

EXHIBIT K

November 16, 2021, letter from
Secretary Hultman to Executive
Board



OFFICE OF THE SECRETARY

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November 16, 2021

Sent by Electronic Mail Only

Representative Spencer Gosch
Senator Kyle Schoenfish
Legislative Research Council
Capitol Building, 3rd Floor
500 East Capitol Avenue
Pierre, SD 57501

Dear Speaker Gosch and Chairman Schoenfish,

As you know, the Government Operations and Audit Committee (GOAC) passed a motion at its November 15 meeting approving a subpoena requiring me to produce a copy of the "agreed disposition between Cassidy Peters and the Appraiser Certification Program...." As I pointed out in my letter (attached) to Chairman Schoenfish dated November 12, 2021, the Department opposed producing the document for general inspection by the Committee. This was due principally to the likelihood of damage to Ms. Peters' professional reputation, as acknowledged by the Office of Hearing Examiners in its decisions earlier this year. Through her attorney's letter you received earlier today, Ms. Peters has now voluntarily released her agreed disposition to the public, and you both have received a copy of that document.

Under SDCL § 2-6-4, the Legislature's Executive Board must ratify any GOAC subpoena before it may issue. As Ms. Peters has now released the document herself, the issue of a subpoena to the Department is in my view moot. I would therefore ask the Executive Board to decline to ratify GOAC's request for a subpoena and dismiss the matter from further action. At the same time, I would also like to place a few additional and important comments into the record alongside the agreement you received earlier today.

First, I would like to emphasize I testified on October 28 that the Department had a plan before the July 27, 2020, meeting for how to allow Ms. Peters a path forward. I specifically called this a "possible plan forward" during my testimony to the Committee. I noted we discussed this possible plan forward with Ms. Peters at the end of the July 27, 2020, meeting. I encourage you and Committee members to review a copy of the audio of the hearing; my testimony on this point is clear and occurs at 29 minutes and 15 seconds into the hearing.

In the two weeks since my testimony, Associated Press reporter Stephen Groves has written news reports to give the impression I testified at the hearing that there was an

agreement in place *with* Ms. Peters *before* the hearing. That is inaccurate and a false narrative created by Mr. Groves. My hearing testimony clearly demonstrates as much.

The day after my October 28 testimony, I sent Chairman Schoenfish a letter clarifying two points from my testimony: 1) that sometimes Amber Mulder, as attorney for the Department, signed agreements with appraisers seeking upgrades and needing to achieve certain requirements to be upgraded; and 2) that there were three appraisers, including Ms. Peters, who entered into similar agreements with the state, and that those three occurred over the last few years, rather than the last year. As that letter was not previously posted to the Committee's website, I am attaching a copy of that letter for your reference.

It did not even occur to me in my letter to Chairman Schoenfish to address when the actual agreement was signed because I never remotely gave the impression during my October 28 testimony that this agreement was signed *before* the July 27 meeting. Any misunderstanding to the contrary was drummed up by a false narrative created by Stephen Groves for purposes of driving clicks.

As you can see from the document Ms. Peters released earlier today, the agreement the Department of Labor and Regulation reached with her set out certain parameters she needed to meet in order to be designated a state-certified residential appraiser. If she did not accomplish what was set out, the Department retained the right to reject her upgrade under the terms of the agreement. This agreement was similar to other agreements reached with other appraisers, as described above. As this information is supposed to remain confidential according to state law, I will not name those other appraisers. This expectation of confidentiality is how it should have been as to the agreement with Ms. Peters, as well. Unfortunately, the stories circulating in relation to GOAC's inquiry, based largely on innuendo and a selective reading of the record, have distracted the Committee and the public from the fact that Ms. Peters followed through and met the additional conditions placed on her and ultimately received her license.

I trust this additional information will be helpful to the Executive Board and GOAC. Again, as the Committee's subpoena sought information now publicly available, it would be my view the issue of a subpoena is moot and would ask it be formally dismissed at tomorrow's Executive Board meeting.

Sincerely,



Marcia Hultman
Cabinet Secretary

Attachments: 2021_10_29_GOAC_Response.pdf
2021_11_12_GOAC_Response.pdf