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BEFORE THE IOWA REAL ESTATE COMMISSION  
1918 S.E. HULSIZER  
ANKENY, IOWA

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IN RE:	)
Harlan M. Groves (B00990)	)
Broker	)
110 South Lucas	)
Eagle Grove, IA 50533	)
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CASE NUMBER: 88-093  
INFORMAL SETTLEMENT

Pursuant to Iowa Code Section 17A.10(1989) and 193E Iowa Administrative Code Section 4.12(117), this Informal Settlement is entered into between Harlan M. Groves and The Iowa Real Estate Commission (Commission). The parties agree as follows:

STIPULATED STATEMENT OF FACTS

1. The Commission has jurisdiction of this matter under Iowa Code Chapters 17A, 117, and 258A(1989) as well as the administrative rules found in Chapter 193E of the Iowa Administrative Code.
2. Harlan M. Groves is, and was at all times during the following events, a licensed broker. His license number is B00990.
3. Broker Groves failed to maintain adequate transaction records.
4. Broker Groves failed to properly maintain a general ledger for the trust account and individual ledger sheets for each transaction. Debit and credit entries were in the same column.
5. A personal funds ledger was not maintained.
6. Broker Groves was instructed on October 31, 1984 to place unidentified funds of \$7.20 into an Individual Ledger labelled "Unidentified Funds". This had not been done on September 29, 1988.
7. 193E Iowa Administrative Code Section 1.27(117) states:  
  
Earnest payments, rents collected, property management funds, and other trust funds received by the broker shall be deposited in an identified "trust" account in a bank, savings and loan association, savings bank, or credit union located in Iowa. A broker shall

maintain in the broker's office a general ledger for the trust account and an account ledger for each account or transaction which shall provide a complete record of all moneys received on real estate transactions, rents and management funds, including the sources of the money, the date of receipt, depository, and date of deposit; and when a transaction has been completed, the final disposition of the moneys. The notification to the commission of the name, depository, and address of the broker's trust account shall include the account number.

8. 193E Iowa Administrative Code Section 4.40(117) Violations for which civil penalties may be imposed.

- 5. Maintaining inadequate transaction records such as:
  - a. Failing to maintain a general ledger
  - b. Failing to maintain individual account ledgers.

AGREED ORDER

By agreement it is therefore ORDERED, ADJUDGED, and DECREED by the Iowa Real Estate Commission as follows:

- 1. Broker Groves has the right to a hearing on this matter, but waives his right to a hearing and all attendant rights by freely entering into this Informal Settlement.
- 2. Broker Groves shall take twelve hours of real estate continuing education in "Trust Accounts and Closing Procedures". This course must be approved as a "broker prelicense course" (See 193E Iowa Administrative Code Section 3.2[3][117]). These hours shall be in addition to all other real estate continuing education hours required by law for license renewal. The original certificate of attendance for the course must be submitted to the Commission no later than June 30, 1990 as evidence that this requirement has been fulfilled. The certificate of attendance must come under a cover letter addressed to the Commission's Executive Secretary and must refer to case number 88-093.
- 3. Pursuant to 193E Iowa Administrative Code Section 4.40(5)a,b(117), Broker Groves shall pay a civil penalty of \$100.00. Payment shall be made to the Commission no later than July 31, 1989 to satisfy this requirement.

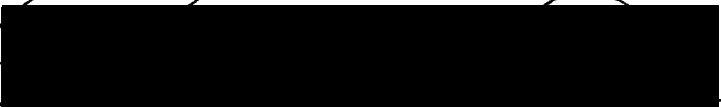
4. This Informal Settlement shall be made a part of the record of Broker Groves and shall be considered by the Commission in determining the nature and severity of the disciplinary action to be imposed for any future license law violation by him.

5. Failure to comply with the provision of this Agreed Order shall be considered prima facie evidence of a violation of Iowa Code Section 117.29(3) and 117.34(2)(1989). However, no action may be taken against any licensee without a hearing as provided for in Iowa Code Section 117.35(1989).

6. The within settlement is subject to the approval of the Commission and if the Commission fails to approve this settlement, it shall be of no force or effect on either the Commission or the licensee, and it shall not be admissible for any purposes at any further proceedings in this matter. If approved by the Commission, the settlement will be deemed an agreed-upon disposition of a contested case initiated by the Commission and will dispose of all matters contained in the complaint for case 88-093.

FOR THE BROKER:

Dated this 31st day of June, 1989.

  
Harlan M. Groves

Signed and sworn to before me this 31st day of June, 1989.


  
Notary Public, State of Iowa

FOR THE COMMISSION:

Signed this 13 day of July, 1989.

  
Marlys Nielsen, Chairperson

Executed this 13th day of July, 1989.

  
Kenneth L. Smith  
Executive Secretary