

**FILED** June 2, 2022 (Date)  
IREC  
Board / Commission  
[Signature] Executive Officer

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

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IN RE:	)	
	)	CASE NUMBERS: 22-072, 22-083, 22-084
Keeyana M. Garrett	)	
Broker (B65760000)	)	VOLUNTARY SURRENDER
SUSPENDED	)	OF BROKER LICENSE
	)	THROUGH CONSENT ORDER
1937 Washington Street, Apt 21	)	
Davenport, IA 52804	)	
	)	
RESPONDENT	)	

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The Iowa Real Estate Commission (Commission) and Keeyana M. Garrett (Respondent) enter into this Voluntary Surrender of Salesperson License through Consent Order (Order) pursuant to Iowa Code sections 17A.10(1) and 272C.3(4) (2022).

1. The Commission issued the Respondent ("") real estate broker license number B65760000 on April 7, 2020. Respondent's license is in full force and effect until December 31, 2022. Respondent's license is presently suspended per order of the Commission entered pursuant to Iowa Code section 543B.29(1)(f)(1). A true and accurate copy of Emergency Order to Suspend License is attached to this Order as Exhibit 1.

2. The Commission has jurisdiction of this disciplinary 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 the administrative rules of the Commission.

**SETTLEMENT AGREEMENT**

3. On April 5, 2022, the Commission issued a Statement of Charges against the Respondent. A true and accurate copy of said Statement of Charges is attached to this Order as Exhibit 2. The Respondent admits each and every allegation in Count I (IREC Case No. 22-072) of the attached Statement of Charges.

4. The Respondent acknowledges that she has a right to 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 a hearing and all attendant rights, including the right to seek judicial review. This Order constitutes the final agency order in this contested case pursuant to Iowa Code section 17A.10 and 193 Iowa Administrative Code 7.

5. The 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. The 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.

6. This Order shall be part of the permanent record of the 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.

7. 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. 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) 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.

8. 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.

9. Upon acceptance by both the Commission and Respondent, this Order, including all attached exhibits, shall be a public record available for inspection and copying in its entirety in accordance with the requirements of Iowa Code chapter 22.

**CONSENT ORDER**

**IT IS THEREFORE ORDERED:**

10. **VOLUNTARY SURRENDER**: In lieu of a formal hearing on the merits of the attached Statement of Charges, the Respondent voluntarily agrees to surrender her Iowa Real Estate Broker License (B65760000) to the Iowa Real Estate Commission. The effective date of the license surrender shall be the date this Order is accepted by the Commission.

11. **DISMISSAL (CASE NOS. 22-083, 22-084)**: Subsequent to the filing of the attached Statement of Charges, the Respondent submitted proof to the Commission of uninterrupted errors and omissions insurance coverage for both herself and her real estate firm for the time period of January 1, 2022, to March 24, 2022. Given that the Respondent has now established compliance with Iowa Code section 543B.47's mandatory errors and omissions insurance requirement for the time period in question, the Commission agrees to dismiss Count II (Case No. 22-083) and Count III of the attached Statement of Charges

12. **LICENSEE REAPPLICATION**: Reinstatement of the Respondent's Iowa Real Estate license shall be governed by Iowa Code sections 543B.15, 193E Iowa Administrative Code rule 18.15, and 193 Iowa Administrative Code rule 7.38. The Respondent specifically acknowledges that pursuant to 193E Iowa Administrative Code rule 18.15(2), the Respondent shall not be eligible to seek reinstatement of her real estate license for a minimum of two years from the date her license surrender is effective; that pursuant to 193E Iowa Administrative Code rule 18.15(3), the Respondent must qualify as a salesperson starting over as if never licensed; and, that pursuant to 193 Iowa Administrative Code rule 7.38(5), the Respondent shall establish as a condition of reinstatement that the basis for the voluntary surrender of her real estate license no longer exists and that it would be in the public interest for her real estate license to be reinstated.

**WHEREFORE**, the terms of this Voluntary Surrender of Salesperson License through Consent Order is agreed to by the Iowa Real Estate Commission and the Respondent.

In re: Keeyana M. Garrett  
IREC Case Nos. 22-072, 22-083, 22-084

**FOR THE RESPONDENT:**

Voluntarily agreed to and accepted by Keeyana M. Garrett on this 27<sup>th</sup> day of April, 2022.

Keeyana Garrett  
By: KEEYANA M. GARRETT, Respondent

State of Iowa

County of Scott

Signed and sworn to before me on this 27<sup>th</sup> day of April, 2022, by:



Amy Helgerson  
Notary Public, State of Iowa  
Printed Name: Amy Helgerson  
My Commission Expires: 12/23/23

**FOR THE COMMISSION:**

Voluntarily agreed to and accepted by the IOWA REAL ESTATE COMMISSION on this 2<sup>nd</sup> day of June, 2022.

J. M. H. Clingman  
JAMES M. H. CLINGMAN, Chair  
Iowa Real Estate Commission

FILED April 8, 2022 (Date)

J. G. L.  
Board / Commission  
M. L.  
Signature, Executive Officer

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

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IN RE:	)	
	)	CASE NUMBER: 22-072
Keeyana M. Garrett	)	
Broker (B65760000)	)	EMERGENCY ORDER TO
	)	SUSPEND LICENSE
Enhanced Homes Property Management, LLC	)	
3532 Jersey Ridge Rd.	)	
Davenport, IA 52807	)	
	)	
RESPONDENT	)	

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The Iowa Real Estate Commission ("Commission") enters the following emergency suspension order against Respondent Keeyana M. Garrett pursuant to Iowa Code sections 17A.18A, 543B.29(1)(d), 543B.29(1)(k) and 543B.34(1)(g) (2022):

FINDINGS OF FACT

1. The Commission issued the Respondent real estate broker license number B65760000 on April 7, 2020. 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 Enhanced Homes Property Management, LLC, license number F06156000, located in Davenport, Iowa.

2. As the designated broker in charge of Enhanced Homes 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 11, 2022, the Respondent contacted the Commission auditor (Auditor) and communicated that her Iowa real estate trust accounts have been purportedly compromised and that a substantial shortage likely existed in the trust accounts.

4. From March 11, 2022 through March 18, 2022, an offsite examination of the Respondent's Iowa real estate trust account and transaction records was conducted by the Auditor. Consistent with normal auditing protocols, the Auditor asked the Respondent for access to documents related to the trust accounts used by the firm.

5. During the course of the Auditor's examination, the Respondent 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 Auditor found that the Respondent had in fact failed to properly maintain an accurate accounting of both the general ledger balances and the individual ledger accounts for the Respondent's Iowa real estate trust accounts.

7. The Auditor also found that for the Respondent's Iowa real estate trust accounts, there were not accurate monthly reconciliations being performed to ensure agreement of the general ledger balances, reconciled bank balances, and sum of the individual ledgers. The Respondent's records indicated that no such reconciliation had been attempted within the past twelve months.

8. For the month end February 28, 2022 bank statements, the Auditor was not able to perform accurate reconciliations due to the Respondent's failure to maintain the general ledgers, failure to maintain the individual ledgers, and failure to perform accurate monthly reconciliations for the Respondent's Iowa real estate trust account containing security deposits and the Respondent's Iowa real estate trust account for property management activity. Based on the records provided, the Auditor found that a substantial shortage did likely exist in each of the Respondent's trust accounts.

9. The Respondent's failure to maintain the general ledger and the individual ledgers, along with her failure to perform accurate monthly reconciliations for the Iowa real estate trust accounts prevented the Auditor from conducting a complete and accurate examination of the Respondent's trust accounts.

10. As of the date of this filing, the Respondent has not rectified the above-identified deficiencies nor has she accurately accounted for all purported shortages in her trust accounts.

#### CONCLUSIONS OF LAW

11. 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.

12. 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

13. The Respondent's failure to maintain complete trust account records and conduct timely reconciliations resulted in a likely substantial shortage in her firm's trust accounts going undetected for a lengthy period of time. Such failures to comply with proper trust accounting practices raise serious concerns as to whether the Respondent is capable of maintaining the property her clients have entrusted to her in a truly safe and accountable manner.

14. Respondent's failure to maintain the general ledgers and the individual ledgers, along with her failure to perform accurate monthly reconciliations for her Iowa real estate trust accounts, prevents the Commission from verifying the veracity of the statements of the Respondent concerning the status of her trust accounts. Nor, without accurate and up-to-date records, can the Commission offer the public any assurances that the Respondent is properly accounting for and safeguarding the trust funds of her clients.

15. 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).

16. The size of the alleged shortage in this case coupled with the Commission's present inability to accurately 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 previously entrusted to can be properly accounted for.


#### ORDER

**IT IS THEREFORE ORDERED** that Iowa real estate broker license number B65760000 issued to the Respondent is immediately **SUSPENDED** pending further order of the Commission. A

In re: Keeyana M. Garrett, IREC Case No. 22-072  
Emergency Suspension Order  
Page 4 of 4

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 5<sup>th</sup> day of April 2022.

  
\_\_\_\_\_  
Jeffrey M. Evans, Executive Officer  
Iowa Real Estate Commission



FILED April 5, 2022 (Date)

JSEC  
Board / Commission  
M. C.  
Signature Executive Officer

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

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IN RE: )  
 ) CASE NUMBERS: 22-072, 22-083, 22-084  
 Keeyana M. Garrett )  
 Broker (B65760000) ) NOTICE OF HEARING AND  
 SUSPENDED ) STATEMENT OF CHARGES  
 )  
 1937 Washington Street, Apt 21 )  
 Davenport, IA 52804 )  
 )  
 RESPONDENT )

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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 (2022). 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 Keeyana M. Garrett's ("Respondent") real estate broker license number B65760000 on April 7, 2020. 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 Enhanced Homes Property Management, LLC, license number F06156000, 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 2<sup>nd</sup> day of June, 2022, at 1:30 o'clock PM, 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 26<sup>th</sup> day of May, 2022 at 1:30 o'clock PM 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  
2<sup>nd</sup> Floor, Hoover State Office Building  
Des Moines, Iowa 50319

Phone: 515-281-3658  
[John.Lundquist@ag.iowa.gov](mailto: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.

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 (CASE NO. 22-072)

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 accurately maintain a general ledger to record in chronological order all receipts and disbursements for the Respondent's trust accounts 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)(a), 18.14(5)(e)(1).
- d) Failing to accurately maintain the running balance of all individual ledger accounts for the Respondent's trust accounts 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)(b), 18.14(5)(e)(2).
- e) Failing to provide a means for and/or failure to conduct a monthly reconciliation of the Respondent's trust account to ensure agreement of the general ledger balance, reconciled bank balance and individual ledger accounts 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)(a)(3), 18.14(5)(e), 18.14(5)(f).

#### CIRCUMSTANCES

14. As the designated broker in charge of Enhanced Homes 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.

15. On March 11, 2022, the Respondent contacted the Commission auditor (Auditor) and communicated that her Iowa real estate trust accounts have been purportedly compromised and that a substantial shortage likely existed in the trust accounts.

16. From March 11, 2022 through March 18, 2022, an offsite examination of the Respondent's Iowa real estate trust account and transaction records was conducted by the 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. During the course of the Auditor's examination, the Respondent 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 real estate brokerage firm's trust accounts.

18. The Auditor found that the Respondent failed to properly maintain an accurate accounting of the general ledger balance for the Respondent's Iowa real estate trust accounts.

19. The Auditor found that the Respondent failed to properly maintain an accurate accounting for the individual ledger accounts for the Respondent's Iowa real estate trust accounts.

20. The Auditor found that for the Respondent's Iowa real estate trust accounts, there were not accurate monthly reconciliations being performed to ensure agreement of the general ledger balances, reconciled bank balances, and sum of the individual ledgers. The Respondent's records indicated that no such reconciliation had been attempted within the past twelve months.

21. For the month end February 28, 2022 bank statements, the Auditor was not able to perform accurate reconciliations due to the Respondent's failure to maintain the general ledgers, failure to maintain the individual ledgers, and failure to perform accurate monthly reconciliations for both the Respondent's Iowa real estate trust account containing security deposits and the Respondent's Iowa real estate trust account for property management activity. Based on the records provided, the Auditor found that a substantial shortage did likely exist in each of the Respondent's trust accounts.

22. The Respondent's failure to maintain the general ledger and the individual ledgers, along with her failure to perform accurate monthly reconciliations for her Iowa real estate trust accounts prevented the Auditor from conducting a complete and accurate examination of the Respondent's trust accounts.

#### COUNT II (CASE NO. 22-083)

23. Respondent is charged with engaging in a practice harmful or detrimental to the public by failing to comply with the mandatory errors and omissions insurance requirement for her Iowa real estate broker license in violation of Iowa Code sections 543B.29(1)(d), 543B.29(1)(j), 543B.47(1), 543B.47(6) (2022) and 193E Iowa Administrative Code sections 18.2(5), 18.14(5)(s), 19.6(5), 19.6(6).

24. In March of 2022, the Respondent was sent a random audit by the Commission for compliance with the mandatory errors and omissions insurance requirement.

25. The Respondent failed to maintain uninterrupted errors and omission while she was actively licensed and could therefore not provide proof of insurance coverage to the Commission for the time period of January 1, 2022 to March 24, 2022.

COUNT III (CASE NO. 22-084)

26. The Respondent, as the designated broker, is charged with engaging in a practice harmful or detrimental to the public by failing to comply with the mandatory errors and omissions insurance requirement for her licensed real estate brokerage firm in violation of Iowa Code sections 543B.29(1)(d), 543B.29(1)(j), 543B.47(1), 543B.47(6) (2022) and 193E Iowa Administrative Code sections 18.2(5), 18.14(5)(s), 19.3(2), 19.3(9), 19.6(5), 19.6(6).

CIRCUMSTANCES

27. Respondent was assigned as the designated broker in charge of real estate brokerage firm Enhanced Homes Property Management, LLC 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.


28. In March of 2022, the Respondent was sent a random audit by the Commission for her real estate brokerage firm's compliance with the mandatory errors and omissions insurance requirement.

29. The Respondent failed to maintain uninterrupted errors and omission for her real estate brokerage firm while actively licensed and could therefore not provide proof of insurance coverage to the Commission for the time period of January 1, 2022 to March 24, 2022.

NOTICE OF APPLICABILITY OF IOWA CODE SECTION 543B.29(4)

30. Should the above-stated charges in Case No. 22-072, Case No. 22-083, and Case No. 22-084 be sustained by the Commission, it would constitute the first, second, and third violations of Iowa Code section 543B.29 and/or Iowa Code section 543B.34 committed by the Respondent within a three-year period. The Iowa Code provides that: "A real estate broker's or salesperson's license shall be revoked following three violations of [Iowa Code section 543B.29] or [Iowa Code] section 543B.34 within a three-year period." Iowa Code § 543B.29(4) (2022).

This Notice of Hearing and Statement of Charges is filed and issued on the 5<sup>th</sup> day of April, 2022.

  
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Jeffrey M. Evans, Executive Officer  
Iowa Real Estate Commission

**EXHIBIT 2**

In re: Keeyana M. Garrett  
IREC Case Nos. 22-072, 22-083, 22-084  
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Copies to:  
Assistant Attorney: General John Lundquist  
Department of Inspections and Appeals, assigned Administrative Law Judge