

FILED December 19, 2018 (Date)  
19Rec  
Board / Commission  
[Signature]  
Signature, Executive Officer

BEFORE THE REAL ESTATE COMMISSION  
OF THE STATE OF IOWA

IN THE MATTER OF:

CASE NO. 18-162

DIA NO. 19REC0001

Kurt A. Pagliai  
Broker (B27543000)

BlackAcre Realty LLC  
2400 86<sup>th</sup> Street, Suite 23  
Urbandale, Iowa 50322

FINDINGS OF FACT,  
CONCLUSIONS OF LAW,  
DECISION AND ORDER  
[DEFAULT]

Respondent

On August 7, 2018, the Iowa Real Estate Commission (Commission) found probable cause to file a Notice of Hearing and Statement of Charges against Kurt A. Pagliai (Respondent).<sup>1</sup> The Statement of Charges alleged that Respondent engaged in a practice harmful or detrimental to the public and/or being unworthy to act as a real estate broker in such manner as to safeguard the interests of the public by providing false or misleading verification of funds available to close a real estate transaction, in violation of Iowa Code sections 543B.29(1)(d), 543B.29(3), 543B.34(1)(a), 543B.34(1)(h), and/or 543B.34(1)(k) (2018). See 193E Iowa Administrative Code rules 18.2(1), 18.14(5)(s). Further, the Statement of Charges alleged that Respondent failed to fully cooperate with a licensing disciplinary investigation and/or failing to timely provide information requested by the Commission relative to a complaint investigation in violation of Iowa Code section 543B.34(1)(j) (2018). See 193E Iowa Administrative Code rules 18.2(7), 18.14(5)(i). (Exhibit 1-3). The formal hearing was continued on August 30, 2018, to obtain personal service on Respondent. (Exhibit 1-15). The Notice of Hearing and Statement of Charges was personally served on Respondent on October 8, 2018. (Exhibit 1-16).

<sup>1</sup> "Unless in conflict with a provision of Iowa Code chapter 543B or commission rules in this chapter, all of the procedures set forth in 193—Chapter 7 shall apply to disciplinary contested cases initiated by the commission." Iowa Admin. Code r. 193E-18.13(17A,272C,543B).

A telephone prehearing conference was scheduled for October 25, 2018, at 9:30 a.m. Respondent failed to appear at the prehearing conference.

The hearing was held on November 1, 2018, commencing at 9:30 a.m. Assistant Attorney General John Lundquist represented the State of Iowa. Respondent Kurt A. Pagliai failed to appear for hearing. The following Commission members presided at the hearing: Terry Duggan, Chairperson and Broker member; Helen Kimes, Broker member; Dennis Stolk, Vice-Chairperson and Broker member; Jim Clingman Broker member; and Michael Telford, public member. Administrative Law Judge Forrest Guddall assisted the Commission in conducting the hearing. A certified court reporter recorded the proceedings. The hearing was open to the public, pursuant to Iowa Code section 272C.6(1)(2018). After hearing the testimony and examining the exhibits, the Commission convened in closed executive session, pursuant to Iowa Code section 21.5(1)(f)(2018), to deliberate its decision. The Commission instructed the administrative law judge to draft Findings of Fact, Conclusions of Law, Decision and Order, in conformance with their deliberations.

#### THE RECORD

The record includes the state's Prehearing Conference Report and State Exhibits 1 through 14. (See Exhibit Index for description).

#### FINDINGS OF FACT

1. The Commission issued Iowa real estate broker license number B27543000 to Respondent on June 18, 2013. Respondent's license is scheduled to expire on December 31, 2018. At all times relevant to this Decision and Order Respondent was a licensed real estate broker in Des Moines, Iowa. (State Exhibit 2-1).
2. On March 3, 2018, Respondent signed a consensual dual agency form permitting Iowa Realty to serve as a dual agent for both the sellers and for himself, as buyer of a residential property located at 780 S.E. Walnut Ridge Drive in Waukee, Iowa. (State Exhibit 3-3 to 3-7).
3. Also on March 3, 2018, Respondent and the sellers of the residential property executed a purchase agreement for the property. The sale price was listed as \$719,000.00. The agreement was subject to Respondent "obtaining funds from a refinance of his buildings (By 3-15-2018 approval)." The closing date of the sale was scheduled for April 2, 2018. (State Exhibit 3-8 to 3-10).

4. Subsequently, on April 3, 2018, Respondent requested, and sellers granted, an amendment to the purchase agreement changing the closing date on the sale of the property to May 4, 2018, in consideration for a \$20,000.00 nonrefundable payment to be applied to the sale price. (State Exhibit 3-11).

5. In April of 2018, Respondent then requested a second extension to close on the property. The sellers requested proof of Respondent's financing for the sale because it was a cash transaction. (State Exhibit 3-1).

6. On April 23, 2018, Respondent submitted a document, purportedly authored by a bank executive, which vouched for a professional relationship with the Respondent and stated that Respondent "has the financial capacity to purchase real estate for up to \$700,000.00 from his own resources." The letter indicated there would be a delay for appraisal of the properties put up as the collateral for the purchase of the sellers' residence "[d]ue to the delay from the previous financial institution[.]" The letter shows an alleged signature for the executive. (State's Exhibit 4-1).

7. On April 25, 2018, two additional letters were submitted by Respondent, again purportedly from the same banking executive, which essentially stated the same as the April 23<sup>rd</sup> letter, but with several additional facts. Both of the April 25<sup>th</sup> letters indicated that reappraisal of Respondent's partial interests in the collateral properties was necessary and a closing date of May 29, 2018 was suggested. The second April 25<sup>th</sup> letter had an additional paragraph at the end of it:

The Banks [sic] appraisal has no bearing on Mr. Pagliai's financing approval, (as mentioned above) the appraisal is only for Mr. Pagliai's amount of equity in which Mr. Pagliai will utilize for purchasing the property located at 780 Walnut Ridge Drive[,] Waukeee, IA.

(State's Exhibits 5-1 and 6-1).

8. The sellers then agreed to change the closing date to May 29, 2018. Prior to or on that date, the closing company contacted the bank to finalize the wiring of funds to complete the transaction. However, the bank indicated it had no knowledge of the residential sale transaction between the Respondent and the

sellers, nor had Respondent made any wire request. No funds had been made available for the transaction.

9. After being informed of the discrepancy, Ms. Jennifer Jaschen, in-house counsel for Iowa Realty, then contacted the bank executive who allegedly authored the three financing letters on Respondent's behalf. The bank executive denied writing the letters over the telephone, although he acknowledged a business relationship with Respondent, at least in the past and maybe currently. Moreover, the executive stated he had never seen the letters before, had not prepared or drafted the letters, nor authorized the preparation of the letters. (Jaschen testimony). The executive later sent an e-mail to an investigator disavowing the authenticity of the letters.

10. Ms. Jaschen then contacted the sellers to inform them of the discrepancy in the documentation and advised the sellers to consult outside counsel for representation if they wanted to continue the property transaction. The sellers did retain other counsel. It is Ms. Jaschen's understanding that Respondent received consideration in the form of collecting a referral fee (as if in a real estate broker's capacity) even though he was acting as a principal for the purchase of the residence and the sale had not closed. Further, closing on the residence has now been rescheduled for November 30, 2018. It is also Ms. Jaschen's understanding that Respondent has moved into the residence while prepaying rent (an "early occupancy agreement") and expenses. However, the balance on the escrow amount for the mortgage and the recording fees for the transaction have not been paid. It is unknown whether the \$20,000.00 nonrefundable deposit was utilized for these matters. (Jaschen testimony, State's Exhibit 3).

11. Ms. Jaschen reported the matter to the Commission on June 28, 2018. Truthful documentation is fundamental to a real estate transaction. Adverse, or possibly adverse, consequences to the sellers include the following: the cost of retaining outside representation; loss of market time for listing the property during a peak sale period (and possible loss of other offers); delay in finalizing the sale with possible loss of opportunity to receive the transaction proceeds earlier (loss of the time value of money, e.g. accrued interest); risking damage to the property with an early occupancy agreement before completion of the sale; and potential eviction if there is a failure of the sale to finalize. Further, the character of the transaction is a poor reflection on the real estate profession. (Jaschen testimony, State's Exhibit 3).

12. That same day, the Commission opened an investigation into the matter through its investigator, Ms. Sandy Malek. On July 2, 2018, Ms. Malek sent Respondent a letter stating a preliminary investigation into a complaint had been initiated. The letter provided notice of the alleged violations and a brief factual recitation for the Respondent. Further, Respondent was requested to provide a response to the allegations within 14 days. Additionally, Respondent was advised that failure to respond to the complaint could, by itself, violate the Commission's rules. (State's Exhibit 9).

13. That same day, July 2, 2018, Ms. Malek also sent Respondent a form offering Respondent an informal meeting on August 1, 2018 to discuss the matter. Informal meetings permit individuals, like Respondent, an opportunity to explain their version of events. (State's Exhibit 10).

14. The letters were sent by certified mail and, initially, could not be delivered to Respondent's business address on file with the Commission because there was no access to the delivery location on July 6, 2018. (State's Exhibits 2, 9, 10, and 11).

15. Nonetheless, the letters were delivered to Appellant on or about July 11, 2018. Respondent did not respond. (Malek testimony; State's Exhibits 9 through 11).

16. In an abundance of caution, Ms. Malek sent Respondent two e-mails on July 9, 2018. The e-mails separately attached a copy of the preliminary investigation and informal meeting letters. Respondent did not respond. (Malek testimony; State's Exhibits 12 and 13).

17. Finally, Ms. Malek left voicemail messages at Respondent's telephone number on July 10, 19, and 31, 2018. Respondent did not respond. (Malek Testimony; State's Exhibit 12-1).

18. On August 3, 2018, Ms. Malek also contacted the bank executive by telephone. The authenticity of Respondent's finance letters was denied. Ms. Malek then e-mailed the bank executive requesting that he respond to the authenticity, in writing, of the letters executed allegedly under his signature on behalf of his financial institution. That same day, the bank executive responded via e-mail: "The attached letters were not produced by [the bank] or myself. They are completely unauthorized." (State's Exhibit 8-2).

19. Ms. Malek testified that a failure to respond to complaint allegations impedes the ability of the Commission to perform its disciplinary function and oversight of the profession. A failure by a licensee to respond to a complaint obscures or delays the Commission's ability to find the truth of the matter(s) at issue. Finally, a licensee's failure to respond to a complaint necessarily requires a greater expenditure of time, resources, and effort to resolve a licensure dispute.

20. Previously, Respondent was disciplined by the Commission in *In Re Pagliai*, IREC No. 16-309. In the prior discipline, the Commission filed a disciplinary consent order against Respondent on April 6, 2017. The Commission sanctioned Respondent with a reprimand, civil penalties in the amounts of \$500.00 for Count I and \$2,500.00 for Count II, imposed additional continuing education requirements for Respondent, and required Respondent to pay for a certified public accountant audit. The administrative sanctions were imposed, generally, for failing to make his trust account records available for the Commission's inspection and failing to maintain proper trust account practices with general ledger records. (State's Exhibit 1-6 through 1-14).

## CONCLUSIONS OF LAW

### *I. Jurisdiction and Authority for the Commission to Proceed Given Respondent's Failure to Appear.*

Generally, the Commission has broad power to address disciplinary matters involving licensees.

The commission is empowered to administer Iowa Code chapters 17A, 272C, and 543B and related administrative rules for the protection and well-being of those persons who may rely upon licensed individuals for the performance of real estate services within this state or for clients in this state. To perform these functions, the commission is broadly vested with authority, pursuant to Iowa Code sections 17A.13, 272C.3 to 272C.6, 272C.10, 543B.9, 543B.29, 543B.34 to 543B.41, and 543B.61, to review and investigate alleged acts or omissions of licensees, determine whether disciplinary proceedings are warranted, initiate and prosecute disciplinary proceedings, establish standards of professional

conduct, and impose discipline.

Iowa Admin. Code r. 193E-18.1(17A,272C,543B). Accordingly, the Commission has subject matter jurisdiction and legal authority to adjudicate this disciplinary matter.

Further, “[a] contested case in a disciplinary proceeding is commenced by the filing and service of a statement of charges and notice of hearing. . . .” Iowa Admin. Code r. 193-7.3(17A,272C). “Service of notice of hearing on a licensee to commence a contested case which may affect the licensee’s continued licensure, such as a licensee disciplinary case or challenge to the renewal of a license, shall be made by personal service as in civil actions, by restricted certified mail, return receipt requested, or by the acceptance of service by the licensee or the licensee’s duly authorized legal representative.” Iowa Admin. Code r. 193-7.6(17A,272C).

Here, Respondent was personally served with the Notice of Hearing, the Order to Continue Hearing, and the Statement of Charges on October 8, 2018, by the Dallas County Sheriff’s Office. (State’s Exhibit 1-16). Accordingly, the Commission has obtained personal jurisdiction over Respondent for purposes of this administrative proceeding.

Finally, failure of a licensee to appear for a disciplinary hearing does not prevent the Commission from either entering a default decision or proceeding on the merits. “If a party fails to appear or participate in a contested case proceeding after proper service of notice, the presiding officer may, if no adjournment is granted, enter a default decision or proceed with the hearing and render a decision in the absence of the party.” Iowa Admin. Code r. 193-7.27(1)(17A). Here, Respondent failed to appear, and the Commission properly elected to proceed with the hearing in his absence.

## *II. Count I – Purchase of Residence.*

The Statement of Charges alleged that Respondent engaged in a practice harmful or detrimental to the public and/or being unworthy to act as a real estate broker in such manner as to safeguard the interests of the public by providing false or misleading verification of funds available to close a real estate transaction, in violation of Iowa Code sections 543B.29(1)(d), 543B.29(3), 543B.34(1)(a), 543B.34(1)(h), and/or 543B.34(1)(k) (2018). See 193E Iowa Administrative Code rules 18.2(1), 18.14(5)(s).

Here, the Commission found the following facts proven by a preponderance of the evidence. Respondent created, without authority, false financial documents to procure the purchase of a residence for himself. Compare Iowa Code § 715A.2(1)(a) ("A person is guilty of forgery if, with intent to defraud or injure anyone, . . . the person does any of the following: . . . Alters a writing of another without the other's permission. . . ."). Cf *State v. Calhoun*, 559 N.W.2d 4, 6 (Iowa 1997) ("The actual injury or harm is not an element of forgery."). Additionally, during the course of the transaction, Appellant also collected a referral fee.

The Commission finds Respondent's foregoing conduct in this matter violated Iowa Code section 543B.29(1)(d), which states:

A license to practice the profession of real estate broker and salesperson may be revoked or suspended when the licensee is guilty of any of the following acts or offenses: . . .

d. Knowingly making misleading, deceptive, untrue, or fraudulent representations in the practice of the profession or engaging in unethical conduct or practice harmful or detrimental to the public. Proof of actual injury need not be established.

Here, Respondent, by receiving a referral fee (or in consideration of a referral fee), was acting not simply as a principal to the transaction, but also as a real estate broker. This is consistent with the Commission's past findings. See *In the Matter of Elder*, REC 02-025. The sellers now run the risk that the sale may fall through, the property may be damaged during the early occupancy agreement, and there is the lost time value of the money previously due to be paid at the end of May of 2018. It is unknown whether the sale of the residence is complete – the closing was scheduled for November 30, 2018. The sellers also had to retain outside counsel to go forward with the transaction. Moreover, creating unauthorized financial documentation is also an injury to the entire real estate profession because it undermines the public confidence in real estate transactions.

Further, the Statement of Charges alleged violations of Iowa Code sections 543B.34(1)(a), (h), and (k), which state:



. . . The commission may assess civil penalties against any person or entity, and may suspend or revoke a license issued under this chapter at any time if the licensee has by false or fraudulent representation obtained a license, or if the licensee or other person assuming to act in the capacity of a real estate broker or real estate salesperson, except for those actions exempt pursuant to section 543B.7, is found to be guilty of any of the following:

a. Making any substantial misrepresentation.

\* \* \*

h. Being unworthy or incompetent to act as a real estate broker or salesperson in such manner as to safeguard the interests of the public.

\* \* \*

k. Any other conduct, whether of the same or different character from that specified in this section, which demonstrates bad faith, or improper, fraudulent, or dishonest dealings which would have disqualified the licensee from securing a license under this chapter.

Certainly, the bank letters were a substantial misrepresentation on this record. The un rebutted evidence was that these documents were made, without legal authorization, to misrepresent the bank's vouching that Respondent was solvent for approximately \$700,000.00. That is also sufficient evidence that Respondent is unworthy of being a real estate broker. Moreover, the submission of false documents to secure a cash real estate purchase would, itself, be disqualifying in the context of someone applying for licensure as a real estate broker. *See e.g.* Iowa Code § 543B.15(5) ("A person who makes a false statement of material fact on an application for a real estate broker's or salesperson's license, or who causes to be submitted, or has been a party to preparing or submitting any false application for such license, may be denied a license by the commission on the grounds of the false statement or submission."). A real estate broker's submission of false financial documents is "conduct . . . which

demonstrates . . . improper . . . dealings.” The Commission finds Respondent committed such conduct on this un rebutted record.

Finally, the Commission finds Respondent’s conduct in this matter also violates Iowa Code section 543B.29(3): “A real estate broker . . . who is an owner or lessor of property . . . may have the broker's or salesperson's license revoked or suspended for violations of this section or section 543B.34, except section 543B.34, subsection 1, paragraphs ‘d’, ‘e’, ‘f’, and ‘i’, with respect to that property.”

Here, Respondent was not just the buyer, but also an equity owner (or at least had an equitable interest in title) in the property once the purchase agreement was executed. Accordingly, Respondent is subject to revocation under this provision for the same foregoing reasons.

### *III. Count II – Failure to Cooperate in Investigation.*

There is a general duty for real estate brokers to cooperate in the investigation of a complaint filed with the Commission.

The commission may assess civil penalties against any person or entity, and may suspend or revoke a license issued under this chapter at any time if the licensee has by false or fraudulent representation obtained a license, or if the licensee or other person assuming to act in the capacity of a real estate broker or real estate salesperson, except for those actions exempt pursuant to section 543B.7, is found to be guilty of any of the following: . . .

Failing, within a reasonable time, to provide information requested by the commission as the result of a formal or informal complaint to the commission which would indicate a violation of this chapter.

Iowa Code § 543B.34(1)(j). See 193E Iowa Administrative Code rules 18.2(7), 18.14(5)(i).

Here, Respondent completely abandoned his own real estate broker's license. Although he was served notice of the complaint investigation, he did not respond within 14 days to the merits of the complaint. *See* Iowa Admin. Code r. 193E-18.14(5)(i)(272C,543B). He did not respond to the two e-mails sent to him by the investigator. He did not respond to nor appear at the scheduled informal meeting to explain his side of the transaction. *See* Iowa Admin. Code r. 193E-18.10(17A,272C,543B). He did not respond to three voicemail telephone messages. He did not file an answer to the Notice of Hearing and Statement of Charges. *See* Iowa Admin. Code r. 193-7.9(17A,272C). He did not respond or attend the prehearing conference. *See* Iowa Admin. Code r. 193-7.21(17A,272C). He did not attend the disciplinary contested case hearing itself. Ultimately, he has offered no defense to the allegations.

It may be that Respondent has a defense to the allegations, or at least some mitigating factors, but he has not presented the Commission with any evidence favorable to him. Alternatively, it may be that Respondent is simply too embarrassed about his conduct to respond. It may be that Respondent is strategic in his non-response, e.g. not submitting any self-incriminating evidence or risking other legal problems.<sup>2</sup> It may be that Respondent simply does not want to be a real estate broker anymore and does not care what happens to his license. Regardless, the record, as recited above, stands unrebutted.

The Commission has spent time, money, and effort to provide Respondent a forum to defend himself. Respondent's recalcitrance has impeded, but not stopped, the Commission's ability to determine the merits of this complaint and Statement of Charges. Clearly, Respondent failed to cooperate, even minimally, with the Commission. This violation of Count II does, in fact, compound the egregious nature of the Count I violation. Respondent violated Iowa Code section 543B.34(1)(j).

#### *IV. Sanctions.*

Previously, on April 6, 2017, Respondent was disciplined by the Commission in *In Re Pagliai*, IREC No. 16-309. The Commission sanctioned

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<sup>2</sup> "The real estate commission may refer a complaint for violation of section 543B.1 before any court of competent jurisdiction, and it may take the necessary legal steps through the proper legal officers of this state to enforce the provisions hereof and collect the penalties herein provided." Iowa Code § 543B.44.

Respondent with a reprimand, civil penalties in the amounts of \$500.00 and \$2,500.00 for separate violations, required additional continuing education requirements, and required Respondent to pay for an audit by a certified public accountant.

Only a little over a year later, Respondent committed more violations. These violations benefitted Respondent personally (as principal buyer of the residential property) and professionally (as a real estate broker by collection of a referral fee). These violations are more serious than the prior violations. Submitting false or unauthorized documents to complete a \$700,000.00 residence purchase goes beyond Respondent's prior accounting errors and slipshod record management. Respondent failed to timely respond to the allegations and cooperate with the Commission. There is still some risk of injury to the sellers if the sale is not completed. The violations were willful or intentional, not accidental or caused inadvertently.

The appropriate sanction for Respondent's conduct is revocation. Iowa Admin. Code r. 193E-18.14(1)(a)(272C,543B) (permitting revocation of a license). *See McClure v. Iowa Real Estate Comm'n*, 356 N.W.2d 594, 597 (Iowa Ct. App. 1984) (revocation of real estate broker's license upheld when broker signed clients' names to the back of a refund check and deposited it into his personal account without knowledge or authorization on the part of the clients.). In *McClure*, revocation was appropriate where \$500.00 was wrongly deposited into a trust account and there the licensee at least attempted to defend his action, albeit unsuccessfully. Here, no defense was presented. In sum, Respondent's conduct – on this record – merits revocation of Respondent's real estate broker's license. *See Iowa Admin. Code r. 193E-18.14(2)(272C,543B)* (factors that may be considered for imposing discipline).

Furthermore, the revocation is mandated by law. "A real estate broker's or salesperson's license shall be revoked following three violations of this section or section 543B.34 within a three-year period." Iowa Code § 543B.29(4). *See In the Matter of Hines*, No. 15-262 (DIA No. 15REC008). The results of Respondent's prior disciplinary proceeding and the two separate violations found here cumulatively trigger the automatic revocation required by law for his conduct.

Finally, if, at some point in the future, Respondent seeks reinstatement of his real estate broker's license, payment of a civil penalty is appropriate as a precondition. "[I]f the board grants the application to reinstate, the licensee must complete and submit an application to demonstrate satisfaction of all

administrative preconditions for reinstatement of the license to active status, including verification of completion of all continuing education and payment of reinstatement and renewal fees." Iowa Admin. Code r. 193-7.38(1)(17A,272C). The Commission finds the violation of each count in this Statement of Charges merits a civil penalty of \$2,500.00 for each violation. Iowa Admin. Code r. 193E-18.14(1)(l), (6)(272C,543B). Imposing civil penalties for substantial deterrence is an appropriate consideration. *Id.* Therefore, assuming Respondent otherwise merits reinstatement in the future, he shall have to pay \$5,000.00 for these two violations as a precondition to any reinstatement of his real estate broker's license.

DECISION AND ORDER

IT IS THEREFORE ORDERED, for violations of Iowa Code sections 543B.29(1)(d), 543B.29(3), 543B.34(1)(a), 543B.34(1)(h), and/or 543B.34(1)(k) (2018), and violation of Iowa Code section 543B.34(1)(j) (2018), that Respondent's real estate broker's license (No. B27543000) is REVOKED effective immediately upon service of this Decision and Order.

IT IS FURTHER ORDERED, pursuant to Iowa Code section 272C.6 and 193 IAC 7.41, that Respondent shall pay \$75.00 for fees associated with conducting the disciplinary hearing, within thirty (30) days of receipt of this decision.

IT IS FURTHER ORDERED, pursuant to Iowa Admin. Code r. 193-7.38(1)(17A,272C) and Iowa Admin. Code r. 193E-18.15(17A,272C,543B), that Respondent shall, in addition to any other applicable reinstatement requirements, pay \$5,000.00 for the two violations in this matter as a precondition to any reinstatement of his real estate broker's license in the future.

Dated this 19<sup>th</sup> day of December, 2018.

  
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Terry Duggan, Chairperson  
Iowa Real Estate Commission

cc: Kurt A. Pagliai, Respondent  
John Lundquist, Assistant Attorney General

### *Motion to Vacate Default*

Default decisions or decisions rendered on the merits after a party has failed to appear or participate in a contested case proceeding become final Commission action unless, within 15 days after the date of notification or mailing of the decision, a motion to vacate is filed and served on all parties or an appeal of a decision on the merits is timely initiated. A motion to vacate must state all facts relied upon by the moving party which establish that good cause existed for that party's failure to appear or participate at the contested case proceeding. Each fact so stated must be substantiated by at least one sworn affidavit of a person with personal knowledge of each such fact, and the affidavit(s) must be attached to the motion to vacate. Iowa Admin. Code r. 193-7.27(3)(17A).

### *Appeal on the Merits*

Judicial review of the Commission's action may be sought in accordance with the Iowa administrative procedure act, Iowa Code Chapter 17A, from and after the date of the Commission's order. If a party does not file a timely application for rehearing, a judicial review petition must be filed with the district court within 30 days after the issuance of the commission's final decision. Iowa Admin. Code r. 193-7.37(2)(17A,272C).

FILED

August 7, 2018

(Date)

REC

Board / Commission

Signature, Executive Officer

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

IN RE:	)	
	)	CASE NUMBER: 18-162
Kurt A. Pagliai	)	
Broker (B27543000)	)	NOTICE OF HEARING AND
	)	STATEMENT OF CHARGES
BlackAcre Realty LLC	)	
800 New York	)	
Des Moines, IA 50313	)	
RESPONDENT	)	

The Iowa Real Estate Commission ("Commission") issues this Notice of Hearing pursuant to Iowa Code Section 17A.12(2). The Commission has jurisdiction of this matter pursuant to Iowa Code chapters 17A, 543B and 272C (2018). Licenses issued by the Commission are subject to the laws of the State of Iowa and to the administrative rules of the Commission.

The Commission issued Kurt A. Pagliai ("Respondent") real estate broker license number B27543000 on June 18, 2013. Respondent's license is in full force and effect until December 31, 2018. At all times relevant to this matter, the Respondent served both as the designated broker in charge and a licensed real estate broker officer for BlackAcre Realty LLC, license number F05647000, located in Urbandale, Iowa.

**NOTICE OF HEARING**

1. **HEARING.** A contested case hearing will be held concerning the below-stated disciplinary charges before the Iowa Real Estate Commission on the 6<sup>th</sup> day of **September, 2018** at **1:30 o'clock PM**, at 200 East Grand, Suite 350, Des Moines, Iowa.

2. **ACKNOWLEDGMENT.** The Commission requests that you file a statement to acknowledge receipt of the notice of hearing within 10 days of the date you are served with this Notice.

3. **ANSWER.** Within 20 days of the date you are served with this Notice you must file an answer to the charges as provided in 193 Iowa Administrative Code 7.9.



4. **PREHEARING CONFERENCE.** A prehearing conference will be held by telephone on the **30<sup>th</sup> day of August, 2018 at 10:00 o'clock AM** before an Administrative Law Judge from the Iowa Department of Inspections and Appeals ("ALJ"). You are responsible for notifying the Commission office of the telephone number at which you or your counsel can be reached. Commission rules on prehearing conferences may be found at 193 Iowa Administrative Code 7.21.

5. **PRESIDING OFFICER.** The full Commission shall serve as presiding officer at hearing, pursuant to Iowa Code section 272C.6(1) and 193 Iowa Administrative Code 7.10(1). The Commission may request that an ALJ make initial rulings on prehearing matters, and be present to assist and advise the Board at hearing, as described in 193 Iowa Administrative Code 7.10(4).

6. **HEARING PROCEDURES.** Commission rules on hearing procedures may be found at 193 Iowa Administrative Code chapter 7. You have the right to respond to the charges, produce evidence on your behalf, cross-examine witnesses, and examine any documents introduced at hearing. You may appear personally and be represented by counsel at your own expense. Consult rule 193 Iowa Administrative Code 7.22 if you need to request an alternative time or date. The hearing may be open to the public or closed to the public at the discretion of the Respondent.

7. **DEFAULT.** If you fail to appear at hearing, the Commission may enter a default decision or proceed with the hearing and render a decision in your absence, in accordance with Iowa Code section 17A.12(3) and 193 Iowa Administrative Code 7.27.

8. **STATE'S COUNSEL.** Licensee disciplinary cases are prosecuted by an Assistant Attorney General acting on behalf of the public interest (the State). Copies of all pleadings shall be filed with the Commission, with copies mailed to:

John R. Lundquist  
Assistant Attorney General  
Iowa Department of Justice  
2<sup>nd</sup> Floor, Hoover State Office Building  
Des Moines, Iowa 50319

Phone: 515-281-3658  
Fax: 515-281-4209  
john.lundquist@ag.iowa.gov

9. **RESPONDENT'S COUNSEL.** Copies of all pleadings filed with the Commission shall also be provided to Respondent's counsel of record:

NONE

10. **SETTLEMENT.** The procedural rules governing the Commission's settlement process are found at 193 Iowa Administrative Code 7.42. If you are interested in pursuing settlement of this matter, please contact Assistant Attorney General John R. Lundquist.

11. **COMMUNICATIONS.** You may not contact Commission members by phone, letter, facsimile, e-mail, or in person about this Notice of Hearing and Statement of Charges. Commission members may only receive information about the case when all parties have notice and an opportunity to participate, such as at the hearing or in pleadings you file with the Commission office and serve upon all parties in the case. You should direct any questions to Assistant Attorney General John R. Lundquist at 515-281-3658, or the Commission's Executive Officer at 515-725-9026, or Fax 515-725-9032.

12. **ADA NOTICE.** If you require the assistance of auxiliary aids or services to participate in this matter because of a disability, immediately call or e-mail the Commission's Executive Officer at 515-725-9026. If you are hearing impaired, call Relay Iowa TTY at 1-800-735-2942.

### STATEMENT OF CHARGES

#### COUNT I

13. Respondent is charged with engaging in a practice harmful or detrimental to the public and/or being unworthy to act as a real estate broker in such manner as to safeguard the interests of the public by providing false or misleading verification of funds available to close a real estate transaction in violation of Iowa Code sections 543B.29(1)(d), 543B.29(3), 543B.34(1)(a), 543B.34(1)(h), and/or 543B.34(1)(k) (2018). See 193E Iowa Administrative Code §§ 18.2(1), 18.14(5)(s).

#### COUNT II

14. Respondent is charged with failing to fully cooperate with a licensee disciplinary investigation and/or failing to timely provide information requested by the Commission relative to a complaint investigation in violation of Iowa Code section 543B.34(1)(j) (2018). See 193E Iowa Administrative Code §§ 18.2(7), 18.14(5)(i).

## CIRCUMSTANCES

15. In March 2018, the Respondent, acting as a principal (buyer), sought to purchase a property located in Waukee, Iowa.

16. A purchase agreement for the subject property was executed on March 3, 2018 and the property was scheduled to close on April 2, 2018. At the Respondent's request, the closing was extended to May 4, 2018.

17. Towards the end of April, the Respondent asked the Sellers for a second extension of the closing date. Before agreeing to the second extension request, the Sellers sought verification from the Respondent that he had sufficient funds available to close on the transaction.

18. The Respondent subsequently provided the Sellers with correspondence dated April 23, 2018 and April 25, 2018 purportedly from a financial institution that represented that the Respondent had sufficient financial capacity from his own resources to purchase the subject property. The Sellers accepted the letters as evidence that the Respondent had sufficient funds available to close on the transaction and they agreed to extend the closing to May 29<sup>th</sup>.

19. On May 29, 2018, the company retained to facilitate the closing of the subject property reached out to the financial institution that purportedly provided the Respondent's verification letters to discuss the wiring of funds for closing. In response, the financial institution communicated that it had no knowledge of the transaction, wiring instructions, and any letters it allegedly prepared on behalf of the Respondent. The financial institution specifically denies that it produced or otherwise authorized the above-referenced correspondence dated April 23, 2018 and April 25, 2018 that the Respondent forwarded to the Sellers.

20. In the course of its investigation of this matter, Commission staff asked the Respondent for documents related to the subject property. The Respondent was further asked to address the allegations that he fabricated the verifications of funds documents and forged the signature of the representative of the financial institution.

21. United States Postal Service records indicate that a letter from Commission staff seeking the above-referenced information was delivered to the Respondent at 12:05 p.m. on July 11, 2018 in Des Moines, Iowa. Commission records also indicate that an e-mail dated July 9, 2018 and voicemails left for the Respondent on July 10, 2018, July 19, 2018, and July 31, 2018 each sought a response from the Respondent in furtherance of the investigation of this matter.

22. As of the date of this filing, the Respondent has not provided any response to the Commission's requests for documents and information.

NOTICE OF APPLICABILITY OF IOWA CODE SECTION 543B.29(4)

23. On April 6, 2017, the Commission approved an Informal Settlement Agreement and Consent Order with the Respondent through which he did not contest the violations charged in IREC Case No. 16-309. A true and accurate copy of this settlement agreement is attached as Exhibit 1 and its contents are incorporated herein.

24. In case number 16-309, the Respondent was charged with failing to make trust account records available for inspection by Commission staff in violation of Iowa Code sections 543B.34(1)(j), 543B.46(3), 543B.46(6), 543B.46(7) and engaging in practices harmful or detrimental to the public for multiple trust account infractions in violation of Iowa Code sections 543B.29(1)(d), 543B.29(1)(k), 543B.34(1), 543B.46. These violations occurred on or about September 27, 2016 and October 7, 2016, through an onsite examination of the Respondent's Iowa real estate trust account and transaction records by the Commission auditor.

25. The Iowa Code provides that: "A real estate broker's or salesperson's license shall be revoked following three violations of [Iowa Code section 543B.29] or [Iowa Code] section 543B.34 within a three-year period." Iowa Code § 543B.29(4) (2018). Should the above-stated charges in Count I and Count II be sustained by the Commission, it would constitute the second and third violations of Iowa Code section 543B.29 and/or Iowa Code section 543B.34 committed by the Respondent within a three-year period.

**This Notice of Hearing and Statement of Charges is filed and issued on the 7<sup>th</sup> day of August, 2018.**



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Jeffrey M. Evans, Executive Officer  
Iowa Real Estate Commission

Copies to:  
Assistant Attorney General John Lundquist  
Department of Inspections and Appeals, assigned Administrative Law Judge

**FILED** April 6, 2017 (Date)  
IREL  
Board / Commission  
[Signature]  
Signature, Executive Officer

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

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IN RE:	)	
	)	<b>CASE NUMBERS: 16-309</b>
Kurt A. Pagliai	)	
Broker (B27543000)	)	<b>INFORMAL SETTLEMENT</b>
	)	<b>AGREEMENT AND CONSENT</b>
BlackAcre Realty LLC	)	<b>ORDER IN A DISCIPLINARY CASE</b>
2400 86 <sup>th</sup> Street, Suite 23	)	
Urbandale, IA 50322	)	
	)	
RESPONDENT	)	

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The Iowa Real Estate Commission (Commission) and **Kurt A. Pagliai** (Respondent) enter into this Informal Settlement Agreement and Consent Order in a Disciplinary Case (Order) pursuant to Iowa Code Sections 17A.10(1) and 272C.3(4) (2017).

1. The Commission issued the Respondent real estate broker license number B27543000 on June 18, 2013. Respondent’s license is in full force and effect until December 31, 2018. At all times relevant to this matter, the Respondent served both as the designated broker in charge and a licensed real estate broker officer for BlackAcre Realty LLC, license number F05647000, located in Urbandale, Iowa.

2. The Commission has jurisdiction of this disciplinary matter pursuant to Iowa Code chapters 17A, 272C, and 543B (2017). Licenses issued by the Commission are subject to the laws of the State of Iowa and to the administrative rules of the Commission.

**SETTLEMENT AGREEMENT**

3. On March 8, 2017, the Commission issued a Statement of Charges against the Respondent. A true and accurate copy of said Statement of Charges is attached to this Order as Exhibit A. The Respondent admits to each and every allegation recited in the attached Statement of Charges. This case shall constitute one violation for purposes of Iowa Code section 543B.29(4) (2017).

4. The Respondent acknowledges that he has a right to 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 a hearing and all attendant rights, including the right to seek judicial review. This Order constitutes the final agency order in this contested case pursuant to Iowa Code section 17A.10 and 193 Iowa Administrative Code 7.

5. The 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.

6. The Respondent 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. This Order shall be part of the permanent record of the 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.

7. 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) (2017) 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.

8. This Order is not binding on the 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.

9. Upon acceptance by both the Commission and Respondent, this Informal Settlement Agreement 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 (2017).

### **CONSENT ORDER**

#### **IT IS THEREFORE ORDERED:**

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

11. **CIVIL PENALTY.** Respondent shall pay a civil penalty to the Commission in the amount of three thousand dollars (\$500 for Count I, \$2,500 for Count II) on or before July 31, 2017. The civil penalty must come under a cover letter addressed to the Commission's Executive Officer, referencing Case Number 16-309.

12. EDUCATION. The Respondent shall attend the Commission approved eight (8) hour course "Trust Accounts." These hours shall be in addition to any real estate continuing education required by law for license renewal. The original certificate of attendance shall be submitted to the Iowa Real Estate Commission on or before July 31, 2017. The certificate of attendance must come under a cover letter addressed to the Commission's Executive Officer, referencing Case Number 16-309.

13. CPA AUDIT. The Respondent shall hire an Iowa licensed Certified Public Accountant (CPA) at the Respondent's expense to audit and to establish trust account records following Generally Accepted Accounting Principles. The CPA's audit report demonstrating Respondent's current compliance with applicable standards, Iowa law and Commission trust account rules shall be submitted to the Iowa Real Estate Commission on or before July 31, 2017. The audit report must come under a cover letter addressed to the Commission's Executive Officer, referencing Case Number 16-309.

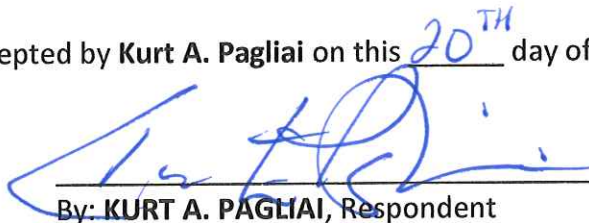
14. SUSPENSION. The Respondent's real estate broker license shall be suspended indefinitely commencing on July 31, 2017, pending submission of the civil penalty, proof of completion of the education, and compliant CPA Audit report required by Paragraphs 11 – 13 of this informal settlement agreement entered between the Respondent and the Commission. Upon the Respondent's submission of the civil penalty, education, and compliant CPA audit report to the Commission's Executive Officer, the Respondent's real estate broker license shall be reinstated upon order of the Commission's Executive Officer. Should the Respondent submit the full amount of the civil penalty, a course completion certificate for the 8 hour course "Trust Accounts", and a compliant CPA audit report to the Commission's Executive Officer at the Commission's offices prior to 1:00 PM on July 31, 2017, the suspension provided for in this paragraph shall not be imposed.

15. FUTURE COMPLIANCE. The Respondent 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 Informal Settlement Agreement and Consent Order is agreed to by the Iowa Real Estate Commission and the Respondent.

**FOR THE RESPONDENT:**

Voluntarily agreed to and accepted by Kurt A. Pagliai on this 20<sup>TH</sup> day of March, 2017.

  
By: **KURT A. PAGLIAI**, Respondent

State of Iowa )

County of Polk )

Signed and sworn to before me on this 20<sup>TH</sup> day of March, 2017, by:



Notary Public, State of Iowa

Printed Name: Josiah Doughty

My Commission Expires: June 25, 2017

**FOR THE COMMISSION:**

Voluntarily agreed to and accepted by the **IOWA REAL ESTATE COMMISSION** on this 6<sup>th</sup> day of APRIL, 2017.

  
\_\_\_\_\_  
**TERRANCE M. DUGGAN**, Chair  
Iowa Real Estate Commission



FILED March 8, 2017 (Date)

J. Hill  
Board / Commission  
[Signature]  
Signature, Executive Officer

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

IN RE:	)	
	)	CASE NUMBER: 16-309
Kurt A. Pagliai	)	
Broker (B27543000)	)	NOTICE OF HEARING AND
	)	STATEMENT OF CHARGES
BlackAcre Realty LLC	)	
2400 86 <sup>th</sup> Street, Suite 23	)	
Urbandale, IA 50322	)	
RESPONDENT	)	

The Iowa Real Estate Commission ("Commission") issues this Notice of Hearing pursuant to Iowa Code Section 17A.12(2). The Commission has jurisdiction of this matter pursuant to Iowa Code chapters 17A, 543B and 272C (2017). Licenses issued by the Commission are subject to the laws of the State of Iowa and to the administrative rules of the Commission.

The Commission issued Kurt A. Pagliai ("Respondent") real estate broker license number B27543000 on June 18, 2013. Respondent's license is in full force and effect until December 31, 2018. At all times relevant to this matter, the Respondent served both as the designated broker in charge and a licensed real estate broker officer for BlackAcre Realty LLC, license number F05647000, located in Urbandale, Iowa.

**NOTICE OF HEARING**

- 1. HEARING.** A contested case hearing will be held concerning the below-stated disciplinary charges before the Iowa Real Estate Commission on the 6<sup>th</sup> day of April, 2017 at 1:30 o'clock PM, at 200 East Grand, Suite 350, Des Moines, Iowa.
- 2. ACKNOWLEDGMENT.** The Commission requests that you file a statement to acknowledge receipt of the notice of hearing within 10 days of the date you are served with this Notice.
- 3. ANSWER.** Within 20 days of the date you are served with this Notice you must file an answer to the charges as provided in 193 Iowa Administrative Code 7.9.

**EXHIBIT A**

4. **PREHEARING CONFERENCE.** A prehearing conference will be held by telephone on the 30<sup>th</sup> day of March, 2017 at 10:00 o'clock AM before an Administrative Law Judge from the Iowa Department of Inspections and Appeals ("ALJ"). You are responsible for notifying the Commission office of the telephone number at which you or your counsel can be reached. Commission rules on prehearing conferences may be found at 193 Iowa Administrative Code 7.21.

5. **PRESIDING OFFICER.** The full Commission shall serve as presiding officer at hearing, pursuant to Iowa Code section 272C.6(1) and 193 Iowa Administrative Code 7.10(1). The Commission may request that an ALJ make initial rulings on prehearing matters, and be present to assist and advise the Board at hearing, as described in 193 Iowa Administrative Code 7.10(4).

6. **HEARING PROCEDURES.** Commission rules on hearing procedures may be found at 193 Iowa Administrative Code chapter 7. You have the right to respond to the charges, produce evidence on your behalf, cross-examine witnesses, and examine any documents introduced at hearing. You may appear personally and be represented by counsel at your own expense. Consult rule 193 Iowa Administrative Code 7.22 if you need to request an alternative time or date. The hearing may be open to the public or closed to the public at the discretion of the Respondent.

7. **DEFAULT.** If you fail to appear at hearing, the Commission may enter a default decision or proceed with the hearing and render a decision in your absence, in accordance with Iowa Code section 17A.12(3) and 193 Iowa Administrative Code 7.27.

8. **STATE'S COUNSEL.** Licensee disciplinary cases are prosecuted by an Assistant Attorney General acting on behalf of the public interest (the State). Copies of all pleadings shall be filed with the Commission, with copies mailed to:

John R. Lundquist  
Assistant Attorney General  
Iowa Department of Justice  
2<sup>nd</sup> Floor, Hoover State Office Building  
Des Moines, Iowa 50319

Phone: 515-281-3658  
Fax: 515-281-4209  
John.Lundquist@iowa.gov

9. **RESPONDENT'S COUNSEL.** Copies of all pleadings filed with the Commission shall also be provided to Respondent's counsel of record:

NONE

10. **SETTLEMENT.** The procedural rules governing the Commission's settlement process are found at 193 Iowa Administrative Code 7.42. If you are interested in pursuing settlement of this matter, please contact Assistant Attorney General John R. Lundquist.

11. **COMMUNICATIONS.** You may not contact Commission members by phone, letter, facsimile, e-mail, or in person about this Notice of Hearing and Statement of Charges. Commission members may only receive information about the case when all parties have notice and an opportunity to participate, such as at the hearing or in pleadings you file with the Commission office and serve upon all parties in the case. You should direct any questions to Assistant Attorney General John R. Lundquist at 515-281-3658, or the Commission's Executive Officer at 515-725-9026, or Fax 515-725-9032.

#### STATEMENT OF CHARGES

##### COUNT I

12. Respondent is charged with failing to make trust account records available for inspection by Commission staff during usual business hours at the Respondent's regular place of business in violation of Iowa Code §§ 543B.34(1)(j), 543B.46(3), 543B.46(6), 543B.46(7) and/or 193E Iowa Administrative Code § 13.5. See Iowa Code § 543B.46(8), 193E Iowa Admin. Code §§ 18.2(7), 18.14(5)(i).

##### CIRCUMSTANCES

13. Respondent was assigned as the designated broker in charge of real estate brokerage firm BlackAcre Realty LLC at all times relevant to this matter. As the designated broker in charge of the real estate brokerage firm, the Respondent is responsible for ensuring compliance with all applicable rules and regulations governing the firm's operations in the state of Iowa, including maintenance of the trust account used by the firm.

14. On the afternoon of September 26, 2016 the Commission's trust account auditor ("auditor") arrived at the Respondent's regular place of business for an examination of his Iowa real estate trust account and real estate transaction records. Although the Respondent's real estate brokerage firm was open to the public for business, the auditor was unable to conduct an examination of the Respondent's Iowa real estate trust account and real estate transaction

records at that time because the Respondent's trust account records and transaction records were not onsite or were otherwise unavailable for immediate inspection.

## COUNT II

15. Respondent is charged with engaging in practices harmful or detrimental to the public in violation of Iowa Code sections 543B.29(1)(d), 543B.29(1)(k), 543B.34(1), 543B.46 (2016) by:

- (a) Failing to maintain at all times a record of the Respondent's trust account and improper trust account procedures. See 193E Iowa Administrative Code §§ 13.1(6), 18.14(5)(e), 18.14(5)(f).
- (b) Failing to accurately maintain a general ledger to record in chronological order all receipts and disbursements for the Respondent's trust account. See 193E Iowa Administrative Code §§ 13.1(6)(a), 18.14(5)(e)(1).
- (c) Failing to accurately maintain the running balance of all individual ledger accounts for the Respondent's trust account. See 193E Iowa Administrative Code §§ 13.1(6)(b), 18.14(5)(e)(2).
- (d) Failing to provide a means for a monthly reconciliation of the Respondent's trust account to ensure agreement of the general ledger balance, reconciled bank balance and individual ledger accounts. See 193E Iowa Administrative Code §§ 13.1(6)(a)(3), 18.14(5)(e), 18.14(5)(f).

## CIRCUMSTANCES

16. On September 27, 2016 and October 7, 2016, an onsite examination of the Respondent's Iowa real trust account and transaction records was conducted by the Commission's trusts account auditor.

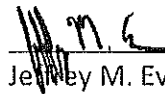
17. The auditor found that the Respondent is failing to properly maintain accurate accounting of the general ledger balance for the Respondent's Iowa real estate trust account.

18. The auditor found that for the Respondent's Iowa real estate trust account, there is a failure to properly maintain accurate accounting for its individual ledger accounts.

19. The auditor found that for the Respondent's Iowa real estate trust account, there was not an accurate monthly reconciliation being performed to ensure agreement of the general ledger balance, reconciled bank balance, and sum of the individual ledger accounts.

20. For the bank statement dated August 31, 2016, the auditor was not able to perform an accurate reconciliation due to the Respondent's failure to maintain the general ledger, failure to maintain the individual ledger accounts, and failure to perform accurate monthly reconciliations for the Iowa real estate trust account.

**This Notice of Hearing and Statement of Charges is filed and issued on the 8<sup>th</sup> day of March, 2017.**



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Jeremy M. Evans, Executive Officer  
Iowa Real Estate Commission

Copies to:  
Assistant Attorney General John Lundquist  
Department of Inspections and Appeals, assigned Administrative Law Judge