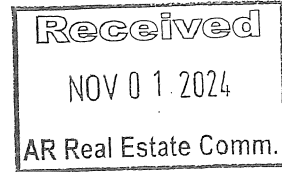


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BEFORE THE ARKANSAS REAL ESTATE COMMISSION

IN THE MATTER OF:
PETER RANDALL KELDERMAN, PRINCIPAL BROKER
PMI – WHITE HORSE PROPERTY MANAGEMENT
PIM OF NORTHWEST ARKANSAS
Rogers, Arkansas

FH 3931



CONSENT AGREEMENT

Complaints alleging that Peter Randall Kelderman, Salesperson, (hereinafter referred to as “Respondent”) violated provisions of Ark. Code Ann. § 17-42-101 *et seq.*, (hereinafter referred to as “the Act”) filed by J.S. Davis Commercial Limited Partnership (James V. Davis) (hereinafter referred to “Davis”) and by Mitzi Wasson and Gregory Garrett (hereinafter referred to as “Wasson” and “Garrett”) have been received by the Arkansas Real Estate Commission (hereinafter referred to as “the Commission” or “AREC”). The Commission is represented by Senior Assistant Attorney General Juliane Chavis. The Respondent is represented by Will Kellstrom. In lieu of a formal hearing on these issues, and in the interest of prompt and speedy settlement of the above-captioned matter, consistent with the public interest, statutory requirements, and the responsibilities of the Commission, the undersigned parties enter into this Consent Agreement as a final disposition of this matter.

Respondent and the Commission agree to the following:

1. Respondent, having read the proposed Consent Order, acknowledges his right to consult with counsel, and enter into this Consent Order on Respondent’s own volition and without any reliance upon any representations by the Commission or any officer, employee, agent or other representative thereof, other than expressly set forth herein.

2. Respondent hereby waives any further procedural steps including, without limitation, Respondent's right to a hearing and all rights to seek judicial review or to otherwise challenge or contest the validity of this Consent Order.

3. Respondent agrees that the Commission will review and determine whether to approve this Consent Order. Furthermore, Respondent agrees that should this Consent Order not be approved by the Commission, the presentation and consideration of this Consent Order by the Commission shall not unfairly or illegally prejudice the Commission or any of its members from further participation, consideration or resolution of the matters involved herein at any subsequent hearing.

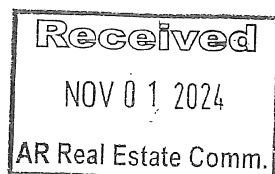
5. Respondent understands and agrees that approval and entry of this Consent Order shall not preclude additional proceedings by the Commission against Respondent for acts or omissions not specifically addressed herein.

6. Respondent understands and acknowledges that this Consent Order and the Commission's records concerning this matter are public records and available to the public pursuant to the Freedom of Information Act, Ark. Code Ann. § 25-19-101, *et seq.*

7. This agreement shall not become a valid and enforceable order of this Commission unless and until accepted and approved by the Commission at an official meeting and executed by the Chairman of the Commission or by his or her designee.

STIPULATED FINDINGS OF FACT

1. On August 3, 2015, Respondent became a licensed salesperson with Kaufmann Realty, LLC, Bella Vista, Arkansas. On September 20, 2017, Respondent became the principal broker for PMI White Horse Property Management, Bentonville, Arkansas. On

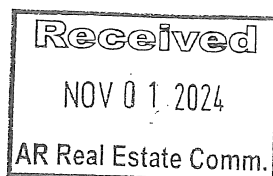


July 25, 2019, Respondent changed the name of the firm from PMI White Horse Management to Property Management, Inc. of Northwest Arkansas. On August 21, 2019, Respondent closed Property Management, Inc. of Northwest Arkansas. At all times pertinent, Respondent was licensed as a principal broker for PMI White Horse Property Management or Property Management, Inc. of Northwest Arkansas. Respondent is currently licensed as an executive broker with EXP Realty, NWA Branch, Bentonville, Arkansas.

2. On February 16, 2015, Respondent, while licensed as a salesperson for Kaufmann Realty, registered Householdacious, Inc., which operated under two fictitious names, PMI of Northwest Arkansas and White Horse Property Management, Inc.

3. On or about July 21, 2015, while licensed as a salesperson with Kaufmann Realty, LLC, Respondent opened a bank account at First Security Bank ending in #7434 titled, "Householdacious, Inc. dba PMI of Northwest Arkansas." The nature of the business was stated to be "Rental Properties." The signors on the account were Judith Ann Kaufmann, Louis W. Kaufmann, Glenda Jean Kelderman, and Peter Randall Kelderman.

4. On August 31, 2017, Kaufmann Realty, LLC, and Householdacious, Inc., dba Property Management, Inc. of Northwest Arkansas, signed a Separation Agreement. Respondent provided required documentation to the AREC for White Horse Property Management, Inc., and registered the account at First Security Bank ending in #7434 as the PMI White Horse Property Management, Inc. Security Deposit Trust Account.



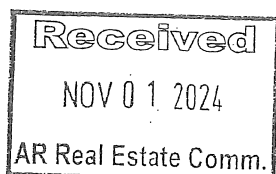
J.S. Davis Commercial Limited Partnership, James V. Davis

5. Sometime prior to October 12, 2018, Complainant Davis entered into a property management agreement with PMI – White Horse Property Management for the property located at 304 – 317 Eastside Place, Lowell, Arkansas. A property management agreement was not provided by either party.

6. Bank statements obtained through the course of the investigation reflected only one deposit totaling \$869.00 was made from January 1, 2019, through May 31, 2019, into the First Security Bank, Security Deposit Trust Account Bank ending in #7434. First Security Bank had the account titled as “Renters Deposit Account”. No other trust accounts were registered with the Arkansas Real Estate Commission by Respondent.

7. On June 6, 2019, Respondent deposited Check Number 1025753 made payable to PMI White Horse Property Management, Inc. in the amount of \$120,776.45 into the Security Deposit Trust Account ending in #7434. The check was remitted from “Income Qualified Rebate, Authorized Contractor PMI White Horse Property Management, Inc.”. Respondent did not provide any documentation regarding his agreement with Income Qualified Rebate or that the funds were related to brokerage activity.

8. On June 10, 2019, Respondent sent a wire transfer from the Security Deposit Trust Account ending in #7434 to Global Dreams, LLC’s account at Sun Trust Bank Atlanta, Georgia in the amount of \$55,113.98. On June 12, 2019, Respondent sent a wire transfer from the Security Deposit Trust Account ending in #7434 in the amount of \$49,852.45 to JP Morgan Chase Bank for the benefit of Potepa Group, LLC, 535 Dacula Road, Dacula, Georgia. Respondent also made transfers from account #7434 in the



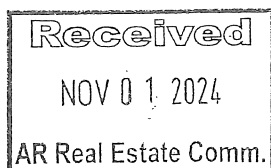
amount of \$4,900.00 and \$6,038.30 into Householdacious, Inc.'s operating account #7357 at First Security Bank.

9. On June 12, 2019, First Security Bank Officer Edward Segura transferred \$10,938.30 from the bank account ending in #7357 (Operating Account) at First Security Bank back to the Security Deposit Trust Account ending in #7434, with the notation "funds from suspected fraudulent check per Jason Scott."

10. On July 2, 2019, First Security Bank was able to recover funds in the amount of \$14,640.98 from the Potepa Group wire transfer and the funds were deposited to the Security Deposit Trust Account ending in #7434. On July 11, 2019, Sun Trust Bank returned partial funds in the amount of \$15,128.23 from the wire transfer to Global Dreams, LLC to the Security Deposit Trust Account ending in #7434. On July 11, 2019, First Security Bank reversed the fraudulent check deposited in June 2019, in the amount of \$120,776.45. On July 31, 2019, the Renters Deposit account, registered as Respondent's trust account ending in #7434 had a negative balance of (\$77,367.98).

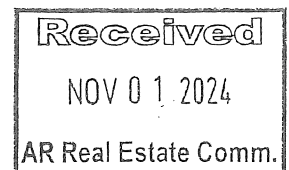
11. On July 25, 2019, the Arkansas Real Estate Commission approved the firm name change from PMI – White Horse Property Management to Property Management, Inc. of Northwest Arkansas.

12. On August 16, 2019, Respondent sent a letter to Complainant Davis which stated "I hope this note finds you well. Unfortunately, I have some rather bad news. About a month ago PMI (White Horse/NW Arkansas) was hit by money wire fraud. I have been working with the bank, Arkansas Attorney General, FBI, and my attorneys but the final result is due to a catastrophic loss of money I will need to close down the company. I have made every effort to get you and your tenant paid. You will receive a letter from



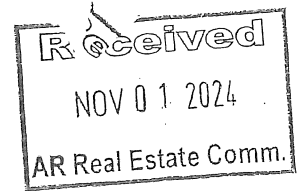
the state soon telling you how to make claims against the company but in the meantime, you need to get a new property manager.”

13. From January 1, 2019, to August 31, 2019, Monthly Rent Statements obtained through the investigation for Complainant Davis's property reflected rent payments received on the subject property for those months. The Monthly Detail Report received on the subject property for those months. The Monthly Detail Report Summary, for August 2019, reflected payments received of \$3,608.75. The individual Tenant Ledgers reflected payments received of \$3,558.75, which is \$50.00 less than the Detail Report Summary of \$3,608.75. An analysis of the accounts indicated that Respondent had recorded a payment on a Tenant Ledger for Unit 313 in the amount of \$430.00. No payment was received in that amount. Respondent did not record the monthly payment for Unit 312 in the amount of \$380.00 on the Detail Report. The difference reported was \$50.00. The total balance due to Complainant Davis on the Monthly Detail Report was \$3,858.75 which included a \$250.00 previous balance. The funds were not paid to Complainant Davis.



Mitzi Wasson and Gregory Garrett

14. On April 26, 2019, Property Owners Harika Valluripalli and Mahesh Babu Mellempuri entered into a property management agreement with Respondent for the property located at 1420 Sweetbriar Way, Centerton, Arkansas. The agreement was for the period from May 1, 2019, through April 30, 2020. Monthly Rent to be charged was \$2,100.00 with a Management Fee of 8.9% of collected rents. It also listed a leasing fee of 50% of the first month rent if tenant signed a lease for twelve months. The agreement was signed by Harika Valluripalli. Respondent signed the agreement on



April 27, 2019.

15. On May 8, 2019, Complainants Tenants Mitzi Wasson and Gregory Garrett, Jr., signed a Residential Lease/Rental Agreement with PMI White Horse Property Management for the property located at 1420 Sweetbriar Way, Centerton, Arkansas, for the period from May 26, 2019, through May 31, 2020. Maysie A. Richards was also listed as a tenant. The rent was listed as \$1,900.00 per month. The contract also listed a Security Deposit of \$1,900.00 and a Pet Fee of \$500.00. Complainants Wasson and Garrett also paid a \$105.00 application fee. The Agreement was signed by Respondent and Complainants Wasson and Garrett. Tenant Maysie Richards did not sign the Agreement.

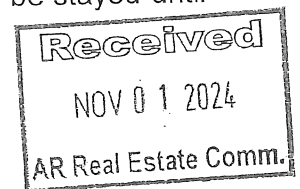
16. On May 8, 2019, Complainants Wasson and Garrett issued check number 1610 in the amount of \$2,400.00 for the Security Deposit of \$1900.00 and Pet Fee in the amount of \$500.00 made payable to PMI. Respondent deposited the check into an account at First Security Bank ending in #7450.

17. On August 23, 2019, Respondent sent an email to Mitzi Wasson which stated, "Dear Tenant, I hope this note finds you well. Unfortunately, I have rather bad news. About a month ago, PMI (White Horse/NW Arkansas) was hit by wire fraud. I have been working with the bank, the Arkansas Attorney General, FBI and my attorneys but the final result is due to a catastrophic loss of money I will need to close down the company. You will receive a letter from the state soon telling you how to make claims against the company. It is important you stop paying rent to PMI either portal - mail or Walmart Rent Money. You will get new instructions soon please be patient. I am sorry

for any trouble or inconvenience this causes – Your owners know all of this and are making arrangements for new management.”

18. In March of 2020, Complainants Wasson and Garrett were informed by the new Property Management Company that the owners of the property were listing the home for sale, so they would be forced to move by June 1, 2020. The Security Deposit and Pet Fee they paid to PMI White Horse Property Management was not transferred to the new management company. The management of the subject property was transferred to Blue Dog Realty and Property Management, located in Rogers, Arkansas. Principal Broker Clayton Bradford informed AREC Investigators he did not receive any funds for Complainants Wasson and Garrett nor did the Property Owner. Complainants Wasson and Garrett stated they never received any forms from the state to make a claim for their Security Deposit and never received their funds.

19. On or about May 28, 2020, Respondent responded to Complainants Wasson and Garrett complaint with a notarized document requesting the investigation be stayed until his bankruptcy case was concluded.



Record Keeping

20. On September 5, 2017, Kelderman registered a Security Deposit Trust Account for PMI White Horse Property Management with the Arkansas Real Estate Commission. The Account was located at First Security Bank and the account number ended with #7434. No other Trust Accounts were registered with the AREC.

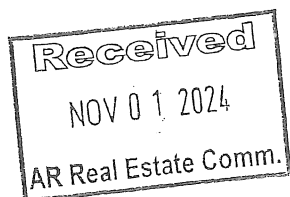
21. Bank records obtained through the investigation showed Respondent deposited Rental Funds and Security Deposits into an account at First Security Bank titled,

“Householdacious, Inc. dba PMI of Northwest Arkansas,” ending in account #7450. Respondent told AREC Investigators he opened that account when he started his business to deposit rents and security deposits. The account was not labeled as an Escrow or Trust Account. The account was not registered with the Arkansas Real Estate Commission as a Trust Account. Respondent also opened an Operating Account at First Security Bank ending in account #7357.

22. Between July 6, 2019, when the fraudulent check was deposited into the Renters Deposit Account #7434 and August 31, 2019, when Respondent closed all bank accounts at First Security Bank, numerous transfers were made between the Operating Account # 7357, Security Deposit Trust Account # 7434 and unregistered trust account ending in #7450, without reference as to what the funds were for. In July 2019, the unregistered trust account at First Security Bank ending in #7450 was charged three fees in the amount of \$28.00 each for checks that were written from the account and returned non-sufficient funds.

23. On June 12, 2019, Respondent issued a handwritten check #1596 from account #7450 located at First Security Bank, which Respondent had stated was being used for rents and security deposits, in the amount of \$10,786.00 to Honda of Fayetteville. The check was presented for payment at First Security Bank on June 19, 2029, and was returned non-sufficient funds. A fee of \$28.00 was charged by the bank.

24. On or about June 21, 2019, Respondent issued check # 50064 to Honda of Fayetteville in the amount of \$10,786.00, from operating account #7357 at First Security Bank. The bank statement for June 2019, for account #7357 does not reflect check



50064 as clearing the bank but does reflect the reversal of the amounts transferred from the fraudulent check in the amount of \$10,938.30.

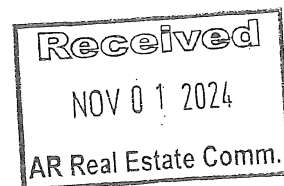
25. On August 13, 2019, First Security Bank filed Case 04CV-19-2004 in Benton County Circuit Court against HOUSEHOLDACIOUS, INC. dba PMI OF NORTHWEST ARKANSAS; JUDITH ANN KAUFMAN; LOUIS W. KAUFMAN; GLENDA JEAN KELDERMAN; and PETER RANDALL KELDERMAN.

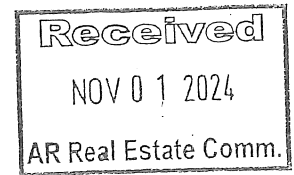
26. On August 1, 2019, check # 696212 was written to Hatfield Harris, PLLC in the amount of \$2,210.00 and signed by Respondent. The check was written on the unregistered trust account ending in #7450 at First Security Bank. On August 15, 2019, Householdacious, Inc. filed for Chapter 7 Bankruptcy listing their attorney as Hatfield Harris, PLLC.

27. On September 30, 2019, Respondent and his wife filed a Chapter 13 personal bankruptcy.

28. On October 9, 2019, First Security Bank posted an offset in the amount of \$77,443.98 to close the Rent Deposit Account.

29. On February 6, 2020, First Security Bank filed a Motion to Dismiss the lawsuit, and on February 7, 2020, Judge John Scott, signed an Order to Dismiss "without prejudice."





STIPULATED CONCLUSIONS OF LAW

1. Respondent failed to provide a Property Management Agreement with Complainant Davis as well as trust account reconciliations requested by AREC Investigators, a violation of Commission Rules 10.7(b)(3) and 10.8(g)(3).

2. By depositing funds that were not related to any real estate transaction into the Trust Account registered with the Arkansas Real Estate Commission, Respondent comingled non-trust fund money related to his personal business with trust fund money belonging to others, a violation of Commission Rule 10.8(b).

3. By not remitting the rent amounts he collected which were due to Complainant Davis, Respondent failed to within a reasonable amount of time remit money which came into his possession and belonged to others, a violation of Arkansas Code Annotated §17-42-311(a)(6).

4. By failing to reconcile the Property Detail Report with the Tenant Ledgers and failing on a monthly basis to balance the funds in his trust account to the undisbursed trust funds he held, Respondent violated of Commission Rule 10.8(g)(2).

5. By depositing Complainants Wasson and Garrett's security deposit check into account #7450 which was not registered as a trust account with the Arkansas Real Estate Commission, Respondent violated Commission Rule 10.8(g)(1).

6. By failing to remit the Security and Pet Deposit collected from Complainants Wasson and Garrett to the new management company, Respondent failed to within a reasonable amount of time remit money which came into his possession and belonged to others, a violation of Arkansas Code Annotated §17-42-311(a)(6).

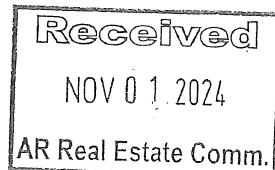
7. By depositing rent and security deposit funds into account #7450 at First Security Bank, Respondent utilized that account for funds he received belonging to others. By failing to label account #7450 as a Trust or Escrow Account with First Security Bank, Respondent violated Commission Regulation 10.8(c) and failed to protect and promote the interests of his clients a violation of Commission Rule 8.5(a).

8. By having three checks which were issued from his unregistered trust account returned for non-sufficient funds, Respondent failed to ensure the balance of the trust account #7450 was equal to the balance of trust funds he received and was accountable for, a violation of Commission Rule 10.9(b) and Arkansas Code Annotated §17-42-311(a)(6).

9. By issuing a check from the trust account #7450 for a vehicle, Respondent attempted to use trust fund money contrary to the terms of his management agreements, a violation of Commission Rule 10.9(a), and failed to protect and promote the interests of his clients a violation of Commission Rule 8.5(a) and Arkansas Code Annotated §17-42-316(b)(1).

10. By paying his Personal and Business Bankruptcy Attorney from the unregistered trust account #7450 which held his clients' trust funds, Respondent did not ensure his trust account was equal to the funds he received belonging to others and was responsible for, a violation of Commission Rule 10.9(b), and Respondent failed to protect and promote the interest of his clients, a violation of Commission Rule 8.5(a) and Arkansas Code Annotated §17-42-316(b)(1).

11. The violations admitted to by Respondent as set out in paragraphs 1 through 10 immediately above constitute a violation of Arkansas Code Annotated § 17-42-311(a)(2)

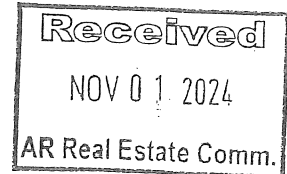


and are subject to disciplinary action pursuant to Arkansas Code Annotated § 17-42-312.

12. The violations admitted to by Respondent as set out in paragraphs 1 through 10 immediately above constitute improper dealing, a violation of Arkansas Code Annotated and §17-42-311(a)(13).

STIPULATED ORDER

THEREFORE, IT IS SO ORDERED AND AGREED THAT:



1. Respondent Peter Randall Kelderman shall reimburse Complainants Wasson and Garrett \$2,400.00 within thirty (30) days of the receipt of this Consent Order and shall provide proof of the payment to the AREC Executive Director, Melissa Goff.
2. Respondent Peter Randall Kelderman shall reimburse Complainant Davis \$3,988.75 within thirty (30) days of the receipt of this Consent Order and shall provide proof of the payment to the AREC Executive Director, Melissa Goff.
3. Respondent Peter Randall Kelderman shall pay a civil penalty in the sum of \$9,000.00, \$750.00 per each of the twelve (12) violations set out in the Stipulated Conclusions of Law above. The civil penalty shall be paid to the Arkansas Real Estate Commission within six (6) months of the receipt of this Consent Order. Upon receipt of proof of payment to the Complainants as set out in paragraphs 1 and 2 of this Stipulated Order, the Commission will reduce the Respondent's civil penalty by the restitution amounts paid.
4. Respondent Peter Randall Kelderman shall not conduct any property management activities for third parties in the State of Arkansas.

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5. Respondent Peter Randall Kelderman shall not hold an Arkansas Real Estate Principal Broker license.

6. If Respondent Peter Randall Kelderman wishes to become a principal broker or wishes to begin conducting property management activities, he shall first be required to appear before the Commission.

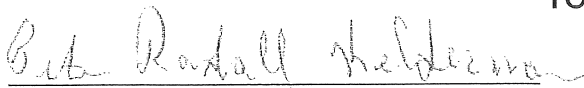
7. AREC hereby withdraws the charges outlined in C-13 of the Order and Notice of Hearing.

The Commission shall retain jurisdiction of this matter for purposes of implementing and enforcing this Consent Order, and the Commission may conduct further proceedings herein to hear claims by Complainants pursuant to Arkansas Code Annotated § 17-42-401 et seq. seeking to recover damages suffered as a result of Respondent's violations of law as set out above.

IT IS SO ORDERED and AGREED this 12th day of November 2024.

ARKANSAS REAL ESTATE COMMISSION



TONY MOORE, CHAIRMAN



Peter Randall Kelderman
Respondent

10-25-24

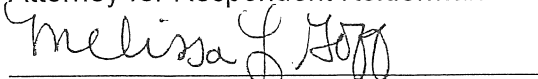
Date



Will Kellstrom
Attorney for Respondent Kelderman

10-25-24

Date



Melissa Goff, Executive Director
Arkansas Real Estate Commission

11/12/2024

Date