

FILED August 2, 2018 (Date)
JRC
Board / Commission
Signature, Executive Officer

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

IN RE:)
) CASE NUMBER: 18-133
 Michelle M. Purdum)
 Broker (B43742000)) COMBINED STATEMENT OF
) CHARGES, INFORMAL
 Legacy Real Estate Group) SETTLEMENT AGREEMENT,
 216 N B Street) AND CONSENT ORDER IN A
 Oskaloosa, IA 52577) DISCIPLINARY CASE
)
 RESPONDENT)

The Iowa Real Estate Commission (Commission) and **Michelle M. Purdum** (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) (2018).

1. The Commission issued the Respondent real estate broker license number B43742000 on March 4, 2011. Respondent's license is in full force and effect until December 31, 2019. 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 Legacy Real Estate Group, license number F05716000, located in Oskaloosa, Iowa.

2. The Commission has jurisdiction of this disciplinary matter pursuant to Iowa Code chapters 17A, 272C, and 543B (2018). 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 practices harmful or detrimental to the public in violation of Iowa Code sections 543B.29(1)(d), 543B.29(1)(k), 543B.34(1), 543B.46 (2018) 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 accurately maintain a general ledger to record in chronological order all receipts and disbursements for the Respondent's trust account. See 193E Iowa Administrative Code §§ 13.1(6)(a), 18.14(5)(e)(1).
- (c) Failing to accurately maintain an individual ledger for broker's equity for the Respondent's trust account. See 193E Iowa Administrative Code §§ 13.1(1)(c), 13.1(6), 18.14(5)(e)(2).
- (d) Failing to accurately maintain an individual ledger for interest for the Respondent's trust account. See 193E Iowa Administrative Code §§ 13.1(2), 13.1(6), 18.14(5)(e)(2).
- (e) 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).

CIRCUMSTANCES

4. Respondent was assigned as the designated broker in charge of real estate brokerage firm Legacy Real Estate Group 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, including maintenance of the trust account used by the firm.

5. On May 22, 2018, an onsite examination of the Respondent's Iowa real estate trust account and transaction records was conducted by the Commission auditor (auditor).

6. The auditor found that the Respondent is failing to properly maintain accurate accounting of the general ledger balance for the Respondent's Iowa real estate trust account.

7. The auditor found that the Respondent was not accurately maintaining an updated individual ledger for the broker's equity balance held in the Iowa real estate trust account.

8. The auditor found that the Respondent was not accurately maintaining an updated individual ledger for the interest balance held in the Iowa real estate trust account.

9. 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.

10. For the bank statement dated May 22, 2018, the auditor was not able to perform an accurate reconciliation due to the Respondent's failure to maintain the general ledger, failure

to maintain the individual ledgers, and failure to perform accurate monthly reconciliations for the Iowa real estate trust account.

SETTLEMENT AGREEMENT

11. Respondent admits each and every allegation in the above-stated Statement of Charges. This case shall constitute one violation for purposes of Iowa Code section 543B.29(4) (2018).

12. 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.

13. 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.

14. 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.

15. 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) (2018) 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.

16. 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.

17. 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 (2018).

CONSENT ORDER

IT IS THEREFORE ORDERED:

18. REPRIMAND. Pursuant to 193E Iowa Administrative Code section 18.14(1)(j), the Respondent is reprimanded.

19. CIVIL PENALTY. Respondent shall pay a civil penalty to the Commission in the amount of two thousand, five hundred dollars (\$2,500.00) on or before January 31, 2019. The civil penalty must come under a cover letter addressed to the Commission's Executive Officer, referencing Case Number 18-133.

20. EDUCATION. The Respondent shall attend the Commission approved eight (8) hour course "Trust Accounts." These hours shall be in addition to any real estate continuing education required by law for license renewal. The original certificate of attendance shall be submitted to the Iowa Real Estate Commission on or before January 31, 2019. The certificate of attendance must come under a cover letter addressed to the Commission's Executive Officer, referencing Case Number 18-133.

21. CPA AUDIT. The Respondent shall hire an Iowa licensed Certified Public Accountant (CPA) at the Respondent's expense to audit and to establish trust account records following Generally Accepted Accounting Principles. The CPA's audit report demonstrating Respondent's current compliance with applicable standards, Iowa law and Commission trust account rules shall be submitted to the Iowa Real Estate Commission on or before January 31, 2019. The audit report must come under a cover letter addressed to the Commission's Executive Officer, referencing Case Number 18-133.

22. SUSPENSION. The Respondent's real estate broker license shall be suspended indefinitely commencing on January 31, 2019, pending submission of the civil penalty, proof of completion of the education, and compliant CPA Audit report required by Paragraphs 18 – 20 of this informal settlement agreement entered between the Respondent and the Commission. Upon the Respondent's submission of the civil penalty, education, and compliant CPA audit report to the Commission's Executive Officer, the Respondent's real estate broker license shall be reinstated upon order of the Commission's Executive Officer. Should the Respondent submit the full amount of the civil penalty, a course completion certificate for the 8 hour course "Trust Accounts", and a compliant CPA audit report to the Commission's Executive Officer at the Commission's offices prior to 1:00 PM on January 31, 2019, the suspension provided for in this paragraph shall not be imposed.

23. 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.

FOR THE RESPONDENT:

Voluntarily agreed to and accepted by **Michelle M. Purdum** on this 10 day of July, 2018.

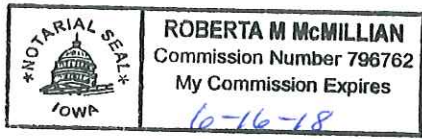
Michelle M. Purdum
By: **MICHELLE M. PURDUM**, Respondent

State of IOWA

County of MARSHALL

Signed and sworn to before me on this 11 day of July, 2018, by:

Roberta M. McMillian
Notary Public, State of Iowa
Printed Name: Roberta M. McMillian
My Commission Expires: 6-16-18



FOR THE COMMISSION:

Voluntarily agreed to and accepted by the **IOWA REAL ESTATE COMMISSION** on this 2nd day of August, 2018.

Dennis L. Stolk
TERRANCE M. DUGGAN, Chair
Iowa Real Estate Commission
Dennis L. Stolk, Vice Chair

FILED January 31, 2019 (Date)
J.R.C.
Board / Commission
[Signature]
Signature, Executive Officer

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

IN RE:)
)
Michelle M. Purdum) **CASE NUMBER: 18-133**
Broker (B43742000))
) **ORDER OF SATISFACTION**
)
Legacy Real Estate Group)
216 N B Street)
Oskaloosa, IA 52577)
)
RESPONDENT)

NOW on this 31st day of January 2019, this matter comes before the undersigned Executive Office on behalf of the Iowa Real Estate Commission [Commission]. The Executive Officer finds as follows:

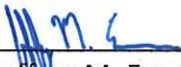
1. Michelle M. Purdum [Respondent] voluntarily agreed to an Informal Settlement Agreement and Consent Order [Consent Order] dated August 2, 2018 that provided the Respondent’s real estate broker license would be indefinitely suspended effective January 31, 2019, pending the Respondent’s completion of multiple events, including completion of an 8-hour trust account course, remittance of a \$2,500 civil penalty, and submission of a report from a Certified Public Accountant demonstrating the Respondent’s “current compliance with applicable standards, Iowa law and Commission trust account rules” following an “audit and to establish trust account records following Generally Approved Accounting Principles.” See 08/02/2018 Consent Order, ¶¶ 19 – 22.

2. On January 30, 2019, the Respondent presented to the Executive Officer proof that she has completed or otherwise fulfilled all conditions imposed by paragraphs 19 – 22 of the August 2, 2018 Consent Order.

IT IS THEREFORE ORDERED that having satisfied all conditions required of her by paragraphs 19 – 22 of the August 2, 2018 Consent Order within the time period allowed by the

Commission, the Respondent's Iowa real estate broker license shall not be suspended. See 08/02/2018 Consent Order, ¶ 22. Respondent shall maintain compliance with all other terms of the August 2, 2018 settlement agreement.

Dated this 31st day of January 2019.



Jeffrey M. Evans, Executive Officer
Iowa Real Estate Commission