

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

IN RE:)	CASE NUMBER: 90-037
)	
Martin, Inc. (F00888))	
Firm)	
)	INFORMAL SETTLEMENT
Valentina K. Martin (B05435))	
Broker)	
)	
1400 Blackhawk Street)	
Waterloo, IA 50702)	

Pursuant to Iowa Code Section 17A.10(1989) and 193E Iowa Administrative Code Section 4.12(117), this Informal Settlement is entered into between Martin, Inc. and Valentina K. Martin 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. Martin, Inc. is, and was at all times during the following events, a licensed Real Estate Corporation. The license number is F00880.
3. Valentina K. Martin is, and was at all times during the following events, a licensed Real Estate Broker. Her license number is B05435. Valentina K. Martin is the Broker in charge of Martin, Inc.
4. On April 9, 1990, the Department of Inspections and Appeals completed an examination of the Martin, Inc. trust account.
5. Martin, Inc. and Broker Valentina K. Martin failed to maintain Individual Ledger Sheets for each property management account.
6. The Individual Ledger for the property located at 326-326 1/2 Clay Street, Waterloo, Iowa showed a negative balance of \$590.59 in the account.
7. The negative balance of \$590.59 resulted in the commingling of trust account funds.

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8. Martin, Inc. and Broker Valentina K. Martin failed to properly maintain a General Ledger.

9. Iowa Code Section 117.46 (4) states:

Each broker shall only deposit trust funds received on real estate or business opportunity transactions as defined in section 117.6 in said common trust account and shall not commingle the broker's personal funds or other funds in said trust account with the exception that a broker may deposit and keep a sum not to exceed one hundred dollars in said account from the broker's personal funds, which sum shall be specifically identified and deposited to cover bank service charges relating to said trust account.

10. 193E Iowa Administrative Code Section 1.27(117) states:

Trust account. 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.

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

4.40(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. Martin, Inc. and Valentina K. Martin have the right to a hearing on this matter, but waive their right to a hearing and all attendant rights by freely entering into this Informal Settlement.

2. By failing to maintain Individual Ledgers for each property managed by Martin, Inc., Valentina K. Martin and Martin, Inc. violated Iowa Administrative Code Sections 193E--1.27(117) and 4.40(5)b.

3. By allowing a negative balance of \$590.59 for the property located at 326-326 1/2 Clay Street, Waterloo, Iowa, Martin, Inc. and Valentina K. Martin violated Iowa Code Section 117.46(4).

4. By failing to properly maintain a General Ledger, Martin, Inc. and Valentina K. Martin violated Iowa Administrative Code Sections 193E--1.27(117) and 4.40(5)a.

5. Martin, Inc. and Valentina K. Martin agree to establish and properly maintain trust account records. The trust account records shall include a General Ledger and Individual Ledgers for all transactions.

6. Valentina K. Martin shall take twelve hours of real estate continuing education in "Trust Account and Closing Procedures". This course must be approved as a "Broker Pre-license Course." (See 193E Iowa Administrative Code Section 3.2(3)(117)). These hours shall be in addition to all other real estate continuing education required by law for license renewal. The original certificate of attendance for the course must be submitted to the commission within 13 months of the signing of this informal settlement by the Commission. The Certificate of Attendance must come under a cover letter addressed to the Commission's Executive Secretary and must be referred to as case number 90-037.

7. This Informal Settlement shall be made part of the permanent record of Martin, Inc. and Valentina K. Martin, 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 violations by Martin, Inc. and Valentina K. Martin.

8. Failure to comply with the provisions of this agreed order shall be considered prima facie evidence of a violation of Iowa Code Sections 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).

9. 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.

FOR THE FIRM:

Dated this 22nd day of March, 1991.

[Redacted Signature]

Martin, Inc.

Signed and sworn to before me this 22nd day of March, 1991.

[Redacted Signature]

Notary Public, State of Iowa
Sheila M. Faust

FOR THE BROKER:

Dated this 22nd day of March, 1991.

[Redacted Signature]

Valentina K. Martin

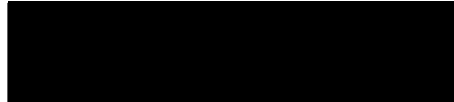
Signed and sworn to before me this 22nd day of March, 1991.

[Redacted Signature]

Notary Public, State of Iowa
Sheila M. Faust

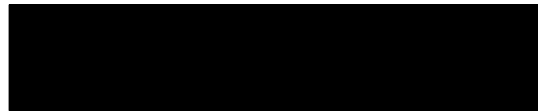
FOR THE COMMISSION:

Signed this 22ND day of APRIL, 1991.



E. Jo Ann Lutz, Chairperson

Executed this 22ND day of April, 1991.



Roger L. Hansen
Executive Secretary