

SETTLEMENT AGREEMENT
BETWEEN
MISSOURI REAL ESTATE COMMISSION,
MARIE A. VEAL,
AND
VEAL REALTY GROUP LTD

Marie A. Veal (Veal), Veal Realty Group LTD (Veal Realty), and the Missouri Real Estate Commission (MREC) enter into this Settlement Agreement for the purpose of resolving the question of whether Veal's license as a Real Estate Broker Officer, no. 1999022081, and Veal Realty's license as a Real Estate Corporation, no. 000007801, will be subject to discipline. Pursuant to Section 536.060, RSMo 2000,¹ the parties hereto waive the right to a hearing by the Administrative Hearing Commission of the State of Missouri and, additionally, the right to a disciplinary hearing before the MREC under Section 621.110, RSMo Supp. 2013. The MREC, Veal, and Veal Realty jointly stipulate and agree that a final disposition of this matter may be effectuated as described below pursuant to Section 621.045, RSMo Supp. 2013.

Veal and Veal Realty acknowledge that they understand the various rights and privileges afforded them by law, including the right to a hearing of the charges against them; the right to appear and be represented by legal

¹ All statutory citations are to the 2000 Revised Statutes of Missouri unless otherwise noted.

counsel; the right to have all charges proven upon the record by competent and substantial evidence; the right to cross-examine any witnesses appearing against them at the hearing; the right to present evidence on their behalf at the hearing; the right to a decision upon the record of the hearing by a fair and impartial administrative hearing commissioner concerning the charges pending against them; the right to a ruling on questions of law by the Administrative Hearing Commission; the right to a disciplinary hearing before the MREC at which time Veal and Veal Realty may present evidence in mitigation of discipline; the right to a claim for attorney fees and expenses; and the right to obtain judicial review of the decisions of the Administrative Hearing Commission and the MREC.

Being aware of these rights provided to them by law, Veal and Veal Realty knowingly and voluntarily waive each and every one of these rights and freely enter into this Settlement Agreement and agree to abide by the terms of this document as they pertain to them.

Veal and Veal Realty acknowledge that they have received a copy of documents that were the basis upon which the MREC determined there was cause for discipline, along with citations to law and/or regulations the MREC believes were violated. Veal and Veal Realty stipulate that the factual allegations contained in this Settlement Agreement are true and stipulate

with the MREC that Veal's license as a Real Estate Broker Officer, no. 1999022081, and Veal Realty's license as a Real Estate Corporation, no. 000007801, are subject to disciplinary action by the MREC in accordance with the relevant provisions of Chapter 621, RSMo, and Chapter 339, RSMo, as amended.

The parties stipulate and agree that the disciplinary order agreed to by the MREC, Veal, and Veal Realty in Part II herein is based only on the agreement set out in Part I herein. Veal and Veal Realty understand that the MREC may take further disciplinary action against them based on facts or conduct not specifically mentioned in this document that are either now known to the MREC or may be discovered.

I.
Joint Stipulation of Facts and Conclusions of Law

Based upon the foregoing, the MREC, Veal, and Veal Realty herein jointly stipulate to the following:

1. The MREC is an agency of the State of Missouri created and existing pursuant to Section 339.120, RSMo Supp. 2013, for the purpose of executing and enforcing the provisions of Sections 339.010 to 339.180 and Sections 339.710 to 339.860, RSMo (as amended), relating to real estate salespersons and brokers.

2. Marie A. Veal (Veal) is licensed as a Real Estate Broker Officer, license no. 1999022081. At all times relevant herein, Veal's license was current and active, except that the license expired on June 30, 2014 for failure to renew.

3. Veal Realty Group Ltd (Veal Realty) is licensed as a Real Estate Corporation, license no. 000007801. At all times relevant herein, Veal Realty's license was current and active, except that the license expired on June 30, 2014 for failure to renew.

4. Veal Realty is a Missouri Gen. Business - For Profit (Domestic), charter no. 00428239.

5. At all times relevant hereto, Veal was the designated broker for Veal Realty, and as such, bears responsibility for her own conduct as well as that of Veal Realty and its affiliates.

6. Section 339.710(12), RSMo Supp. 2013, defines the term "designated broker" and provides:

"Designated broker", any individual licensed as a broker who is operating pursuant to the definition of real estate broker as defined in section 339.010, or any individual licensed as a broker who is appointed by a partnership, limited partnership, association, limited liability corporation, professional corporation, or a corporation engaged in the real estate brokerage business to be responsible for the acts of the partnership, limited partnership, association, limited liability company, professional corporation or

corporation. Every real estate broker partnership, limited partnership, association, limited liability company, professional corporation or corporation shall appoint a designated broker[.]

7. Rule 20 CSR 2250-8.020(1), regarding the supervision of real estate

related activities of a brokerage, states in part:

Individual brokers, designated brokers, and office managers/supervising brokers shall be responsible for supervising the real estate related activities including the protection of any confidential information as defined under 339.710.8, RSMo of all licensed and unlicensed persons associated with them, whether in an individual capacity or through a corporate entity, association or partnership. . . .

8. Rule 20 CSR 2250-8.120(7), regarding the management of escrow

accounts, states:

The designated broker and the branch office manager shall be responsible for the maintenance of the escrow account and shall ensure the brokerage's compliance with the statutes and rules related to the brokerage escrow account(s).

Applicable Law

9. Section 339.100.2, RSMo Supp. 2013, states in pertinent part:

The commission may cause a complaint to be filed with the administrative hearing commission as provided by the provisions of chapter 621 against any person or entity licensed under this chapter or any licensee who has failed to renew or has surrendered his or her individual or entity license for any one or any combination of the following acts:

(15) Violation of, or attempting to violate, directly or indirectly, or assisting or enabling any person to violate, any provision of sections 339.010 to 339.180 and sections 339.710 to 339.860*, or of any lawful rule adopted pursuant to sections 339.010 to 339.180 and sections 339.710 to 339.860*;

(16) Committing any act which would otherwise be grounds for the commission to refuse to issue a license under section 339.040;

(19) Any other conduct which constitutes untrustworthy, improper or fraudulent business dealings, demonstrates bad faith or incompetence, misconduct, or gross negligence[.]

10. Section 339.040, RSMo Supp. 2013, provides in relevant part as follows:

Licenses shall be granted only to persons who present, and corporations, associations, partnerships, limited partnerships, limited liability companies, and professional corporations whose officers, managers, associates, general partners, or members who actively participate in such entity's brokerage, broker-salesperson, or salesperson business present, satisfactory proof to the commission that they:

(1) Are persons of good moral character; and

(2) Bear a good reputation for honesty, integrity, and fair dealing; and

(3) Are competent to transact the business of a broker or salesperson in such a manner as to safeguard the interest of the public.

11. Section 339.105.3, RSMo Supp. 2013, states:

In conjunction with each escrow or trust account a broker shall maintain books, records, contracts and other necessary documents so that the adequacy of said account may be determined at any time. The account and other records shall be provided to the commission and its duly authorized agents for inspection at all times during regular business hours at the broker's usual place of business.

12. State Regulation 20 CSR 2250-4.030(1) states:

Any broker doing business under any name other than the broker's legal name or any entity doing business under any name other than the name registered with the secretary of state, shall first comply with the provisions of sections 417.200-417.230, RSMo on the registration of fictitious names and shall furnish the commission a copy of the registration within ten (10) days of receipt of the official registration from the secretary of state.

13. State Regulation 20 CSR 2250-8.010(2) states:

A broker's business sign of sufficient size to identify it and bearing the name under which the broker or the broker's firm is licensed, or the regular business name, shall be displayed outside of the broker's regular place of business.

14. State Regulation 20 CSR 2250-8.097(2) states:

The brokerage relationship marked as offered on the Broker Disclosure Form shall correspond to the written office policy adopted by the designated broker pursuant to 339.760.1, RSMo.

The Audits

15. In April 2013, the MREC conducted a random audit of Veal and Veal Realty's real estate activity from April 2012 to April 2013 (Audit Period). The random audit revealed a number of problems, which are detailed in the following paragraphs.

16. During the Audit Period, Veal Realty failed to maintain records so that the adequacy of its property management escrow account, xxxx-xxx-5514, could be determined, in violation of Section 339.105.3, RSMo Supp. 2013, providing cause to discipline Veal and Veal Realty's licenses pursuant to Section 339.100.2(15), RSMo Supp. 2013. These violations included:

- i. Not providing an accurate and complete record of checks disbursed.
- ii. Four checks that were listed as void could not be located.
- iii. Eleven checks that cleared the account were not on the check register, nor were they in Veal Realty's accounts payable files.
- iv. Numerous electronic transfers from the account were not accounted for in the check register.

17. During the Audit Period, Veal Realty failed to maintain records for its property management escrow account, xxxx-xxx-5514, so that the adequacy of the management fees taken could be determined, in violation of

Section 339.105.3, RSMo Supp. 2013, providing cause to discipline Veal and Veal Realty's licenses pursuant to Section 339.100.2(15), RSMo Supp. 2013.

18. During the Audit Period, Veal Realty used fictitious names not registered with the Secretary of State, in violation of State Regulation 20 CSR 2250-4.030(1), providing cause to discipline Veal and Veal Realty's licenses pursuant to Section 339.100.2(15), RSMo Supp. 2013.

19. During the Audit Period, Veal's business sign did not bear the name under which Veal or Veal Realty was licensed, and the fictitious name was not registered, in violation of State Regulation 20 CSR 2250-4.030(1) and 20 CSR 2250-8.010(2), providing cause to discipline Veal and Veal Realty's licenses pursuant to Section 339.100.2(15), RSMo Supp. 2013.

20. During the Audit Period, the Broker Disclosure Form did not correspond to the written office policy adopted by Veal, in violation of State Regulation 20 CSR 2250-8.097(2), providing cause to discipline Veal and Veal Realty's licenses pursuant to Section 339.100.2(15), RSMo Supp. 2013.

21. Veal's conduct, as stated above, also provides cause to discipline her license pursuant to § 339.100.2(16), RSMo Supp. 2013.

22. Veal and Veal Realty's conduct, as stated above, also provides cause to discipline their licenses pursuant to § 339.100.2(19), RSMo Supp. 2013.

II.
Joint Agreed Disciplinary Order

Based on the foregoing, the parties mutually agree and stipulate that the following shall constitute the disciplinary order entered by the MREC in this matter under the authority of Section 536.060, RSMo, and Sections 621.045.4 and 621.110, RSMo Supp. 2013.

23. **Veal and Veal Realty's licenses are revoked and all indicia of licensure shall be surrendered immediately.** Veal and Veal Realty's licenses as a Broker Officer and Real Estate Corporation are hereby REVOKED and ALL INDICIA OF licensure SHALL BE SURRENDERED IMMEDIATELY upon this Settlement Agreement becoming effective.

24. This Settlement Agreement does not bind the MREC or restrict the remedies available to it concerning any future violations by Veal and Veal Realty of Chapter 339, RSMo, as amended, or the regulations promulgated thereunder, or of the terms and conditions of this Settlement Agreement.

25. This Settlement Agreement does not bind the MREC or restrict the remedies available to it concerning facts or conduct not specifically mentioned in this Settlement Agreement that are either now known to the MREC or may be discovered.

26. All parties agree to pay all their own fees and expenses incurred as a result of this case, its litigation, and/or its settlement.

27. The terms of this Settlement Agreement are contractual, legally enforceable, and binding, not merely recital. Except as otherwise contained herein, neither this Settlement Agreement nor any of its provisions may be changed, waived, discharged, or terminated, except by an instrument in writing signed by the party against whom the enforcement of the change, waiver, discharge, or termination is sought.

28. The parties to this Settlement Agreement understand that the MREC will maintain this Settlement Agreement as an open record of the MREC as required by Chapters 324, 339, and 610, RSMo, as amended.

29. Veal and Veal Realty, together with their partners, members, managers, heirs, assigns, agents, employees, representatives and attorneys, do hereby waive, release, acquit and forever discharge the MREC, its respective members, employees, agents and attorneys including former members, employees, agents and attorneys, of, or from any liability, claim, actions, causes of action, fees, costs, expenses and compensation, including, but not limited to, any claim for attorney's fees and expenses, whether or not now known or contemplated, including, but not limited to, any claims pursuant to Section 536.087, RSMo, as amended, or any claim arising under 42 U.S.C. Section 1983, which now or in the future may be based upon, arise out of, or relate to any of the matters raised in this case or its litigation or

from the negotiation or execution of this Settlement Agreement. The parties acknowledge that this paragraph is severable from the remaining portions of the Settlement Agreement in that it survives in perpetuity even in the event that any court or administrative tribunal deems this agreement or any portion thereof void or unenforceable.

30. Veal and Veal Realty understand that they may, either at the time the Settlement Agreement is signed by all parties, or within fifteen days thereafter, submit the agreement to the Administrative Hearing Commission for determination that the facts agreed to by the parties constitute grounds for disciplining Veal's and Veal Realty's licenses. If Veal and Veal Realty desire the Administrative Hearing Commission to review this Settlement Agreement, Veal and Veal Realty may submit their request to:

Administrative Hearing Commission, Truman State Office Building, Room 640, 301 W. High Street, P.O. Box 1557, Jefferson City, Missouri 65102.

31. If Veal and Veal Realty request review, this Settlement Agreement shall become effective on the date the Administrative Hearing Commission issues its order finding that the Settlement Agreement sets forth cause for disciplining Veal's and Veal Realty's licenses. If the Administrative Hearing Commission issues an order stating that the Settlement Agreement does not set forth cause for discipline, then the MREC may proceed to seek

discipline against Veal and Veal Realty as allowed by law. If Veal and Veal Realty do not request review by the Administrative Hearing Commission, this Settlement Agreement goes into effect 15 days after the document is signed by the Executive Director of the MREC.

LICENSEES

MISSOURI REAL ESTATE
COMMISSION

Marie A. Veal 1/5/15
Marie A. Veal Date

Janet Carder
Janet Carder, Executive Director
Date: 1-13-15

Veal Realty Group Ltd,

CHRIS KOSTER
Attorney General

By: Marie A. Veal 1/5/15
Marie A. Veal Date
Designated Broker

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