

Department of Commerce  
Professional Licensing Bureau  
**FILED 5-4-23 (Date)**  
**IREC**  
Board of Commission  
*Renee Pauls*  
Signature, Executive Officer

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

---

IN RE:	)	
	)	CASE NUMBER: 21-109
Hedges Associates, Inc.	)	
Firm (F00597000)	)	COMBINED STATEMENT OF
	)	CHARGES, INFORMAL
	)	SETTLEMENT AGREEMENT,
5408 Blairs Forest Way NE	)	AND CONSENT ORDER IN A
Cedar Rapids, IA 52402	)	DISCIPLINARY CASE
	)	
RESPONDENT	)	

---

The Iowa Real Estate Commission (Commission) and **Hedges Associates, Inc.** (Respondent) enter into this Combined Statement of Charges, Informal Settlement Agreement, and Consent Order in a Disciplinary Case (Order) pursuant to Iowa Code Sections 17A.10(1) and 272C.3(4).

1. The Commission issued the Respondent real estate firm license number F00597000 on April 25, 1960. Respondent's license is current and in full force and effect through December 31, 2025. At all times relevant to this matter, Carl Esker was a licensed real estate broker officer and the designated broker in charge assigned to Hedges Associates, Inc., located in Cedar Rapids, Iowa.

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

### STATEMENT OF CHARGES

#### COUNT I

3. Respondent is charged with engaging in practices harmful or detrimental to the public and/or failing to supervise a licensee employed by the broker in violation of Iowa Code sections 543B.29(1), 543B.34(1)(h), 543B.62(3)(b) by allowing a salesperson employed by the broker to conduct real estate business (property management) independently outside the licensed broker or firm he is assigned to. See 193E Iowa Administrative Code §§ 7.11, 15.1, 18.2(6), 18.14(5)(m).

## CIRCUMSTANCES

4. The Respondent is responsible for ensuring compliance with all applicable rules and regulations governing the operations in the state of Iowa.

5. The Respondent allowed a licensed real estate broker associate assigned to the real estate brokerage firm to conduct residential property management independently; therefore failing to have written property agreements between the owners of the properties and the designated firm.

6. The Respondent is responsible for providing supervision of any salesperson or broker associate employed by or otherwise associated with the Respondent. The Respondent failed to provide adequate supervision over the associated real estate broker associate by allowing him to conduct residential property management in the state of Iowa independently outside of the licensed firm he is assigned to.

## SETTLEMENT AGREEMENT

7. Respondent admits each and every allegation in the above-stated Statement of Charges. This case shall constitute one violation for purposes of Iowa Code section 543B.29(4).

8. Respondent acknowledges that it has a right to receive notice of the above-stated charges and to request a hearing before the Commission on the merits of the charges. By freely and voluntarily entering into this Order, the Respondent waives its right to notice and a hearing and all attendant rights, including the right to seek judicial review. This Order constitutes discipline against the Respondent, and is the final agency order in this contested case pursuant to Iowa Code section 17A.10 and 193 Iowa Administrative Code 7.4.

9. 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.

10. This Order shall be part of the permanent record of 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.

11. 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) 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.

12. This Order is not binding on the Iowa Real Estate 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.

13. Upon acceptance by both the Commission and Respondent, this Combined Statement of Charges, Informal Settlement 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.

### CONSENT ORDER

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

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

15. CIVIL PENALTY. The Respondent shall pay a civil penalty to the Commission in the amount of five hundred dollars (\$500.00) no later than six (6) months after acceptance of this Order by the Commission. The civil penalty must come under a cover letter addressed to the Commission's Executive Officer, referencing Case Number 21-109.

16. FUTURE COMPLIANCE. The Respondent also 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 Combined Statement of Charges, Informal Settlement Agreement and Consent Order are agreed to and accepted by the Iowa Real Estate Commission and the Respondent.

#### **FOR THE RESPONDENT:**

Voluntarily agreed to and accepted by **HEDGES ASSOCIATES, INC.** on this 27 day of


April, 2023.

  
By: **CARL C. ESKER**, Broker for Respondent

State of Iowa )

County of Linn )

Signed and sworn to before me on this 27 day of April, 2023, by:

  
Notary Public, State of Iowa  
Printed Name: Nancy Hrubes  
My Commission Expires: 9/17/24

**FOR THE COMMISSION:**

Voluntarily agreed to and accepted by the **IOWA REAL ESTATE COMMISSION** on this 4th day of May, 2023.

  
**JAMES M.H. CLINGMAN**, Chair  
Iowa Real Estate Commission