543B.34(1)(h), 543B.62(3)(b) (2021) by allowing a salesperson employed by the broker to conduct real estate business (property management) independently outside the licensed broker or firm she is assigned to. See 193E Iowa Administrative Code §§ 7.11, 15.1, 18.2(6), 18.14(5)(m).

CIRCUMSTANCES

4. As designated broker of the real estate broker sole-proprietorship, the Respondent is responsible for ensuring compliance with all applicable rules and regulations governing the sole-proprietorship's operations in the state of Iowa.

5. In April 2021, it was discovered the Respondent allowed two licensed real estate salesperson assigned to the broker sole-proprietorship to conduct residential property management independently; therefore failing to have written property agreements between the owners of the properties and their designated broker.

6. As designated broker of the real estate broker sole-proprietorship, the Respondent is responsible for providing supervision of any salesperson or broker associate employed by or otherwise associated with the Respondent. The Respondent failed to provide adequate supervision over the associated real estate salespersons by allowing them to conduct residential property management in the state of Iowa independently outside of the licensed broker they are assigned to.

COUNT II

7. Engaging in practices harmful or detrimental to the public in violation of Iowa Code sections 543B.1, 543B.2, 543B.5(6), 543B.29(1)(d), 543B.34(1) (2021) by failing to obtain a license for his corporation before its acting as a real estate brokerage in the state of Iowa. See 193E Iowa Administrative Code sections 7.2(1), 18.14(5)(s).

CIRCUMSTANCES

8. In April of 2021, it was discovered that the Respondent was in the business of conducting real estate brokerage services under a domestic limited liability company in the state of Iowa known as "Cedar Valley Iowa Realty and Auction, L.L.C."

9. During the time period in question, Cedar Valley Iowa Realty and Auction, L.L.C. was a company that was not licensed to practice real estate in the state of Iowa.

10. Cedar Valley Iowa Realty and Auction, L.L.C. was licensed to practice real estate in Iowa on October 19, 2021 by the Commission, with the Respondent assigned to the new real estate brokerage firm as the sole broker officer and designated broker in charge.

SETTLEMENT AGREEMENT

11. 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).

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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:

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

19. CIVIL PENALTY. Respondent shall pay a civil penalty to the Commission in the amount of two thousand dollars (\$1,000.00 for Count I, \$1,000.00 for Count II) 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 21-096.

20. EDUCATION. The Respondent shall attend the Commission approved twelve (12) hour course "Real Estate Office Organization, Administration and Human Resources." These hours shall be in addition to any real estate continuing education required by law for license renewal. The original certificate of attendance must be submitted to the Iowa Real Estate Commission no later than twelve (12) months after acceptance of this Order by the Commission. The certificate of attendance must come under a cover letter addressed to the Commission's Executive Officer, referencing Case Number 21-096.

21. 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 **Jerry E. Hegtvedt** on this 24th day of December, 2022.



By: **JERRY E. HEGTVEDT**, Respondent

State of Iowa)
County of Floyd)

Signed and sworn to before me on this 24th day of December, 2022, by:



2025


Notary Public, State of Iowa
Printed Name: Lisa Sonberg
My Commission Expires: November 21, 2025

FOR THE COMMISSION:

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



JAMES M.H. CLINGMAN, Chair
Iowa Real Estate Commission