

FILED May 15, 2020 (Date)

JREC

Board / Commission

[Signature]
Signature, Executive Officer

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

IN RE:)	
)	CASE NUMBER: 20-073
Trina R. Hanssen)	
Broker (B65706000))	EMERGENCY ORDER TO
)	SUSPEND LICENSE
Easy Street Property Management, LLC)	
5001 Tremont Avenue)	
Davenport, IA 52803)	
)	
RESPONDENT)	

The Iowa Real Estate Commission ("Commission") enters the following emergency suspension order against Respondent **Trina R. Hanssen** pursuant to Iowa Code sections 17A.18A, 543B.29, and 543B.29 (2020):

FINDINGS OF FACT

1. The Commission issued the Respondent real estate broker license number B65706000 on July 14, 2017. Respondent's license is current and in full force and effect through December 31, 2022. 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 Easy Street Property Management, LLC, license number F06065000, located in Davenport, Iowa.

2. As the designated broker in charge of East Street Property Management, LLC, 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 all trust accounts used by the firm.

3. On March 10, 2019, an onsite examination of the Respondent's Iowa real estate trust account and transaction records was conducted by the Commission auditor (auditor). Consistent with normal auditing protocols, the auditor asked the Respondent for access to documents related to the trust accounts used by the firm.

4. As of the date of this filing, the Respondent has not provided the auditor any trust account documents in response to the auditor's written requests for information.

5. During the course of the auditor's examination, the Respondent's unlicensed support staff represented to the auditor that the Respondent's trust account records were incomplete, timely reconciliations were not being conducted, and that a substantial shortage likely existed in the trust accounts.

6. The Respondent's failure to provide timely access to requested records prevented the auditor from completing a meaningful examination of the Respondent's trust accounts.

CONCLUSIONS OF LAW

7. Iowa Code section 17A.18A authorizes the Commission to immediately suspend a license or take other appropriate emergency action in situations involving an immediate danger to the public health, safety, or welfare.

8. A real estate license may be revoked, suspended, or otherwise sanctioned if a licensee fails to fully cooperate with a trust account examination and/or fails to timely provide information requested by the Commission relative to a complaint investigation. See Iowa Code §§ 543B.29(1)(d), 543B.29(1)(k), 543B.34(1), 543B.46; 193E Iowa Admin. Code §§ 13.1(6), 13.5, 18.2(2), 18.14(5)(e), 18.14(5)(f).

9. Additionally, a real estate license may be revoked, suspended, or otherwise sanctioned if a licensee fails within a reasonable amount of time to account for or to remit any moneys coming into the licensee's possession which belong to others. See Iowa Code §§ 543B.29(1)(d), 543B.29(1)(k), 543B.34(1)(g), 543B.34(1)(h), 543B.56(1)(d). See 193E Iowa Administrative Code sections 13.1(7), 13.2, 18.14(5)(f).

DISCUSSION

10. The statements of the Respondent's staff that the Respondent's trust account records were incomplete, timely reconciliations were not being conducted, and that a substantial shortage likely existed in the trust accounts raise serious concerns whether the Respondent is complying with proper trust accounting practices and that her client's property is truly safe.

11. Unfortunately, the Respondent failure to fully cooperate with the Commission's trust account examination and/or failure to timely provide information requested by the Commission's auditor, prevents the Commission from verifying the veracity of the statements of the Respondent's staff concerning the status of the her trust accounts. Nor, without these records, can the Commission offer the public any assurances that the Respondent is properly accounting for and safeguarding the trust funds of her clients.

12. Any shortage in a real estate firm's trust account is a serious breach of the fiduciary duty the Respondent owes her clients who have entrusted their property to her safekeeping. See *McClure v. Iowa Real Estate Comm'n*, 356 N.W.2d 594, 597 (Iowa Ct. App. 1984) (ruling that license revocation was a reasonable sanction for a real estate licensee who converted \$500 in client trust funds to his own personal use).

13. However, the size of the alleged shortage in this case coupled with the Commission's present inability to account for any of the Respondent's trust funds compels the Commission to find that the immediate suspension of the Respondent's real estate broker license is necessary to safeguard the public safety and welfare. The Commission is unwilling to allow the Respondent to collect additional trust funds as a real estate broker from the clients she serves until those assets presently in her possession can be properly accounted for.

ORDER

IT IS THEREFORE ORDERED that Iowa real estate broker license number B65706000 issued to the Respondent is immediately **SUSPENDED** pending further order of the Commission. A notice of hearing and statement of charges scheduling a hearing conducted pursuant to Iowa Code § 543B.35 shall be issued concurrently with this order.

Dated this 15th day of May 2020.



Jeffrey M. Evans, Executive Officer
Iowa Real Estate Commission

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Board / Commission
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Signature, Executive Officer

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

IN RE:)	
)	CASE NUMBER: 20-073
Trina R. Hanssen)	
Broker (B65706000))	NOTICE OF HEARING AND
SUSPENDED)	STATEMENT OF CHARGES
)	
5 High Point Place)	
Bettendorf, IA 52722)	
)	
RESPONDENT)	

The Iowa Real Estate Commission ("Commission") issues this Notice of Hearing pursuant to Iowa Code sections 17A.12(2), 17A.18A, 543B.29(1)(f) and 543B.35 (2020). The Commission has jurisdiction of this matter pursuant to Iowa Code chapters 17A, 272C, and 543B. Licenses issued by the Commission are subject to the laws of the state of Iowa and to the administrative rules of the Commission.

The Commission issued **Trina R. Hanssen** ("Respondent") real estate broker license number B65706000 on July 14, 2017. Respondent's license is in full force and effect until December 31, 2022. 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 Easy Street Property Management, LLC, license number F06065000, located in Davenport, Iowa. Per the Emergency Order to Suspend License issued concurrently with this Notice of Hearing and Statement of Charges, the Respondent's license is presently suspended.

NOTICE OF HEARING

1. **HEARING.** A contested case hearing will be held concerning the below-stated disciplinary charges before the Iowa Real Estate Commission on the **11th day of June, 2020**, at **9:30 o'clock AM**, at 200 East Grand, Suite 350, Des Moines, Iowa.

2. **ACKNOWLEDGMENT.** The Commission requests that you file a statement to acknowledge receipt of the notice of hearing within 10 days of the date you are served with this Notice.

3. **ANSWER.** Within 20 days of the date you are served with this Notice you must file an answer to the charges as provided in 193 Iowa Administrative Code 7.9.

4. **PREHEARING CONFERENCE.** A prehearing conference will be held by telephone on the 4th day of June, 2020 at 9:30 o'clock AM before an Administrative Law Judge from the Iowa Department of Inspections and Appeals ("ALJ"). You are responsible for notifying the Commission office of the telephone number at which you or your counsel can be reached. Commission rules on prehearing conferences may be found at 193 Iowa Administrative Code 7.21.

5. **PRESIDING OFFICER.** The full Commission shall serve as presiding officer at hearing, pursuant to Iowa Code section 272C.6(1) and 193 Iowa Administrative Code 7.10(1). The Commission may request that an ALJ make initial rulings on prehearing matters, and be present to assist and advise the Board at hearing, as described in 193 Iowa Administrative Code 7.10(4).

6. **HEARING PROCEDURES.** Commission rules on hearing procedures may be found at 193 Iowa Administrative Code chapter 7. You have the right to respond to the charges, produce evidence on your behalf, cross-examine witnesses, and examine any documents introduced at hearing. You may appear personally and be represented by counsel at your own expense. Consult rule 193 Iowa Administrative Code 7.22 if you need to request an alternative time or date. The hearing may be open to the public or closed to the public at the discretion of the Respondent.

7. **DEFAULT.** If you fail to appear at hearing, the Commission may enter a default decision or proceed with the hearing and render a decision in your absence, in accordance with Iowa Code section 17A.12(3) and 193 Iowa Administrative Code 7.27.

8. **STATE'S COUNSEL.** Licensee disciplinary cases are prosecuted by an Assistant Attorney General acting on behalf of the public interest (the State). Copies of all pleadings shall be filed with the Commission, with copies mailed to:

John R. Lundquist
Assistant Attorney General
Iowa Department of Justice
2nd Floor, Hoover State Office Building
Des Moines, Iowa 50319

Phone: 515-281-3658
Fax: 515-281-4209
John.Lundquist@ag.iowa.gov

9. **RESPONDENT'S COUNSEL.** Copies of all pleadings filed with the Commission shall also be provided to Respondent's counsel of record:

NONE

10. **SETTLEMENT.** The procedural rules governing the Commission's settlement process are found at 193 Iowa Administrative Code 7.42. If you are interested in pursuing settlement of this matter, please contact Assistant Attorney General John R. Lundquist.

11. **COMMUNICATIONS.** You may not contact Commission members by phone, letter, facsimile, e-mail, or in person about this Notice of Hearing and Statement of Charges. Commission members may only receive information about the case when all parties have notice and an opportunity to participate, such as at the hearing or in pleadings you file with the Commission office and serve upon all parties in the case. You should direct any questions to Assistant Attorney General John R. Lundquist at 515-281-3658, or the Commission's Executive Officer at 515-725-9026, or Fax 515-725-9032.

12. **ADA NOTICE.** If you require the assistance of auxiliary aids or services to participate in this matter because of a disability, immediately call or e-mail the Commission's Executive Officer at 515-725-9026. If you are hearing impaired, call Relay Iowa TTY at 1-800-735-2942.

STATEMENT OF CHARGES

COUNT I

13. Respondent is charged with engaging in practices harmful or detrimental to the public by:

- a) Failing within a reasonable time to account for or to remit any moneys coming into the Respondent's brokerage's possession which belong to others in violation of Iowa Code sections 543B.29(1)(d), 543B.29(1)(k), 543B.34(1)(g), 543B.34(1)(h) and/or 543B.56(1)(d). See 193E Iowa Administrative Code sections 13.1(7), 13.2, 18.14(5)(f).
- b) Failing to maintain at all times a record of the Respondent's trust account and improper trust account procedures in violation of Iowa Code sections 543B.29(1)(d), 543B.29(1)(k), 543B.34(1), 543B.46. See 193E Iowa Administrative Code §§ 13.1(6), 18.14(5)(e), 18.14(5)(f).
- c) Failing to make all records available for reproduction and inspection by the commission, staff, and commission-authorized representatives at all times

during usual business hours at the Respondent's regular place of business in violation of Iowa Code §§ 543B.29(1)(d), 543B.34(1). See 193E Iowa Administrative Code §§ 13.5, 18.2(2), 18.14(5)(e)(3).

COUNT II

14. The Respondent is charged with failing to fully cooperate with a licensee disciplinary investigation and/or failing to timely provide information requested by the Commission relative to a complaint investigation in violation of Iowa Code § 543B.34(1)(j). See 193E Iowa Administrative Code §§ 13.5, 18.2(7), 18.14(5)(i).

CIRCUMSTANCES

15. As the designated broker in charge of East Street Property Management, LLC, 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 all trust accounts used by the firm.

16. On March 10, 2020, an onsite examination of the Respondent's Iowa real estate trust account and transaction records was conducted by the Commission auditor (auditor). Consistent with normal auditing protocols, the auditor asked the Respondent for access to documents related to the trust accounts used by the firm.

17. 193E Iowa Administrative Code section 13.5 mandates that all records of the brokerage shall be made available for reproduction and inspection by the commission, staff, and commission-authorized representatives at all times during usual business hours at the broker's regular place of business.

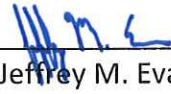
18. Despite repeated assurances from Respondent's unlicensed support staff that requested records would soon be produced for examination, the Respondent has yet to provide any trust account documents in response to the auditor's written requests for information as of the date of this filing.

19. During the course of the auditor's examination, the Respondent's unlicensed support staff further represented to the auditor that the Respondent's trust account records were incomplete, timely reconciliations were not being conducted, and that a substantial shortage likely existed in the trust accounts.

20. The Respondent's failure to provide timely access to requested records prevented the auditor from completing a meaningful examination of the Respondent's trust accounts. As a consequence, the auditor was unable to verify the veracity of the statements of the

Respondent's staff concerning the status of the Respondent's trust accounts. Nor could the auditor reasonably verify that the Respondent was properly accounting for and safeguarding the trust funds of her clients.

This Notice of Hearing and Statement of Charges is filed and issued on the 15th day of May, 2020.



Jeffrey M. Evans, Executive Officer
Iowa Real Estate Commission

Copies to:
Assistant Attorney: General John Lundquist
Department of Inspections and Appeals, assigned Administrative Law Judge