

FILED April 6, 2017 (Date)

JREC

Board / Commission

Signature Executive Officer

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

IN RE:)	
)	CASE NUMBER: 16-025
R. Friedrich & Sons, Inc.)	
Firm (F00485000))	COMBINED STATEMENT OF
)	CHARGES, INFORMAL
100 6 th Street)	SETTLEMENT AGREEMENT,
Ames, IA 50010)	AND CONSENT ORDER IN A
)	DISCIPLINARY CASE
RESPONDENT)	

The Iowa Real Estate Commission (Commission) and R. Friedrich & Sons, 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) (2016).

1. The Commission issued the Respondent real estate firm license number F00485000 on September 18, 1960. Respondent's firm license is now current and in full force and effect through December 31, 2019. At all times relevant to this matter, Kurt W. Friedrich, broker license number B33215000, served both as the designated broker in charge and a licensed real estate broker officer for the Respondent real estate brokerage firm, located in Ames, Iowa.

2. The Commission has jurisdiction of this disciplinary matter pursuant to Iowa Code chapters 17A, 272C, and 543B (2016). 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 improper trust account procedures in violation of Iowa Code sections 543B.29(1)(k), 543B.34(1), 543B.46, 543B.46(4) (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 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).
- (c) Having an excess of five hundred dollars of broker's personal funds in the Respondent's Iowa real estate trust account. See 193E Iowa Administrative Code §§ 13.1(1)(c), 18.14(5)(f)(8).

CIRCUMSTANCES

4. On February 5, 2016, an onsite examination of the Respondent's Iowa real trust account and transaction records was conducted by the Commission auditor ("auditor").
5. 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 ledgers.
6. The auditor discovered that after reviewing the individual ledger for broker's equity, the Respondent had an excess of five hundred dollars of broker's personal funds in his Iowa real estate trust account.

SETTLEMENT AGREEMENT

7. Without admission of wrongdoing or guilt, the Respondent does not contest the violations alleged in the above-stated Statement of Charges.
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) (2016) 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 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 (2016).

CONSENT ORDER

IT IS THEREFORE ORDERED:

14. CIVIL PENALTY. The Respondent shall pay a civil penalty to the Commission in the amount of one thousand, five hundred dollars (\$1,500.00) no later than twelve (12) 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 16-025.

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 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:

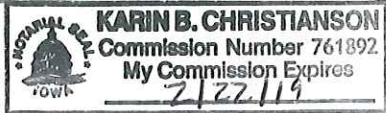
Voluntarily agreed to and accepted by **R. Friedrich & Sons, Inc.** on this 22nd day of March, 2017.


By: **KURT W. FRIEDRICH**, Broker Officer

State of Iowa)

County of Story)

Signed and sworn to before me on this 22nd day of March, 2017, by:



Karin B. Christianson
Notary Public, State of Iowa
Printed Name: Karin B. Christianson
My Commission Expires: 2/22/19

FOR THE COMMISSION:

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

Terrance M. Duggan
TERRANCE M. DUGGAN, Chair
Iowa Real Estate Commission