

BEFORE THE IOWA REAL ESTATE COMMISSION  
1918 SE HULSIZER  
ANKENY, IOWA

---

IN RE:	)	
	)	
	)	CASE NUMBER: A99-003
SCOTT J HAZELL (B01121)	)	
Broker	)	STIPULATION AND
	)	VOLUNTARY SURRENDER
	)	OF BROKER LICENSE
1001-05 Maple Street	)	NO. B01121
P O Box 486	)	
Burlington, Iowa 526010486	)	
	)	

---

On this 3<sup>rd</sup> day of APRIL, 2000, the Iowa Real Estate Commission and SCOTT J HAZELL, each hereby agree with the other and stipulate as follows:

1. The allegations specified in the Statement of Charges in this case shall be resolved without proceeding to hearing as the parties have agreed to the following Stipulation and Consent Order.
2. The Respondent has a right to a hearing on the charges, but waives the right to hearing and all attendant rights, including the right to appeal, by freely and voluntarily agreeing to this Order. Once entered, this Order shall have the force and effect of a disciplinary order entered following a contested case hearing.
3. The Respondent was issued a broker license to practice real estate on March 27, 1974, as evidenced by license number B01121, which was in full force and effect through December 31, 1999.
4. The Iowa Real Estate Commission has jurisdiction over the parties and subject matter jurisdiction over each allegation in the Statement of Charges.
5. A Statement of Charges will be filed against Respondent together with this voluntary Stipulation and Consent Order.
6. The Respondent admits each and every allegation in the Statement of Charges.
7. If this Stipulation and Consent Order is approved by the Commission it will be filed, along with the Statement of Charges, and upon filing both documents will become public records.

8. This Stipulation and Consent Order shall be made a part of the record of the Respondent and may be considered by the Commission in determining the nature and severity of any disciplinary action to be imposed on the Respondent for any future violations of the laws and rules governing the practice of real estate.

9. Failure to comply with the terms of this Stipulation and Consent Order shall be prima facie evidence of a violation of Iowa Code sections 543B.29(3), 543B.34(2) and 272C.3(2)(a) (1999).

10. This Stipulation and Consent Order shall be presented to the Commission in closed session by the prosecuting attorney and/or Commission staff. Respondent waives any right of notice of this meeting or any right which the Respondent might have to participate in the discussion of this Stipulation and Consent Order among the Commission, the Commission staff and the prosecuting attorney.

11. This Stipulation and Consent Order is not binding on the Iowa Real Estate Commission until it has been formally approved by a majority of the Commission members. In the event that this Stipulation and Consent Order is rejected by the Commission it shall be of no force or effect to either party.

THEREFORE IT IS ORDERED that the Respondent's Iowa Real Estate license B0112 is **Surrendered**.

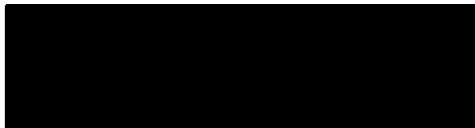
RESPONDENT ACKNOWLEDGES that the effective date of the surrender shall be the date this Stipulation is accepted by the Commission.

RESPONDENT ALSO ACKNOWLEDGES that in the event license B01121, is reinstated and reissued to active status, it must be returned to the Iowa Real Estate Commission upon notification that this Stipulation has been accepted by the Commission.

RESPONDENT FURTHER ACKNOWLEDGES that Iowa law allows Respondent to reapply for an Iowa Real Estate license if the surrender took place two (2) years (or longer) prior to reapplication AND that reapplication for an Iowa Real Estate license may or may not be granted by the Iowa Real Estate Commission and that the violations of law admitted herein may provide a basis for denial.

**FOR THE RESPONDENT:**

This Stipulation and Consent Order is voluntarily entered into by SCOTT J HAZELL on this \_\_\_\_\_ day of \_\_\_\_\_, 2000.



SCOTT J HAZELL, Respondent

State of Iowa

County of Des Moines

Signed and sworn to before me on this 27 day of March, 2000, by




Notary Public, State of Iowa

Printed Name: CATHERINE L. HAZELL

My Commission Expires: 7-29-2000

**FOR THE COMMISSION:**

This Stipulation and Consent Order is accepted by the Iowa Real Estate Commission on this 13<sup>th</sup> day of APRIL, 2000.



Russell D. Nading, Chair  
Iowa Real Estate Commission

cc: Pam Griebel, Assistant Attorney General

BEFORE THE IOWA REAL ESTATE COMMISSION  
1918 SE HULSIZER  
ANKENY, IOWA

---

IN RE:	)	
	)	
	)	CASE NUMBER: A99-003
SCOTT J HAZELL	)	
Broker (B01121)	)	STATEMENT OF
	)	
1001-05 Maple Street	)	CHARGES
P O Box 486	)	
Burlington, Iowa 526010486	)	

---

The Iowa Real Estate Commission has jurisdiction of this matter pursuant to Iowa Code chapters 17A, 543B, and 272C (1999).

Licenses issued by the Commission are subject to the laws of the state of Iowa and to the administrative rules of the Commission.

SCOTT J HAZELL, license number B01121, was at all material times during the following events, a licensed real estate sole-proprietor broker in Burlington, Iowa.

COUNT I

The Respondent is charged with engaging in numerous practices involving his trust account which are harmful or detrimental to the public, in violation of Iowa Code sections 543B.29(3) (practice harmful or detrimental to the public), and 543B.34(7) and (8), and 543B.46(1) and (4) 1999 and 193E--IAC sections 1.27(1)(d), 1.27(6)(c)(2), 1.30(4), 1.30(6)(a), 1.30(7), 1.30(7)(a), (c), (d), (e), and (f), and 4.40(5), (6), and (16), including the following:

- a. failing to immediately replace a shortage of over \$10,000 in his trust account upon discovery,
- b. failing to maintain adequate trust account records,
- c. failing to perform monthly reconciliations of the general ledger with individual ledgers and bank records to ensure agreement,
- d. allowing individual ledgers to reflect negative balances,
- e. commingling management fees, earnest money deposits, security deposits and other trust funds belonging to others to cover the shortage for a period exceeding three years,
- f. issuing insufficient funds checks drawn on the trust account,
- g. failing to properly remove management fees and other personal funds from the trust account,
- h. failing to maintain adequate personal funds in the trust account to pay bank service charges, and,
- i. failing to remit interest to the State of Iowa.

A99-003

### CIRCUMSTANCES OF THE COMPLAINT

1. On March 24, 1999 Iowa Real Estate Commission Field Auditor Frank Hansen, went to J. Scott Hazell's real estate brokerage in Burlington, Iowa for the purpose of conducting an audit of the trust account records. No audit was conducted. At the auditor's request, Mr. Hazell agreed to voluntarily obtain an audit by a Certified Public Accountant as soon as possible and upon completion, provide a copy of the audit report to the Commission.
2. The audit report submitted by Jean Ballinger, CPA, found that from June 21, 1991 through October 31, 1993, fifty-one (51) deposits did not equal rental receipts received, resulting in a total shortage of \$10,635.86. The State of Iowa was not paid interest on this amount and the monies that were commingled to cover the shortages during this time period.
3. The audit found that from 1994 through 1997 property management fees in the amount of \$7,998.69 were not taken out of the trust account. On January 1, 1990, \$400 personal funds and on June 7, 1994, \$500 personal funds were not taken out of the trust account. On May 5, 1995, Respondent deposited \$3000 personal funds into the account.
4. The audit found that from April 12, 1991 through March 13, 1995, four (4) insufficient funds checks, totaling \$2,317.96, were issued on the account. Respondent overpaid owners two (2) times totaling \$413.19 and he failed to maintain adequate broker personal funds in the trust account to cover expenses, which resulted in trust funds being used to pay \$139.51 in bank service fees, overdraft charges, and check printing costs.
5. The audit found \$709.50 in broker personal funds remaining in the account.

Page 3

A99-003  
Hazell

FINDING OF PROBABLE CAUSE

On December 9, 1999 the Iowa Real Estate Commission found probable cause to file this Statement of Charges and to order that a hearing be set in this case.

Executed this 13<sup>th</sup> day of APRIL, 2000.

A large black rectangular redaction box covering the signature of Roger L. Hansen.

Roger L. Hansen, Executive Secretary  
Iowa Real Estate Commission

Cc. Pam Griebel, Assistant Attorney General

A99-003