

WISCONSIN DEPARTMENT OF REGULATION & LICENSING



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**IN THE MATTER OF DISCIPLINARY
PROCEEDINGS INVOLVING:**

The Board having previously considered and approved the Stipulation entered into by the parties, and having adopted a Final Decision and Order dated December 11, 2000, hereby issues a *Revised Final Decision and Order*, to delete the investigative file number 99 AUC 024, which was erroneously included in the order due to the scrivener's error. The remainder of the terms and conditions set forth in the original order are incorporated herein by reference and are not altered by this revision.

Department of Regulation and Licensing
Division of Enforcement
P.O. Box 8935
Madison, WI 53708-8935

- 1. STEVEN L. GOOD** ("Good"), 356 N. Deere Park Drive, Highland Park, Illinois, 60035 is an auctioneer, registered in the State of Wisconsin pursuant to license #52-1383, originally granted on July 22, 1998. Good is a licensed real estate broker, registered in the State of Wisconsin pursuant to license # 90-25362, originally granted on April 17, 1981.
- 2. SHELDON GOOD & COMPANY** ("Sheldon Good") is a licensed auction company, registered in the State of

Wisconsin pursuant to license # 53-78, originally granted on March 1, 1995.

3. On June 16, 1998, Sheldon Good entered into a written real estate auction agreement with Fred W. Storm, the owner of a 15-unit condominium complex in Lake Mills, Wisconsin. A copy of the real estate auction agreement is attached and marked as **Exhibit 1**.
4. The parties did not use the state approved listing contract form for the sale of real estate. Sheldon Good prepared a real estate auction agreement in consultation with Storm and his legal counsel.
5. Pursuant to the terms of the agreement, Storm paid a sum of \$38,000.00 to Sheldon Good prior to the auction. The money paid by Storm constituted pre-paid advertising expenses which was subject to refund to Storm in the event that the actual marketing expenses were less than the funds which he advanced. In fact, the marketing expenses were far greater than those advanced, and Mr. Storm still owes Good money.
6. The auction agreement provided that Sheldon Good would receive all earnest money or similar deposits from a sale of the property and hold such payments in an escrow account pending consummation of the sale.
7. On or about August 2, 1998, Sheldon Good conducted the real estate auction of Hatchery Commons.
8. Steven L. Good was the designated auctioneer and a project salesperson for the Hatchery Commons auction.
9. Upon completion of the auction, Storm requested a complete and detailed accounting of the auction and marketing expenses. Good did not provide an accounting report of the marketing expenses on the basis that the auction agreement only required an accounting report if the seller was entitled to a refund. Good notified Storm that all of the marketing funds were spent and that Storm was not entitled to a refund.
10. On December 7, 1999, the Department conducted an on-site audit of the auction records of Sheldon Good. The Department Auditors found that the pre-paid marketing expenses received from Storm were not deposited into an auction trust account, but rather were held in a separate client escrow account as agreed to by the parties and provided in the auction agreement.
11. The Department Auditors also found that the auction contract and advertisement did not include the registration number of auction company and the name of the designated auctioneer.

VIOLATIONS

Based on the foregoing, Respondents **STEVEN L. GOOD** and **SHELDON GOOD & COMPANY** have violated:

a) s. 480.16 Wis. Stats., by depositing all down payments, earnest money or other trust funds received by an auctioneer or auction company on behalf of the auctioneer's principal into a separate client escrow account, instead of the required common trust account maintained by the auctioneer for that purpose in a bank, savings and loan association or credit union authorized to do business in this state and is designated by the auctioneer or auction company pending the consummation or termination of the transaction.

b) s. 480.14 (3) (a), Wis. Stats., by failing to provide to each owner or consignor of goods or real estate that was sold or attempted to be sold at the auction an accounting of all moneys due the owner or consignor.

c) RL 124.02 (1) and RL 123.03(1) Wis. Adm. Code, by failing to include the registrant's state registration number in the auction agreement and advertising.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that the Stipulation entered into by the parties and submitted to the Board on December 11, 2000, is hereby accepted. IT IS FURTHER ORDERED, that the auctioneer license of **STEVEN L. GOOD (Lic. #52-1383)**, and the auction company license of **SHELDON GOOD & COMPANY'S (Lic. #53-78)** be, and hereby are **REPRIMANDED**.

IT IS FURTHER ORDERED, that the Respondents shall pay partial costs of **\$550.00** and a forfeiture in the amount of **\$1000.00**, within 30 days of the date of this Order by making payment of the same to the Department of Regulation and Licensing, P.O. Box 8935, Madison, WI 53708-8935.

IT IS FURTHER ORDERED, that file **98 AUC 027** shall be and hereby is closed.

Dated this 3rd day of January, 2001.

WISCONSIN AUCTIONEER BOARD

By: Cletus Hansen

Authorized Board Representative