

Department of Commerce
 Professional Licensing Bureau
FILED 8-3-23 (Date)
 IREC
 Board / Commission

 Signature, Executive Officer

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

IN RE:)	
)	CASE NUMBER: 22-082
Gerhild I. Krapf)	
Broker (B63336000))	COMBINED STATEMENT OF
)	CHARGES, INFORMAL
Homes & Hearth, LLC)	SETTLEMENT AGREEMENT,
2015 Laurence Ct NE)	AND CONSENT ORDER IN A
Iowa City, IA 52240)	DISCIPLINARY CASE
)	
RESPONDENT)	

The Iowa Real Estate Commission (Commission) and Gerhild I. Krapf (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 broker license number B63336000 on May 22, 2017. Respondent's license is current and in full force and effect through December 31, 2025. At all times relevant to this matter, the Respondent served both as the designated broker in charge and a licensed real estate broker officer of Homes & Hearth, LLC, license number F05933000, located in Iowa City, 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 failing to properly effectuate the terms of an executed purchase agreement by failing to deposit earnest money payments received by the respondent into the Iowa Real Estate Trust Account. Funds were instead deposited into an Attorney Trust Account. The agreement was not amended accordingly, to reflect accurately that the funds were appropriately deposited into the Attorney Trust Account.

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CIRCUMSTANCES

4. Respondent was assigned as the designated broker in charge of real estate brokerage Homes & Hearth, 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.

5. On March 23, 2022 an offsite examination of the Respondent's Iowa real estate transaction files was conducted by the Commission auditor (auditor).

6. In a random sampling of transaction files, the auditor discovered one (1) real estate transaction for property located in Iowa City, Iowa in which the respective purchase agreement stated that the earnest money would be deposited into the listing broker's (Homes & Hearth, LLC) trust account. At the time, the Respondent did not maintain an Iowa real estate trust account in a bank, savings association or credit union for the deposit of earnest money.

7. In reviewing the aforementioned real estate transaction file for the subject property, the auditor discovered that the executed purchase agreement nonetheless provided that the earnest money was to be held in trust by listing broker (Homes & Hearth, LLC), not with Anderson-Houghton trust account. By depositing the earnest money funds into Anderson Houghton Law, P.L.C.'s trust account, the Respondent failed to properly effectuate the terms of an executed purchase agreement and failed to deposit trust funds in an Iowa real estate trust account.

SETTLEMENT AGREEMENT

8. Without admission of wrongdoing or guilt, the Respondent does not contest the allegations stated in the Statement of Charges. This case shall constitute one violation for purposes of Iowa Code section 543B.29(4).

9. Respondent acknowledges that she 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 her 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.

10. 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.

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11. 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.

12. 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.

13. 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.

14. 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 (2022).

CONSENT ORDER

IT IS THEREFORE ORDERED:

15. CIVIL PENALTY. Respondent shall pay a civil penalty to the Commission in the amount of two hundred and fifty dollars (\$250.00) 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 22-082.

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.

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FOR THE RESPONDENT:

Voluntarily agreed to and accepted by Gerhild I. Krapf on this 22nd day of June, 2023.

[Signature]
By: GERHILD I. KRAPF, Respondent

State of Iowa

County of Johnson

Signed and sworn to before me on this 22 day of June, 2023, by:



[Signature]
Notary Public, State of Iowa
Printed Name: Kayla Hodgson
My Commission Expires: 12/3/23

FOR THE COMMISSION:

Voluntarily agreed to and accepted by the IOWA REAL ESTATE COMMISSION on this 3rd day of August, 2023.

[Signature]
JAMES M.H. CLINGMAN, Chair
Iowa Real Estate Commission