

## WISCONSIN DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES



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STATE OF WISCONSIN  
BEFORE THE REAL ESTATE EXAMINING BOARD

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IN THE MATTER OF DISCIPLINARY  
PROCEEDINGS AGAINST

DONALD E. KNUTSON,  
RESPONDENT.

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FINAL DECISION AND ORDER

ORDER 0001979

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Division of Enforcement Case No. 12 REB 004

The parties to this action for the purpose of Wis. Stat. § 227.53 are:

Donald E. Knutson  
d/b/a ReMax Country Realty  
W7878 Back and Forth Street  
Westfield, WI 53964

Wisconsin Real Estate Examining Board  
P.O. Box 8935  
Madison, WI 53708-8935

Division of Enforcement  
Department of Safety and Professional Services  
P.O. Box 8935  
Madison, WI 53708-8935

The parties in this matter agree to the terms and conditions of the attached Stipulation as the final disposition of this matter, subject to the approval of the Real Estate Examining Board (Board). The Board has reviewed this Stipulation and considers it acceptable.

Accordingly, the Board in this matter adopts the attached Stipulation and makes the following Findings of Fact, Conclusions of Law and Order.

FINDINGS OF FACT

1. Respondent Donald E. Knutson (dob 08/14/2012) is licensed in the State of Wisconsin as a Real Estate Broker, having license number 44024-90, first issued on 08/21/1990 and current through 12/14/2012. Respondent's most recent address on file with the Wisconsin Department of Safety and Professional Services (Department) is W7878 Back and Forth St., Westfield, WI 53964.

2. On or about January 9, 2012, a Department auditor conducted an audit of Respondent's real estate trust account.

3. The audit revealed that dates in Respondent's trust account journal did not match dates of checks actually received or disbursed because Respondent enters them off his monthly bank statements rather than as the transactions occurred.

4. The audit revealed that Respondent:

- a. Issued a check to a listing broker on a deal from 2006 where the transaction was still disputed without getting attorney advice or authorization to do so.
- b. Issued two checks for commissions that should have been disbursed in 2005 and 2006.
- c. Failed to withdraw his commission from a 7/22/2011 deal within 24 hours and in fact kept it comingled in his trust account for quite some time. He also failed to identify the monies as being from the transaction with which it was associated.
- d. Failed on at least three occasions to properly record checks in the trust account journal or account for the monies in the trial balances.
- e. Failed to keep records showing receipts and disbursements as they affect each transaction.

5. Respondent did not respond to the pre-audit questionnaire and failed to respond to the Department auditor's phone calls and e-mails.

6. Respondent was only able to provide two years of journals for the auditor.

#### CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Examining Board has jurisdiction to act in this matter pursuant to Wis. Stat. § 452.14, and is authorized to enter into the attached Stipulation pursuant to Wis. Stat. § 227.44(5).

2. By the conduct described in the Findings of Fact, Respondent violated Wis. Stat. § 452.133(1)(f) by failing to safeguard trust funds and other property held by the broker.

3. By the conduct described in the Findings of Fact, Respondent violated Wis. Admin. Code § RL 18.09(1) by failing to disburse trust funds from the real estate trust account properly.

4. By the conduct described in the Findings of Fact, Respondent violated Wis. Admin. Code § RL 18.10 by comingling personal funds in an amount greater than \$300 in the trust account.

5. By the conduct described in the Findings of Fact, Respondent violated Wis. Admin Code § RL 18.13 by failing to keep a bookkeeping system which meets the requirements

of a cash journal and ledger and failed to reconcile the accounts, prepare trial balances, or validate the accounts.

6. As a result of the above violations, Respondent is subject to discipline pursuant to Wis. Stat. § 452.14(3)(h) and (i).

### ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The attached Stipulation is hereby accepted.
2. The license of Respondent Donald E. Knutson is hereby SUSPENDED for a period of 60 days beginning 30 days after the date of this Order.
3. The license issued to Donald E. Knutson (license number 44024-90) is hereby LIMITED as follows:
  - a. Respondent shall, within six months of the date of this Order, successfully complete 15 hours of education in trust accounting offered by a provider pre-approved by the Board's monitoring liaison, including taking and passing any exam offered for the courses.
  - b. Respondent shall submit proof of completion in the form of verification from the institution providing the education to the address stated below. None of the education completed pursuant to this requirement may be used to satisfy any continuing education requirements that have been or may be instituted by the Board, Wisconsin Department of Safety and Professional Services or similar authority in any state, and also may not be used in future attempts to upgrade a credential in any state.
  - c. The education limitation shall be removed from Respondent's license and Respondent will be granted a full, unrestricted license after satisfying the Board or its designee that Respondent has successfully completed all of the ordered education.
4. The license issued to Donald E. Knutson (license number 44024-90) is hereby further LIMITED as follows:
  - a. Respondent shall submit for a period of one year from the date of this Order, monthly reports showing the trial balances, ledger and journal for his real estate trust account to the Department Monitor at the address below.
  - b. The report limitation shall be removed from Respondent's license and Respondent will be granted a full, unrestricted license after satisfying the Board or its designee that Respondent has successfully completed all of the ordered education.

5. Within 90 days of the date of this Order, Respondent shall pay a FORFEITURE in the amount of \$400 and COSTS of this matter in the amount of \$385.

6. Proof of successful course completion, the monthly reports, and payment of forfeiture and costs (made payable to the Wisconsin Department of Safety and Professional Services) shall be mailed, faxed or delivered by Respondent to the Department Monitor at the address below:


Department Monitor  
Division of Enforcement  
Department of Safety and Professional Services  
P.O. Box 8935, Madison, WI 53708-8935  
Telephone (608) 267-3817, Fax (608) 266-2264

7. Violation of any of the terms of this Order may be construed as conduct imperiling public health, safety and welfare and may result in a summary suspension of Respondent's license. The Board in its discretion may in the alternative impose additional conditions and limitations or other additional discipline for a violation of any of the terms of this Order. In the event Respondent fails to timely submit payment of the forfeiture and costs as ordered, fails to submit proof of successful completion of the ordered education as set forth above, or fails to submit the monthly reports as set forth above, Respondent's license (no: 44024-90) may, in the discretion of the Board or its designee, be SUSPENDED, without further notice or hearing, until Respondent has complied with payment of the forfeiture and costs and completion of the education.

8. This Order is effective on the date of its signing.

WISCONSIN REAL ESTATE EXAMINING BOARD

by:

  
A Member of the Board

8-16-12  
Date