

BEFORE THE MISSOURI REAL ESTATE COMMISSION

MISSOURI REAL ESTATE COMMISSION)
)
) Petitioner,)
)
) v.) No. 17-1900 RE
)
)
) CHRISTOPHER SCOTT DAWSON and)
) ARROW EQUITY TRUST LLC)
)
) Respondent.)

FINDINGS OF FACT, CONCLUSIONS OF LAW
AND DISCIPLINARY ORDER

On or about June 8, 2018, the Administrative Hearing Commission entered its Decision (“Decision”) in the case of *Missouri Real Estate Commission v. Christopher Scott Dawson and Arrow Equity Trust, LLC*, No. 17-1900 RE. In that Decision, the Administrative Hearing Commission found that Respondent Arrow Equity Trust LLC’s real estate association license (license no. 2013002195) is subject to disciplinary action by the Missouri Real Estate Commission (“Commission”) pursuant to § 339.100.2(1), (15), and (16), RSMo.¹

The Commission has received and reviewed the record of the proceedings before the Administrative Hearing Commission including the Decision of the Administrative Hearing Commission. The record of the Administrative Hearing Commission is incorporated herein by reference in its entirety.

Pursuant to notice and §§ 621.110 and 339.100.3, RSMo, the Commission held a hearing on October 10, 2018, at the Division of Professional Registration, 3605 Missouri Boulevard, Jefferson City, Missouri, for the purpose of determining the appropriate disciplinary action against Respondent’s license. All of the members of the Commission were present throughout

¹ All statutory references are to the Revised Statutes of Missouri 2000, as amended, unless otherwise indicated.

the meeting, Except Charles Misko. Further, each member of this Commission has read the Decision of the Administrative Hearing Commission. The Commission was represented by Assistant Attorney General Ross Keeling. Respondent having received proper notice and opportunity to appear did not appear through legal counsel. After being present and considering all of the evidence presented during the hearing, the Commission issues the following Findings of Facts, Conclusions of Law and Order.

Based upon the foregoing the Commission hereby states:

I.

FINDINGS OF FACT

1. The Commission is an agency of the state of Missouri created and established pursuant to § 339.120, RSMo, for the purpose of licensing all persons engaged in the practice as a real estate entity in this state. The Commission has control and supervision of the licensed occupations and enforcement of the terms and provisions of §§ 339.010-339.205 and 339.710-339.855, RSMo.

2. The Commission hereby adopts and incorporates by reference the Decision, and the record of the Administrative Hearing Commission in *Missouri Real Estate Commission v. Christopher Scott Dawson and Arrow Equity Trust LLC*, Case No. 17-1900 RE, issued June 8, 2018, in its entirety and takes official notice thereof.

3. The Commission set this matter for disciplinary hearing and served notice of the disciplinary hearing upon Respondent in a proper and timely fashion. Respondent did not appear through legal counsel at the hearing before the Commission.

4. This Commission licensed Respondent Arrow Equity Trust LLC as a real estate association, license number 2013002195. Respondent's real estate association license was not

current at all times relevant to this proceeding. On June 30, 2016, Respondent's real estate association license expired.

II.

CONCLUSIONS OF LAW

5. This Commission has jurisdiction over this proceeding pursuant to §§ 621.110 and 339.100, RSMo.

6. The Commission expressly adopts and incorporates by reference the Decision issued by the Administrative Hearing Commission dated October 26, 2015, in *Missouri Real Estate Commission v. Christopher Scott Dawson and Arrow Equity Trust, LLC*, Case No. 17-1900 RE, takes official notice thereof, and hereby enters its Conclusions of Law consistent therewith.

7. As a result of the foregoing, and in accordance with the Administrative Hearing Commission's Decision dated June 8, 2018, Respondent's real estate association license, number 2013002195, is subject to disciplinary action by the Commission pursuant to § 339.100.2(1), (15), and (16), RSMo.

8. The Commission has determined that this Order is necessary to ensure the protection of the public.

III.

ORDER

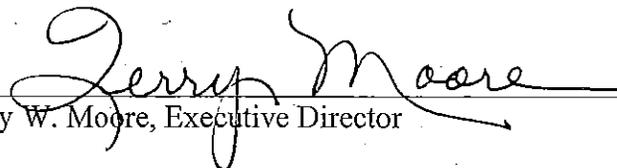
Having fully considered all the evidence before the Commission, and giving full weight to the Decision of the Administrative Hearing Commission, it is the **ORDER** of the Commission that the real estate association license of Arrow Equity Trust LLC (license no. 2013002195) is hereby **REVOKED**. All evidence of licensure shall be immediately returned to

the Commission within 30 days of this Order along with a Closing of a Real Estate Brokerage/Sole Proprietorship form, if Respondent has not already done so.

The Commission will maintain this Order as an open, public record of the Commission as provided in Chapters 339, 610 and 324, RSMo.

SO ORDERED, EFFECTIVE THIS 24th DAY OF OCTOBER, 2018.

MISSOURI REAL ESTATE COMMISSION


Terry W. Moore, Executive Director

At the hearing, the parties' joint stipulation was entered into evidence. The parties presented no other evidence. Accordingly, we base our findings of fact on the agreed-upon facts contained in the stipulation. Furthermore, in its complaint MREC pled that it had eight counts by which it could establish cause to discipline Arrow Equity's license.² The stipulation only addressed Counts I-VI and VIII. Accordingly, we deem Count IX abandoned.

Findings of Fact

1. Arrow Equity is a Kansas limited liability company, which is registered in Missouri as a foreign entity.
2. At all relevant times, Arrow Equity was licensed with MREC as a real estate association. Its license was issued on January 22, 2013, and expired on June 30, 2016.
3. During all relevant times, Dawson was Arrow Equity's Designated Broker.
4. From June 14-16, and 21-30, 2016, an MREC examiner conducted an audit and examination of Arrow Equity's business records and escrow accounts ("Audit"). The Audit covered the period of June 1, 2015 to June 17, 2016 ("Audit Period"), and pertained to Arrow Equity's real estate practice while Dawson was the Designated Broker.
5. During the Audit Period, Arrow Equity maintained two property management escrow accounts: Bank of America Account No. xxx4960 ("PM 4960") and Bank of America Account No. xxx0870 ("SD 0870"). SD 0870 was designated for security deposits, and PM 5960 was the designated property management account.

² In its complaint, MREC did not plead a Count VII, but instead skipped from Count VI to Count VIII.

*Count I - Failure to Maintain Funds of
Others in a Separate Bank Account*

6. During the Audit Period, Arrow Equity used its property management escrow account PM 4960 to pay brokerage expenses and issue loans to its owners. During this period, \$27,450.69 of the owners' funds was disbursed from account PM 4960 for brokerage expenses and loans as follows:

a. PropertyWare HQ

06/02/15	\$315.50
06/03/15	\$186.45
06/19/15	\$134.00
07/02/15	\$471.05
07/02/15	\$315.50
08/03/15	\$249.45
08/04/15	\$368.00
08/04/15	\$237.30
09/01/15	\$152.00
09/03/15	\$368.00
09/30/15	\$109.00
10/02/15	\$368.00
10/06/15	\$182.90
10/09/15	\$169.50
10/30/15	\$90.00
11/03/15	\$368.00
11/06/15	\$33.90
12/01/15	\$84.00
12/02/15	\$368.00
12/04/15	\$98.15
02/04/16	\$38.58
05/16/16	\$138.16

b. Thumbtack Inc.

06/01/15	\$34.99
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c. AVAST-Nexway

06/23/15	\$49.99
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d. MLS

06/29/15	\$27.50
07/29/15	\$27.50
09/29/15	\$27.50
10/29/15	\$27.50

e. Bank of America Fees

06/03/15 \$227.25
07/03/15 \$223.86
08/04/15 \$304.26
09/03/15 \$284.48
10/05/15 \$215.12
11/03/15 \$180.48
12/03/15 \$957.39
01/05/16 \$748.44
02/03/16 \$15.00

f. Owner Draw

09/02/15 \$600.00

g. Loan to ARC

12/31/15 \$2000.00

Transfer to broker, not in broker's register.

12/31/15 \$815.00

h. Shelter Insurance - Worker's Comp.

09/10/15 \$1,423.44
10/07/15 \$93.48
10/13/15 \$1,405.41
11/09/15 \$48.49
11/10/15 \$1,402.51
12/08/15 \$49.30
12/10/15 \$1,402.51
01/07/16 \$49.33
01/12/16 \$1,279.21
12/09/15 \$49.33
02/10/16 \$1,166.57
03/08/16 \$49.33
03/10/16 \$1,132.67
04/07/16 \$49.33
04/12/16 \$850.65
05/09/16 \$341.16
05/10/16 \$851.11
06/07/16 \$41.16
06/10/16 \$851.11

i. Credit card fees for Arrow Renovation & Construction

06/15/15 \$179.64

j. Expense paid on behalf of Arrow Renovation & Construction

06/26/15 \$773.25

k. Loan to Candace Davis
01/06/16 \$1,500.00

Count II - Insufficient Records for PM 4960

7. During the Audit Period, Arrow Equity's check register did not reflect certain transfers found on its bank statements for account PM 4960. The date, account to or from, and the amount of the transfers appeared on the bank statements, but not on the check register, as follows:

6/10/2015 SAV 0870	\$850.00
6/10/2015 SAV 0870	\$450.00
6/10/2015 SAV 0870	\$20.00
6/11/2015 KSTLR	\$30,000.00
6/16/2015 KSTLR	\$30,000.00
6/2/2015 CHK 5460	(-\$6,787.38)
6/3/2015 CHK5460	(-\$20,000.00)
6/10/2015 CHK5428	(-\$1,500.00)
6/10/2015 CHK 5460	(-\$2,500.00)
6/11/2015 CHK 5460	(-\$5,000.00)
6/15/2015 CHK 5460	(-\$5,000.00)
6/16/2015 CHK 5460	(-\$30,000.00)
6/19/2015 CHK 5460	(-\$10,546.45)
6/23/2015 CHK 5428	(-\$1,500.00)
6/23/2015 CHK5460	(-\$12,000.00)
7/2/2015 CHK5428	(-\$2,500.00)
7/6/2015 CHK5428	(-\$3,929.25)
7/9/2015 CHK5460	(-\$10,000.00)
7/13/2015 CHK 5460	(-\$4,854.93)
7/16/2015 CHK 1479	(-\$100.00)
7/22/2015 CHK5460	(-\$10,718.81)
7/27/2015 CHK 1479	(-\$2,080.66)
8/3/2015 CHK 5460	(-\$10,000.00)
8/14/2015 CHK 5460	(-\$1,328.50)
8/18/2015 CHK 5460	(-\$10,000.00)
8/18/2015 CHK 5460	(-\$14,000.00)
8/31/2015 CHK0870	\$925.00
9/9/2015 CHK 9851	\$2,637.61
9/23/2015 CHK 5460	\$40.00
9/30/2015 SAV 0870	\$9,045.00
9/30/2015 CHK 5460	\$6,000.00
9/30/2015 CHK 5428	\$769.00
9/9/2015 CHK 5460	(-\$4,428.68)

9/9/2015	CHK 5428	(-\$1,174.75)
9/9/2015	CHK 5460	(-\$5,300.00)
9/16/2015	CHK 5428	(-\$10,199.80)
9/16/2015	CHK 5460	(-\$7,759.96)
9/16/2015	CHK 5460	(-\$295.00)
9/16/2015	CHK 5460	(-\$442.78)
9/23/2015	CHK 5460	(-\$827.00)
9/30/2015	CHK 5460	(-\$14,866.88)
10/13/2015	SAV 0870	\$7,895.00
10/1/2015	SAV 0870	\$500.00
10/6/2015	CHK 5460	(-\$9,241.83)
10/7/2015	CHK 5460	(-\$123.75)
10/13/2015	CHK 5460	(-\$354.65)
10/21/2015	CHK 5460	(-\$6,265.69)
10/27/2015	CHK 5428	(-\$2,681.25)
10/28/2015	CHK 5460	(-\$940.57)
10/28/2015	CHK 5428	(-\$25.00)
10/29/2015	CHK 5460	(-\$2,396.04)
11/4/2015	CHK 5460	(-\$2,836.63)
11/5/2015	CHK 5460	(-\$14,000.00)
11/6/2015	CHK 5460	(-\$3,317.50)
11/9/2015	CHK 9851	(-\$5,075.10)
11/10/2015	CHK 5460	(-\$1,792.05)
11/12/2015	CHK 5460	(-\$6,279.63)
11/18/2015	CHK 5460	(-\$8,605.33)
11/18/2015	CHK 5428	(-\$9,619.27)
11/19/2015	CHK 5428	(-\$350.00)
11/30/2015	CHK 1479	(-\$1,276.56)
12/8/2015	SAV 0870	\$1,000.00
12/9/2015	SAV 0870	\$775.00
12/30/2015	SAV 0870	\$500.00
12/2/2015	CHK 5460	(-\$5,100.83)
12/7/2015	CHK 5460	(-\$10,000.00)
12/9/2015	CHK 5460	(-\$10,821.18)
12/9/2015	CHK 9851	(-\$85.00)
12/9/2015	CHK 5460	(-\$11,873.39)
12/9/2015	CHK 5460	(-\$1,322.86)
12/22/2015	CHK 5428	(-\$1,100.00)
12/23/2015	CHK 5460	(-\$473.08)
12/29/2015	CHK 5460	(-\$3,317.50)
12/31/2015	CHK 5460	(-\$2,000.00)
1/7/2016	SAV 870	\$625.00
1/4/2016	CHK 5460	(-\$2,000.00)

1/4/2016	CHK 5460	(-\$1,000.00)
1/5/2016	CHK 5460	(-\$5,000.00)
1/5/2016	CHK 5428	(-\$1,740.00)
1/6/2016	CHK 5460	(-\$4,902.28)
1/7/2016	CHK 5460	(-\$1,270.87)
1/12/2016	CHK 5428	(-\$8,864.83)
1/19/2016	CHK 5428	(-\$1,033.35)
1/19/2016	CHK 5428	(-\$980.00)
1/19/2016	CHK 1479	(-\$2,310.90)
1/20/2016	CHK5428	(-\$1,400.00)
1/20/2016	CHK5460	(-\$3,038.87)
1/20/2016	CHK 5460	(-\$88.75)
1/21/2016	CHK 5428	(-\$280.00)
1/26/2016	CHK5460	(-\$8,590.37)
1/27/2016	CHK5428	(-\$1,012.50)

2/2/2016	CHK 9851	\$1,160.00
2/8/2016	SAV 0870	\$1,075.00
2/9/2016	CHK 5428	\$25.00
2/10/2016	CHK 5428	\$3,578.94
2/10/2016	CHK 5428	\$481.00
2/1/2016	BHK 9851	(-\$7,563.50)
2/2/2016	CHK 5428	(-\$4,100.36)
2/2/2016	CHK 5428	(-\$25.00)
2/3/2016	CHK 5460	(-\$3,122.96)
2/4/2016	CHK 5428	(-\$125.00)
2/10/2016	CHK 5428	(-\$9,206.66)
2/10/2016	CHK 5460	(-\$909.54)
2/11/2016	CHK 5428	(-\$135.50)
2/12/2016	CHK 5428	(-\$9,328.80)
2/17/2016	CHK 5428	(-\$3,408.29)
2/18/2016	CHK 5428	(-\$2,403.79)
2/18/2016	CHK 5428	(-\$1,839.92)
2/24/2016	CHK 5428	(-\$6,252.83)
2/24/2016	CHK 5460	(-\$182.00)

3/21/2016	SAV 0870	\$2,575.00
3/2/2016	CHK 5428	(-\$2,049.99)
3/2/2016	CHK 5460	(-\$253.50)
3/2/2016	CHK 5428	(-\$1,000.00)
3/2/2016	CHK 5460	(-\$223.71)
3/2/2016	CHK 5428	(-\$1,565.43)
3/3/2016	SAV 0870	(-\$525.00)
3/4/2016	CHK 5428	(-\$447.50)
3/4/2016	SAV 0870	(-\$2,575.00)
3/7/2016	CHK 5428	(-\$5,188.95)
3/15/2016	CHK 5428	(-\$8,537.22)

3/15/2016	CHK 5428	(-\$739.16)
3/22/2016	CHK 5428	(-\$200.00)
3/22/2016	CHK 5428	(-\$1,072.73)
3/29/2016	CHK 5428	(-\$1,718.09)
3/30/2016	CHK 5428	(-\$212.50)
3/30/2016	CHK 5428	(-\$1,050.65)
3/31/2016	CHK 5428	(-\$4,174.90)

4/1/2016	SAV 0870	\$525.00
4/13/2016	CHK 5428	\$16.12
4/28/2016	SAV 0870	\$1,250.00
4/1/2016	CHK 5428	(-\$625.00)
4/6/2016	CHK5428	(-\$1,269.20)
4/7/2016	CHK 5428	(-\$150.00)
4/12/2016	CHK5428	(-\$7,898.06)
4/12/2016	CHK 5428	(-\$815.00)
4/13/2016	CHK 9851	(-\$3,075.00)
4/19/2016	CHK5428	(-\$100.00)
4/20/2016	CHK 5460	(-\$332.25)
4/20/2016	CHK 5460	(-\$584.10)
4/20/2016	CHK5428	(-\$1,907.13)
4/27/2016	CHK 5428	(-\$1,700.00)
4/27/2016	CHK 5428	(-\$1,570.44)
4/27/2016	CHK 5428	(-\$82.50)
4/27/2016	CHK5428	(-\$515.00)
4/27/2016	CHK 5428	(-\$165.00)

5/2/2016	SAV 0870	\$925.00
5/3/2016	CHK5428	\$1,715.00
5/4/2016	SAV 0870	\$825.00
5/6/2016	SAV 0870	\$825.00
5/11/2016	CHK 1479	\$182.22
5/23/2016	SAV 0870	\$725.00
5/23/2013	SAV 0870	\$600.00
5/27/2016	SAV 0870	\$1,325.00
5/2/2016	CHK 5428	(-\$941.25)
5/2/2016	CHK 5428	(-\$75.00)
5/2/2016	CHK 5428	(-\$707.50)
5/2/2016	CHK 5428	(-\$75.00)
5/2/2016	CHK5428	(-\$102.50)
5/2/2016	CHK5428	(-\$907.50)
5/3/2016	SAV 0870	(-\$925.00)
5/4/2016	CHK5428	(-\$1,636.36)
5/5/2016	SAV 0870	(-\$1,875.00)
5/10/2016	SAV 0870	(-\$16,695.93)
5/11/2016	CHK 5460	(-\$1,434.17)
5/11/2016	CHK 5460	(-\$2,996.56)

5/11/2016	CHK 5428	(-\$3,354.31)
5/16/2016	CHK5460	(-\$57.74)
5/16/2016	CHK5428	(-\$5,704.90)
5/24/2016	CHK5428	(-\$7,780.16)
5/24/2016	CHK5428	(-\$1,337.66)
6/1/2016	CHK5460	(-\$236.80)
6/6/2016	CHK 5428	(-\$600.00)
6/6/2016	CHK 5428	(-\$925.00)
6/7/2016	SAV 0870	(-\$1,325.00)
6/8/2016	CHK5428	(-\$487.50)
6/8/2016	CHK 5428	(-\$3,834.98)
6/10/2016	SAV 0870	\$600.00
6/10/2016	CHK 5428	(-\$884.00)
6/10/2016	CHK 5428	(-\$1,435.00)
6/10/2016	CHK 5428	(-\$2,833.40)
6/13/2016	CHK 5428	(-\$972. 71)
6/14/2016	SAV0870	(-\$2,000.00)

8. On August 6, 2015, \$8,452.03 was transferred from account PM 4960 to Arrow Renovation & Construction ("ARC") in 26 separate transfers for which no invoices or additional documentation was available.

9. On September 9, 2015, \$5,300.00 was transferred from account PM 4960 to ARC for which no invoice or additional documentation was available.

10. On April 20, 2016, \$584.10 was transferred from account PM 4960 to ARC for which no invoice or additional documentation was available.

11. On June 11, 2015, \$30,000.00 was transferred into account PM 4960, showing that it was a loan from the owners to Arrow Equity.

12. On May 7, 2016, \$44,444.37 was transferred into account PM 4960, showing that it was loan from the owners to adjust for a negative balance in the account.

13. On December 31, 2015, Arrow Equity made as many as 40 journal entries in account PM 4960 for the purpose of reconciling the ledgers or to correct bank balances. The beginning balance on that date was (-\$201,474.06), and the ending balance was \$3,758.45.

14. Arrow Equity's records show that on December 10, 2015, \$9,123.18 in management fees was paid to it; however, that transfer was not reflected on account PM 4960's bank statement for that date.

15. Arrow Equity's records show that on June 29, 2015, \$773.25 was deposited into account PM 4960 for the reimbursement of expenses paid for by ARC.

16. On June 15, 2015, a check in the amount of \$179.64 was deposited into account PM 4960 from ARC for the reimbursement of ARC's credit card fees.

17. On September 2, 2015, Arrow Equity recorded an owner's draw from account PM 4960 in the amount of \$1,400.00, and on September 8, 2015, it recorded a partial return of that owner's draw in the amount of \$800.00.

18. During the Audit Period, Arrow Equity recorded the following transfers for account PM 4960 to and from account SD 0870 in its check register that were not reflected on bank statements for account PM 4960 for the same period:

Lampton	8/4/2015	(-\$700.00)
Toms	8/10/2015	(-\$900.00)
Williams	8/10/2015	(-\$149.70)
Hester	8/10/2015	(-\$200.00)
Toms	8/12/2015	(-\$900.00)
Burnett	8/15/2015	(-\$325.00)
Yeung	11/6/2015	(-\$625.00)
Cahill	11/10/2015	(-\$240.00)
Conklin	11/30/2015	(-\$1275.00)
Thomas	2/8/2016	(-\$525.00)
Beilman	2/15/2016	\$875.00
Behbod	2/23/2016	(-\$1300.00)
Morehouse	2/26/2016	\$2,575.00

19. Arrow Equity's check register for account PM 4960 that was provided to MREC on June 14, 2016, shows the ending balance of funds on April 30, 2016, to be \$2,474.88; however, the register provided on June 22, 2016, shows the ending balance for April 30, 2016, to be \$1,071.80. Arrow Equity was unable to provide any explanation for the change in the April 30, 2016 ending balance.

20. Arrow Equity did not reconcile account PM 4960 from March 31, 2016, through the date Arrow Equity ceased management activities on June 8, 2016. Records show uncleared "money in" on the date of the reconciliation on March 31, 2016, to be \$445,836.57, and uncleared "money out" to be \$451,915.70. Outstanding deposits and checks could not be determined with the information in Arrow Equity's possession.

21. Arrow Equity produced a broker's report showing that at least \$52,664.72 in owner funds was disbursed from account PM 4960 to the new management company upon its purchase of Arrow Equity's assets. The cut-off bank statement for that account did not show the \$52,664.72 disbursement as having cleared the account.

22. Arrow Equity failed to maintain books, records, contracts, and other necessary documents so that the adequacy of its account PM 4960 could be determined at any time because its check register did not reflect certain transfers found on its bank statements for said account.

Count III - Insufficient Records for SD 0870

23. During the Audit Period, Arrow Equity recorded the following transfers for account SD 0870 that were not reflected on bank statements for the same period:

Lehmert	12/23/2015	\$775.00
Mosher	12/31/2015	\$50.00
Lovrien	12/31/2015	(\$50.00)
Sheldon	12/31/2015	\$375.00
Hendricks	12/31/2015	\$350.00
Hart	12/31/2015	\$900.00
C. Davis2	12/31/2015	(\$900.00)
Abraham	12/31/2015	\$25.00
C. Davis4	12/31/2015	\$25.00
Rosenberry	12/31/2015	\$825.00
Ferro	12/31/2015	\$25.00
Philipchuk	12/31/2015	\$3,875.23
Robinson	12/31/2015	\$344.50
Flaig	12/31/2015	\$775.00
Lawhead	12/31/2015	(\$925.00)

Harrison	12/31/2015	\$1,300.00
AETLLC	12/31/2015	\$325.00
Savage	12/31/2015	(\$925.30)
AETLLC	12/31/2015	\$19,555.00
Harrison	12/31/2015	\$1,300.00
Anderson	12/31/2015	\$200.00
Cassery	12/31/2015	(\$700.00)
Stewart	12/31/2015	(\$600.00)
Bluma Prop.	1/1/2016	(\$67.00)
Caruso	1/1/2016	(\$375.00)
Weber	1/1/2016	\$275.00

24. During the Audit Period, Arrow Equity recorded a deposit of \$16,695.93 in its check register as a "Loan from owner to adjust negative balance," and such deposit appeared on the corresponding bank statement for account SD 0870 for the stated purpose; however, no documentation existed regarding the loan details or the related transaction, and Arrow Equity could not provide any such details to the examiner.

25. The account balance summary (cut-off statement) for June 15, 2016, for account SD 0870 shows an unexplained transfer of \$2,000.00 on June 14, 2016, that is not recorded on the check register for the same dates.

26. The account balance summary (cut-off statement) for June 15, 2016, for account SD 0870 shows an ending balance for the account in the amount of \$39,533.21. The check register showed outstanding checks for the same period for that account in the amount of \$45,015.00, resulting in a negative balance of (-\$5,481.79). Arrow Equity could not confirm whether all of the checks written on the account had cleared the bank at the time of the Audit.

27. The following checks were entered into Arrow Equity's security deposit check register without recording any check numbers:

Muller	8/13/2015	\$2,100
Robinson-Bergstr	9/30/2015	\$525.00
Muder-Raschke	9/30/2015	\$1,025.00
Bosley	9/30/2015	\$625.00
Freeman	9/30/2015	\$625.00

Ray-Ray	9/30/2015	\$525.00
Duckworth-Gibbs	9/30/2015	\$500.00
Weller	9/30/2015	\$525.00
Jones	9/30/2015	\$525.00
Bolton	9/30/2015	\$575.00
Perry	9/30/2015	\$625.00
Caroll-Davenport	9/30/2015	\$525.00
Cahill	11/10/2015	\$660.00

28. During the Audit Period, Arrow Equity's balance summary for account SD 0870 showed a transfer out of the account of \$1,325.00 on May 27, 2016, that was not recorded on the check register.

Count IV - Failure to Retain Records

29. Arrow Equity's check detail report for August 6, 2015, reference no. 3408, showed 26 separate transfers to vendors from Arrow Equity, totaling \$8,452.03, for which no corresponding invoices were maintained by Arrow Equity.

30. Arrow Equity's check register for account PM 4960 showed a payment was made to Kansas City Power and Light in the amount of \$757.38 on August 10, 2015, for which no other record was available showing the disbursement.

31. Arrow Equity's check register for account PM 4960 showed a disbursement to AET LLC on September 9, 2015, in the amount of \$5,300.00, which is also shown on the corresponding bank statement. No other documentation exists to support or explain this transfer.

32. Arrow Equity's check register for account PM 4960 showed a disbursement to AET LLC on September 14, 2015, in the amount of \$550.00, which is also shown on the corresponding bank statement. No other documentation existed to support or explain this transfer.

33. Arrow Equity's check register for account PM 4960 showed a disbursement to ARC on March 2, 2016, in the amount of \$223.71, which is also shown on the corresponding bank statement. No other documentation existed to support or explain this transfer.

34. The bank statement for account PM 4960 showed an online banking transfer to AET LLC on April 2, 2016, in the amount of \$815.00. No other documentation existed to support or explain this transfer.

35. Arrow Equity's check register for account PM 4960 showed a disbursement to ARC on April 6, 2016, in the amount of \$584.10, which is also shown on the corresponding bank statement. No other documentation existed to support or explain this transfer.

36. Arrow Equity's check register for account PM 4960 showed the following checks were voided; however, none of the voided checks were retained:

Lawhead	8/31/2015	Ck# 3432
Caruso	4/10/2016	1505400604
Hernandez	5/10/2016	1505400638
Hernandez	5/10/2016	1505400639
Hernandez	5/10/2016	1505400640
Hernandez	5/10/2016	1505400641
Hernandez	5/10/2016	1505400642
Novak	5/19/2016	Ck.# 3536

Count V - Insufficient Funds

37. Arrow Equity disbursed funds held in escrow on behalf of its owners when the owners' account balance was not sufficient to cover the disbursement from the following accounts during the periods indicated:

Jack Dawe	4/11/2016 - 5/10/2016
Jack Dawe	5/11/2016 - 6/10/2016
Geoff Dearing	9/11/2015 - 10/10/2015
Geoff Dearing	10/11/2015 - 11/10/2015
Geoff Dearing	11/11/2015 - 12/10/2015
Geoff Dearing	12/11/2015 - 1/10/2016
Geoff Dearing	1/11/2016 - 2/10/2016
Geoff Dearing	3/11/2016 - 4/10/2016

Geoff Dearing	4/11/2016 - 5/10/2016
Geoff Dearing	5/11/2016 - 6/10/2016
David Peterson	4/11/2016 - 5/10/2016
Chris Whaley	4/11/2016 - 5/10/2016
Candace Davis	9/11/2015 - 10/10/2015
Peter Schonberger	4/11/2016 - 5/10/2015
Gary Huffman	4/11/2016 - 5/10/2016
Richard Chapman	5/11/2016 - 6/10/2016
Rodney Smith	5/11/2016 - 6/10/2016
Jennifer Caruso	5/11/2016 - 6/10/2016
Kyle Lovrien	8/11/2015 - 9/10/2015
Kyle Lovrien	9/11/2015 - 10/10/2015
Kyle Lovrien	10/11/2015 - 11/10/2015
Kelsey Hendricks	8/11/2015 - 9/10/2015
Kelsey Hendricks	9/11/2015 - 10/10/2015
Danny Davis	11/11/2015 - 12/10/2015
Flora Chestnut	11/11/2015 - 12/10/2015

Count VI - Failure to Maintain Security Deposits Intact

38. During the Audit Period, Arrow Equity maintained account SD 0870, which carried a balance less than its security deposit liability reported on June 10, 2016, and although the account was adjusted by a deposit of the owners' funds in the amount of \$16,695.93 on May 7, 2016, Arrow Equity's escrow liability for account SD 0870 remained greater than funds held in that account through the remainder of the Audit Period.

39. From October 2015 to June 2016, at a time when no brokerage funds were maintained in account SD 0870 for payment of fees, \$90.00 in bank service charges was deducted from that account, resulting in payments made with insufficient funds in the account.

Conclusions of Law

We have authority to hear MREC's complaint. Sections 621.045³ and 339.100.2, RSMo Supp. 2013. MREC has the burden of proving that Arrow Equity committed acts for which the law allows discipline. *Missouri Real Estate Commission v. Berger*, 764 S.W.2d 706,

³ Statutory references are to RSMo 2016, unless otherwise stated.

711 (Mo. App., E.D. 1989). Although the parties filed a joint stipulation, statutes and case law instruct us that we must “separately and independently” determine whether such facts constitute cause for discipline. *Kennedy v. Missouri Real Estate Comm'n*, 762 S.W.2d 454, 456-57 (Mo. App., E.D. 1988). Therefore, we independently assess whether the facts admitted allow discipline under the law cited.

Section 339.100.2 provides 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:

- (1) Failure to maintain and deposit in a special account, separate and apart from his or her personal or other business accounts, all moneys belonging to others entrusted to him or her while acting as a real estate broker or as the temporary custodian of the funds of others, until the transaction involved is consummated or terminated, unless all parties having an interest in the funds have agreed otherwise in writing;

- (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[.]

Section 339.040 provides, in pertinent part:

1. Licenses shall be granted only to persons who present, and corporations, associations, or 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:

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

Section 339.105 provides:

1. Each broker who holds funds belonging to another shall maintain such funds in a separate bank account in a financial institution which shall be designated an escrow or trust account. This requirement includes funds in which he or she may have some future interest or claim. Such funds shall be deposited promptly unless all parties having an interest in the funds have agreed otherwise in writing. No broker shall commingle his or his personal funds or other funds in this account with the exception that a broker may deposit and keep a sum not to exceed one thousand dollars in the account from his or his personal funds, which sum shall be specifically identified and deposited to cover service charges related to the account.

3. 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.

Section 339.710(12) defines the term "designated broker" as:

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[.]

Regulation 20 CSR 2250-8.160(2)⁴ provides:

Every broker shall retain for a period of at least three (3) years true copies of all property management agreements, correspondence or other written authorization relating to each real estate transaction relating to leases, rentals or management activities the broker has handled. The broker must also retain all business books, accounts and records unless these records are released to the owner(s) or transferred to another broker by written detailed receipt or transmittal letter agreed to in writing by all parties to the transaction.

Regulation 20 CSR 2250-8.220(1) provides:

A broker shall establish and maintain a separate escrow account(s), to be designated as a property management escrow account(s), for the deposit of current rents and money received from the owners or on the owner's(s') behalf for payment of expenses related to property management. Before making disbursements from a property management escrow account, a broker shall ensure that the account balance for that owner's(s') property(ies) is sufficient to cover the disbursements.

Regulation 20 CSR 2250-8.220(2) provides:

All security deposits held by a broker shall be maintained, intact, in an escrow account other than the property management account(s), pursuant to section 339.105, RSMo, unless the owner(s) have agreed otherwise in writing.

*Count I - Failure to Maintain Funds
of Others in a Separate Bank Account*

In its complaint, MREC pled that it has cause to discipline Arrow Equity's license pursuant to § 339.100.2 (1), (15), and (19) because Arrow Equity failed to maintain the funds of others in a separate bank account in violation of § 339.105.1, and this constitutes untrustworthy, improper or fraudulent business dealings under § 339.100.2(19).

During the Audit Period, Arrow Equity used account PM 4960 to pay brokerage expenses and issue loans to its owners totaling \$27,450.69. This constitutes the failure to

⁴ All references to "CSR" are to the Missouri Code of State Regulations as current with amendments included in the Missouri Register through the most recent update.

maintain the funds of others in a separate bank account in violation of § 339.105.1.

Accordingly, MREC has cause to discipline Arrow Equity's license pursuant to § 339.100.2(1) and (15). However, it does not establish cause pursuant to subdivision (19).

Section 339.100.2(19) is for "any other conduct which constitutes untrustworthy, improper or fraudulent business dealings or demonstrates bad faith or gross incompetence[.]" The adjective "other" means "not the same: DIFFERENT, any [other] man would have done better[.]" WEBSTER'S THIRD INTERNATIONAL DICTIONARY 1598 (unabr. 1986). Therefore, subdivision (19) refers to conduct different than referred to in the remaining subdivisions of the statute. We have found that the conduct at issue is cause for discipline under subdivisions (1) and (15). There is no "other" conduct. Therefore, we find no cause for discipline under subdivision (19).

Count II - Insufficient Records for PM 4960

In its complaint, MREC pled that it has cause to discipline Arrow Equity's license pursuant to § 339.100.2(1), (15) and (19) because Arrow Equity failed to maintain books, records, contracts, and other necessary documents so that the adequacy of account PM 4960 may be determined at any time in violation of § 339.105.3, and it failed to maintain the funds of others in a separate bank account in violation of § 339.105.1, and this constitutes bad faith or incompetence, misconduct, or gross negligence under § 339.100.2(19).

Arrow Equity's conduct as addressed above for Count II constitutes a failure to maintain books, records, contracts, and other necessary documents so that the adequacy of account PM 4960 may be determined at any time in violation of § 339.105.3, and constitutes Arrow Equity's failure to maintain the funds of others in a separate bank account in violation of § 339.105.1. MREC has cause to discipline Arrow Equity's license pursuant to § 339.100.2(1) and (15). We find no cause for discipline under § 339.100.2(19) for the same reason discussed above.

Count III - Insufficient Records for SD 0870

In its complaint, MREC pled that it has cause to discipline Arrow Equity's license pursuant to § 339.100.2(1), (15) and (19) because it failed to maintain books, records, contracts and other necessary documents so that the adequacy of account SD 0870 may be determined at any time in violation of § 339.105.3; it failed to maintain the funds of others in a separate bank account in violation of § 339.105.1; and this constitutes bad faith or incompetence, misconduct, or gross negligence, under § 339.100.2(19).

Arrow Equity's conduct as outlined above for Count III in conjunction with account SD 0870 constitutes a failure to maintain books, records, contracts and other necessary documents so that the adequacy of account SD 0870 may be determined at any time constitutes a violation of § 339.105.3, and a failure to maintain the funds of others in a separate bank account in violation of § 339.105.1. MREC has cause to discipline Arrow Equity's licenses pursuant to § 339.100.2(1) and (15). We find no cause for discipline under § 339.100.2(19) for the same reason discussed above.

Count IV - Failure to Maintain Records

In its complaint, MREC pled that it has cause to discipline Arrow Equity's license pursuant to § 339.100.2(1), (15) and (19) because it failed to retain books, accounts, and records in violation of 20 CSR 2250-8.160(2), and this constitutes bad faith or incompetence, misconduct, or gross negligence under § 339.100.2(19).

Arrow Equity's conduct as stated above in regard to Count IV establishes that it failed to retain books, accounts, and records in violation of 20 CSR 2250-8.160(2). MREC has cause exists to discipline Arrow Equity's license pursuant to § 339.100.2(1), and (15). We find no cause for discipline under § 339.100.2(19) for the same reason discussed above.

Count V - Insufficient Funds

In its complaint, MREC pled that it had cause to discipline Arrow Equity's license pursuant to § 339.100.2 (1), (15) and (19) because it dispersed funds it held in escrow on behalf of owners when the owner's account balance was not sufficient to cover the disbursements in violation of 20 CSR 2250-8.220(1), and this constitutes bad faith or incompetence, misconduct, or gross negligence under § 339.100.2(19). Arrow Equity's conduct as stated above in regard to Count V establishes that it disbursed funds it held in escrow on behalf of owners when the owner's account balance was not sufficient to cover the disbursements in violation of 20 CSR 2250-8.220(1). MREC has cause to discipline Arrow Equity's license pursuant to § 339.100.2 (1) and (15). We find no cause for discipline under § 339.100.2(19) for the same reason discussed above.

Count VI - Failure to Maintain Security Deposits Intact

In its complaint, MREC pled that it has cause to discipline Arrow Equity's license pursuant to § 339.100.2 (1), (15) and (19) because it failed to maintain security deposits intact in a separate escrow account in violation of 20 CSR 2250-8.220(2), and this constitutes bad faith or incompetence, misconduct, or gross negligence under § 339.100.2(19).

Arrow Equity's conduct as stated above regarding Count VI established that it failed to maintain security deposits intact in a separate escrow account in violation of 20 CSR 2250-8.220(2). MREC has cause to discipline Arrow Equity's license pursuant to § 339.100.2 (1) and (15). We find no cause for discipline under § 339.100.2(19) for the same reason discussed above.

Count VIII - § 339.100.2(16)

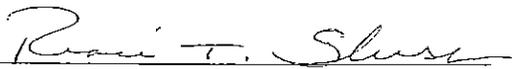
In its complaint, MREC pled that it has cause to discipline Arrow Equity's license pursuant to § 339.100.2(16) because it is incompetent to transact business as a broker in such a manner as to safeguard the interest of the public as stated in § 339.040.1(3).

Considering the above determined facts, we find that Arrow Equity is incompetent to transact business as a broker in such a manner as to safeguard the interest of the public, which is grounds for MREC to refuse to issue a license under § 339.040.1(3), and this provides MREC cause to discipline its license pursuant to § 339.100.2(16).

Summary

MREC has cause to discipline Arrow Equity's real estate association license pursuant to § 339.100.2(1), (15), and (16).

SO ORDERED on June 8, 2018.


RENEE T. SLUSHER
Commissioner

BEFORE THE
ADMINISTRATIVE HEARING COMMISSION
STATE OF MISSOURI

MISSOURI REAL ESTATE COMMISSION)
3605 Missouri Blvd.)
P.O. Box 1339)
Jefferson City, Missouri 65102-1339,)

Petitioner,)

v.) No. _____

CHRISTOPHER SCOTT DAWSON)
8819 N.E. 92nd Terr.)
Kansas City, MO 64157)
(816) 355-4242)

and)

ARROW EQUITY TRUST, LLC)

Serve: Candace Davis)
Arrow Realty, LLC)
5400 Johnson Drive)
Suite 200)
Mission, KS 66205)
(816) 956-5003)

Respondents.)

COMPLAINT

Petitioner, the Missouri Real Estate Commission ("MREC"), by and through the undersigned counsel, and for its cause of action against Respondent Christopher Scott Dawson ("Dawson") and Arrow Equity Trust, LLC. ("Arrow Equity", or "Brokerage") states:

Allegations Common to All Counts

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

2. Dawson holds a broker associate license No. 2014010151, which was issued on April 2, 2014, and expires on June 30, 2018. At all times relevant herein, Dawson's individual real estate broker associate license was current and active. Dawson also holds, or held, the following cancelled and expired Broker Associate real estate licenses:

2014010151 – Broker Associate – active thru 6/30/2018
2014023873 – Broker Associate – active thru 6/30/2018 BUT has been at a cancelled status since 08/01/2016
2014022116 – Broker Associate – active thru 6/30/2018 BUT has been at a cancelled status since 12/28/2016
2015012467 – Broker Associate – expired 6/30/2016 and was at a cancelled status at time of expiration
2013004071 – Broker Associate license expired 6/30/2014
2013029040 – Broker Associate license expired 6/30/2014
2004012858 – Broker Officer license expired 6/30/2014

3. Arrow Equity Trust, LLC, is a Kansas limited liability company, registered in Missouri as a foreign entity, charter no. FL1281545.

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

4. At all relevant times herein, Arrow Equity was licensed with the MREC as a real estate association, license No. 2013002195, which was issued on January 22, 2013, and expired on June 30, 2016.

5. During all times relevant to this complaint, Dawson was the designated broker of Arrow Equity; and, as such, Dawson bears responsibility for his own conduct as well as that of Arrow Equity.

6. Dawson's real estate license is culpable for the conduct and violations revealed by the MREC's audit of Arrow Equity.

7. References herein to Dawson are also references to Arrow Equity.

8. References herein to Arrow Equity are also references to Dawson.

9. Jurisdiction and venue are proper before the Administrative Hearing Commission pursuant to §§ 621.045 and 339.100.2, RSMo.

10. Section 339.100.2, RSMo, provides in pertinent part:

2. 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 his individual or entity license for any one or any combination of the following acts:

(1) Failure to maintain and deposit in a special account, separate and apart from his or his personal or other business accounts, all moneys belonging to others entrusted to him or his while acting as a real estate broker or as the temporary custodian of the funds of others, until the transaction involved is

consummated or terminated, unless all parties having an interest in the funds have agreed otherwise in writing;

.....

(3) Failing within a reasonable time to account for or to remit any moneys, valuable documents or other property, coming into his or his possession, which belongs to others;

.....

(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[.]

11. Section 339.040, RSMo, provides, in pertinent part:

1. Licenses shall be granted only to persons who present, and corporations, associations, or partnerships whose officers, associates, or partners present, satisfactory proof to the commission that they:

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

12. Section 339.105, RSMo, provides:

1. Each broker who holds funds belonging to another shall maintain such funds in a separate bank account in a financial institution which shall be designated an escrow or trust account. This requirement includes funds in which he or she may have some future interest or claim. Such funds shall be deposited promptly unless all parties having an interest in the funds have agreed otherwise in writing. No broker shall commingle his or his personal funds or other funds in this account with the exception that a broker may deposit and keep a sum not to exceed one thousand dollars in the account from his or his personal funds, which sum shall be specifically identified and deposited to cover service charges related to the account.

.....

3. 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.

13. Section 339.710(12), RSMo, defines the term "designated broker"

and provides:

(12) "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[.]

14. State Regulation 20 CSR 2250-8.120(7) provides:

(7) 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).

15. State Regulation 20 CSR 2250-8.160(2) provides:

(2) Every broker shall retain for a period of at least three (3) years true copies of all property management agreements, correspondence or other written authorization relating to each real estate transaction relating to leases, rentals or management activities the broker has handled. The broker must also retain all business books, accounts and records unless these records are released to the owner(s) or transferred to another broker by written detailed receipt or transmittal letter agreed to in writing by all parties to the transaction.

16. State Regulation 20 CSR 2250-8.220(1) provides:

(1) A broker shall establish and maintain a separate escrow account(s), to be designated as a property management escrow account(s), for the deposit of current rents and money received from the owners or on the owner's(s') behalf for payment of

expenses related to property management. Before making disbursements from a property management escrow account, a broker shall ensure that the account balance for that owner's(s) property(ies) is sufficient to cover the disbursements.

17. State Regulation 20 CSR 2250-8.220(2) provides:

(2) All security deposits held by a broker shall be maintained, intact, in an escrow account other than the property management account(s), pursuant to section 339.105, RSMo, unless the owner(s) have agreed otherwise in writing.

18. From June 14-16, and 21-32, 2016, an MREC examiner conducted an audit and examination of Arrow Equity's business records and escrow accounts, No. LF-1216560 ("Audit"). The Audit covered the period of June 1, 2015 to June 17, 2016 ("Audit Period"), with respect to the real estate practice of Arrow Equity, while Dawson was the Designated Broker.

19. During the Audit Period, Arrow Equity maintained two property management escrow accounts: Bank of America Account No. xxx4960 ("PM 4960"), and Bank of America Account No. xxx0870 ("SD 0870"). SD 0870 was designated for security deposits, and PM 5960 was the designated property management account.

Count I

Failure to Maintain Funds of Others in a Separate Bank Account

20. The MREC realleges and incorporates by reference paragraphs 1 through 19 as though fully set forth herein.

21. During the Audit Period, the Brokerage used the property management escrow account, PM 4960, to pay brokerage expenses and issue loans to the owners of the Brokerage. During this period \$27,450.69 of owner funds were disbursed from the property management account for brokerage expenses and loans as follows:

a. PropertyWare HQ

06/02/15	\$315.50
06/03/15	\$186.45
06/19/15	\$134.00
07/02/15	\$471.05
07/02/15	\$315.50
08/03/15	\$249.45
08/04/15	\$368.00
08/04/15	\$237.30
09/01/15	\$152.00
09/03/15	\$368.00
09/30/15	\$109.00
10/02/15	\$368.00
10/06/15	\$182.90
10/09/15	\$169.50
10/30/15	\$90.00
11/03/15	\$368.00
11/06/15	\$33.90
12/01/15	\$84.00
12/02/15	\$368.00
12/04/15	\$98.15
02/04/16	\$38.58
05/16/16	\$138.16

b. Thumbtack Inc.

06/01/15	\$34.99
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c. AVAST-Nexway

06/23/15	\$49.99
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d. MLS

06/29/15	\$27.50
07/29/15	\$27.50
09/29/15	\$27.50
10/29/15	\$27.50

e. Bank of America Fees

06/03/15	\$227.25
07/03/15	\$223.86
08/04/15	\$304.26
09/03/15	\$284.48
10/05/15	\$215.12
11/03/15	\$180.48
12/03/15	\$957.39
01/05/16	\$748.44
02/03/16	\$15.00

f. Owner Draw

09/02/15	\$600.00
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g. Loan to ARC

12/31/15	\$2000.00
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Transfer to broker, not in broker's register.

12/31/15	\$815.00
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h. Shelter Insurance – Worker's Comp.

09/10/15	\$1,423.44
10/07/15	\$93.48
10/13/15	\$1,405.41
11/09/15	\$48.49
11/10/15	\$1,402.51
12/08/15	\$49.30
12/10/15	\$1,402.51
01/07/16	\$49.33
01/12/16	\$1,279.21
12/09/15	\$49.33
02/10/16	\$1,166.57
03/08/16	\$49.33
03/10/16	\$1,132.67

04/07/16 \$49.33
04/12/16 \$850.65
05/09/16 \$341.16
05/10/16 \$851.11
06/07/16 \$41.16
06/10/16 \$851.11

i. Credit card fees for Arrow Renovation & Construction

06/15/15 \$179.64

j. Expense paid on behalf of Arrow Renovation & Construction

06/26/15 \$773.25

k. Loan to Candace Davis

01/06/16 \$1,500.00

22. Respondents' conduct, as alleged in Count I, constitutes the failure to maintain the funds of others in a separate bank account, in violation of § 339.105.1, and constitutes untrustworthy, improper or fraudulent business dealings, in violation of § 339.100.2(19).

23. Based on the Respondents' conduct, as alleged herein, cause exists to discipline Dawson's real estate license pursuant to § 339.100.2(1), (15) and (19), RSMo.

Count II
Insufficient Records for PM 4960

24. The MREC realleges and incorporates by reference paragraphs 1 through 23 as though fully set forth herein.

25. During the Audit Period, Arrow Equity's check register did not reflect certain transfers found on the Brokerage's bank statements for property management escrow account PM 4960. The date, account to or from, and the amount of the transfers appearing on the bank statements, but not on the check register, are as follows:

6/10/2015	SAV 0870	\$850.00
6/10/2015	SAV 0870	\$450.00
6/10/2015	SAV 0870	\$20.00
6/11/2015	KS TLR	\$30,000.00
6/16/2015	KS TLR	\$30,000.00
6/2/2015	CHK 5460	(-\$6,787.38)
6/3/2015	CHK 5460	(-\$20,000.00)
6/10/2015	CHK 5428	(-\$1,500.00)
6/10/2015	CHK 5460	(-\$2,500.00)
6/11/2015	CHK 5460	(-\$5,000.00)
6/15/2015	CHK 5460	(-\$5,000.00)
6/16/2015	CHK 5460	(-\$30,000.00)
6/19/2015	CHK 5460	(-\$10,546.45)
6/23/2015	CHK 5428	(-\$1,500.00)
6/23/2015	CHK 5460	(-\$12,000.00)
7/2/2015	CHK 5428	(-\$2,500.00)
7/6/2015	CHK 5428	(-\$3,929.25)
7/9/2015	CHK 5460	(-\$10,000.00)
7/13/2015	CHK 5460	(-\$4,854.93)
7/16/2015	CHK 1479	(-\$100.00)
7/22/2015	CHK 5460	(-\$10,718.81)
7/27/2015	CHK 1479	(-\$2,080.66)
8/3/2015	CHK 5460	(-\$10,000.00)
8/14/2015	CHK 5460	(-\$1,328.50)
8/18/2015	CHK 5460	(-\$10,000.00)
8/18/2015	CHK 5460	(-\$14,000.00)
8/31/2015	CHK 0870	\$925.00)

9/9/2015	CHK 9851	\$2,637.61
9/23/2015	CHK 5460	\$40.00
9/30/2015	SAV 0870	\$9,045.00
9/30/2015	CHK 5460	\$6,000.00
9/30/2015	CHK 5428	\$769.00
9/9/2015	CHK 5460	(-\$4,428.68)
9/9/2015	CHK 5428	(-\$1,174.75)
9/9/2015	CHK 5460	(-\$5,300.00)
9/16/2015	CHK 5428	(-\$10,199.80)
9/16/2015	CHK 5460	(-\$7,759.96)
9/16/2015	CHK 5460	(-\$295.00)
9/16/2015	CHK 5460	(-\$442.78)
9/23/2015	CHK 5460	(-\$827.00)
9/30/2015	CHK 5460	(-\$14,866.88)
10/13/2015	SAV 0870	\$7,895.00
10/1/2015	SAV 0870	\$500.00
10/6/2015	CHK 5460	(-\$9,241.83)
10/7/2015	CHK 5460	(-\$123.75)
10/13/2015	CHK 5460	(-\$354.65)
10/21/2015	CHK 5460	(-\$6,265.69)
10/27/2015	CHK 5428	(-\$2,681.25)
10/28/2015	CHK 5460	(-\$940.57)
10/28/2015	CHK 5428	(-\$25.00)
10/29/2015	CHK 5460	(-\$2,396.04)
11/4/2015	CHK 5460	(-\$2,836.63)
11/5/2015	CHK 5460	(-\$14,000.00)
11/6/2015	CHK 5460	(-\$3,317.50)
11/9/2015	CHK 9851	(-\$5,075.10)
11/10/2015	CHK 5460	(-\$1,792.05)
11/12/2015	CHK 5460	(-\$6,279.63)
11/18/2015	CHK 5460	(-\$8,605.33)
11/18/2015	CHK 5428	(-\$9,619.27)
11/19/2015	CHK 5428	(-\$350.00)
11/30/2015	CHK 1479	(-\$1,276.56)
12/8/2015	SAV 0870	\$1,000.00
12/9/2015	SAV 0870	\$775.00
12/30/2015	SAV 0870	\$500.00

12/2/2015	CHK 5460	(-\$5,100.83)
12/7/2015	CHK 5460	(-\$10,000.00)
12/9/2015	CHK 5460	(-\$10,821.18)
12/9/2015	CHK 9851	(-\$85.00)
12/9/2015	CHK 5460	(-\$11,873.39)
12/9/2015	CHK 5460	(-\$1,322.86)
12/22/2015	CHK 5428	(-\$1,100.00)
12/23/2015	CHK 5460	(-\$473.08)
12/29/2015	CHK 5460	(-\$3,317.50)
12/31/2015	CHK 5460	(-\$2,000.00)
1/7/2016	SAV 870	\$625.00
1/4/2016	CHK 5460	(-\$2,000.00)
1/4/2016	CHK 5460	(-\$1,000.00)
1/5/2016	CHK 5460	(-\$5,000.00)
1/5/2016	CHK 5428	(-\$1,740.00)
1/6/2016	CHK 5460	(-\$4,902.28)
1/7/2016	CHK 5460	(-\$1,270.87)
1/12/2016	CHK 5428	(-\$8,864.83)
1/19/2016	CHK 5428	(-\$1,033.35)
1/19/2016	CHK 5428	(-\$980.00)
1/19/2016	CHK 1479	(-\$2,310.90)
1/20/2016	CHK 5428	(-\$1,400.00)
1/20/2016	CHK 5460	(-\$3,038.87)
1/20/2016	CHK 5460	(-\$88.75)
1/21/2016	CHK 5428	(-\$280.00)
1/26/2016	CHK 5460	(-\$8,590.37)
1/27/2016	CHK 5428	(-\$1,012.50)
2/2/2016	CHK 9851	\$1,160.00
2/8/2016	SAV 0870	\$1,075.00
2/9/2016	CHK 5428	\$25.00
2/10/2016	CHK 5428	\$3,578.94
2/10/2016	CHK 5428	\$481.00
2/1/2016	BHK 9851	(-\$7,563.50)
2/2/2016	CHK 5428	(-\$4,100.36)
2/2/2016	CHK 5428	(-\$25.00)
2/3/2016	CHK 5460	(-\$3,122.96)
2/4/2016	CHK 5428	(-\$125.00)
2/10/2016	CHK 5428	(-\$9,206.66)

2/10/2016	CHK 5460	(-\$909.54)
2/11/2016	CHK 5428	(-\$135.50)
2/12/2016	CHK 5428	(-\$9,328.80)
2/17/2016	CHK 5428	(-\$3,408.29)
2/18/2016	CHK 5428	(-\$2,403.79)
2/18/2016	CHK 5428	(-\$1,839.92)
2/24/2016	CHK 5428	(-\$6,252.83)
2/24/2016	CHK 5460	(-\$182.00)
3/21/2016	SAV 0870	\$2,575.00
3/2/2016	CHK 5428	(-\$2,049.99)
3/2/2016	CHK 5460	(-\$253.50)
3/2/2016	CHK 5428	(-\$1,000.00)
3/2/2016	CHK 5460	(-\$223.71)
3/2/2016	CHK 5428	(-\$1,565.43)
3/3/2016	SAV 0870	(-\$525.00)
3/4/2016	CHK 5428	(-\$447.50)
3/4/2016	SAV 0870	(-\$2,575.00)
3/7/2016	CHK 5428	(-\$5,188.95)
3/15/2016	CHK 5428	(-\$8,537.22)
3/15/2016	CHK 5428	(-\$739.16)
3/22/2016	CHK 5428	(-\$200.00)
3/22/2016	CHK 5428	(-\$1,072.73)
3/29/2016	CHK 5428	(-\$1,718.09)
3/30/2016	CHK 5428	(-\$212.50)
3/30/2016	CHK 5428	(-\$1,050.65)
3/31/2016	CHK 5428	(-\$4,174.90)
4/1/2016	SAV 0870	\$525.00
4/13/2016	CHK 5428	\$16.12
4/28/2016	SAV 0870	\$1,250.00
4/1/2016	CHK 5428	(-\$625.00)
4/6/2016	CHK 5428	(-\$1,269.20)
4/7/2016	CHK 5428	(-\$150.00)
4/12/2016	CHK 5428	(-\$7,898.06)
4/12/2016	CHK 5428	(-\$815.00)
4/13/2016	CHK 9851	(-\$3,075.00)
4/19/2016	CHK 5428	(-\$100.00)
4/20/2016	CHK 5460	(-\$332.25)
4/20/2016	CHK 5460	(-\$584.10)

4/20/2016	CHK 5428	(-\$1,907.13)
4/27/2016	CHK 5428	(-\$1,700.00)
4/27/2016	CHK 5428	(-\$1,570.44)
4/27/2016	CHK 5428	(-\$82.50)
4/27/2016	CHK 5428	(-\$515.00)
4/27/2016	CHK 5428	(-\$165.00)
5/2/2016	SAV 0870	\$925.00
5/3/2016	CHK 5428	\$1,715.00
5/4/2016	SAV 0870	\$825.00
5/6/2016	SAV 0870	\$825.00
5/11/2016	CHK 1479	\$182.22
5/23/2016	SAV 0870	\$725.00
5/23/2013	SAV 0870	\$600.00
5/27/2016	SAV 0870	\$1,325.00
5/2/2016	CHK 5428	(-\$941.25)
5/2/2016	CHK 5428	(-\$75.00)
5/2/2016	CHK 5428	(-\$707.50)
5/2/2016	CHK 5428	(-\$75.00)
5/2/2016	CHK 5428	(-\$102.50)
5/2/2016	CHK 5428	(-\$907.50)
5/3/2016	SAV 0870	(-\$925.00)
5/4/2016	CHK 5428	(-\$1,636.36)
5/5/2016	SAV 0870	(-\$1,875.00)
5/10/2016	SAV 0870	(-\$16,695.93)
5/11/2016	CHK 5460	(-\$1,434.17)
5/11/2016	CHK 5460	(-\$2,996.56)
5/11/2016	CHK 5428	(-\$3,354.31)
5/16/2016	CHK 5460	(-\$57.74)
5/16/2016	CHK 5428	(-\$5,704.90)
5/24/2016	CHK 5428	(-\$7,780.16)
5/24/2016	CHK 5428	(-\$1,337.66)
6/1/2016	CHK 5460	(-\$236.80)
6/6/2016	CHK 5428	(-\$600.00)
6/6/2016	CHK 5428	(-\$925.00)
6/7/2016	SAV 0870	(-\$1,325.00)
6/8/2016	CHK 5428	(-\$487.50)
6/8/2016	CHK 5428	(-\$3,834.98)
6/10/2016	SAV 0870	\$600.00

6/10/2016	CHK 5428	(-\$884.00)
6/10/2016	CHK 5428	(-\$1,435.00)
6/10/2016	CHK 5428	(-\$2,833.40)
6/13/2016	CHK 5428	(-\$972.71)
6/14/2016	SAV 0870	(-\$2,000.00)

26. On August 6, 2015, \$8,452.03 was transferred from property management escrow account PM 4960 to Arrow Renovation & Construction ("ARC") in 26 separate transfers for which no invoices and no additional documentation is available.

27. On September 9, 2015, \$5,300.00 was transferred from property management escrow account PM 4960 to ARC for which no invoice and no additional documentation is available.

28. On April 20, 2016, \$584.10 was transferred from property management escrow account PM 4960 to ARC for which no invoice and no additional documentation is available.

29. On June 11, 2015, \$30,000.00 was transferred into the property management escrow account PM 4960, showing that it was a loan from the owners to Arrow Equity.

30. On May 7, 2016, \$44,444.37 was transferred into the property management escrow account PM 4960, showing that it was a loan from the owners to adjust for a negative balance in the account.

31. On December 31, 2015, as many as 40 journal entries were made by the Brokerage in the property management escrow account PM 4960 for the purpose of reconciling the ledgers or to correct bank balances. The beginning balance on that date was (-\$201,474.06), and the ending balance was \$3,758.45.

32. Arrow Equity's records show that on December 10, 2015, \$9,123.18 in management fees were paid to the Brokerage; however that transfer was not reflected on the property management escrow account PM 4960 bank statement for that date.

33. Arrow Equity's records show that on June 29, 2015, \$773.25 was deposited into the property management escrow account PM 4960 for the reimbursement of expenses paid for ARC.

34. On June 15, 2015, a check in the amount of \$179.64 was deposited into property management escrow account PM 4960 from ARC for the reimbursement of ARC's credit card fees.

35. On September 2, 2015, the Brokerage recorded an owner's draw from property management escrow account PM 4960 in the amount of \$1,400.00, and on September 8, 2015, the Brokerage recorded a partial return of that owner's draw in the amount of \$800.00.

36. During the Audit Period, the Brokerage recorded the following transfers for PM 4960 to and from security deposit escrow account SD 0870 in its check register that were not reflected on bank statements for property management escrow account PM 4960 for the same period:

Lampton	8/4/2015	(-\$700.00)
Toms	8/10/2015	(-\$900.00)
Williams	8/10/2015	(-\$149.70)
Hester	8/10/2015	(-\$200.00)
Toms	8/12/2015	(-\$900.00)
Burnett	8/15/2015	(-\$325.00)
Yeung	11/6/2015	(-\$625.00)
Cahill	11/10/2015	(-\$240.00)
Conklin	11/30/2015	(-\$1275.00)
Thomas	2/8/2016	(-\$525.00)
Beilman	2/15/2016	\$875.00
Behbod	2/23/2016	(-\$1300.00)
Morehouse	2/26/2016	\$2,575.00

37. The Brokerage's check register for property management escrow account PM 4960 provided to the Petitioner on June 14, 2016 shows the ending balance of funds on April 30, 2016 to be \$2,474.88, however the register provided on June 22, 2016 shows the ending balance for April 30, 2016 to be \$1,071.80. The Brokerage was unable to provide any explanation for the change in the April 30, 2016 ending balance.

38. The Brokerage did not reconcile property management escrow account PM 4960 from March 31, 2016, through the date the Brokerage ceased management activities on June 8, 2016. Records show uncleared "money in" on the date of the reconciliation on March 31, 2016, to be \$445,836.57, and uncleared "money out" to be \$451,915.70. Outstanding deposits and checks could not be determined with the information in the Brokerage's possession.

39. The brokerage produced a broker's report showing that at least \$52,664.72 in owner funds was disbursed from property management escrow account PM 4960 to the new management company upon its purchase of the brokerage's assets. The cut-off bank statement for that account did not show the \$52,664.72 disbursement as having cleared the account.

40. Respondents' conduct, as alleged in Count II, in conjunction with account PM 4960, constitutes a failure to maintain books, records, contracts and other necessary documents so that the adequacy of said account may be determined at any time, in violation of § 339.105.3, and constitutes Respondents' failure to maintain the funds of others in a separate bank account, in violation of § 339.105.1, and demonstrates bad faith or incompetence, misconduct, or gross negligence, in violation of § 339.100.2(19).

41. Based on the Respondents' conduct, as alleged herein, and violation of § 339.105.1, RSMo, cause exists to discipline Dawson's real estate license pursuant to § 339.100.2(1), (15) and (19), RSMo.

Count III
Insufficient Records for SD 0870

42. The MREC realleges and incorporates by reference paragraphs 1 through 41 as though fully set forth herein.

43. During the Audit Period, the Brokerage recorded the following transfers for SD 0870 that were not reflected on bank statements for the same period:

Lehmert	12/23/2015	\$775.00
Mosher	12/31/2015	\$50.00
Lovrien	12/31/2015	(\$50.00)
Sheldon	12/31/2015	\$375.00
Hendricks	12/31/2015	\$350.00
Hart	12/31/2015	\$900.00
C. Davis2	12/31/2015	(\$900.00)
Abraham	12/31/2015	\$25.00
C. Davis4	12/31/2015	\$25.00
Rosenberry	12/31/2015	\$825.00
Ferro	12/31/2015	\$25.00
Philipchuk	12/31/2015	\$3,875.23
Robinson	12/31/2015	\$344.50
Flaig	12/31/2015	\$775.00
Lawhead	12/31/2015	(\$925.00)
Harrison	12/31/2015	\$1,300.00
AET LLC	12/31/2015	\$325.00
Savage	12/31/2015	(\$925.30)
AET LLC	12/31/2015	\$19,555.00
Harrison	12/31/2015	\$1,300.00
Anderson	12/31/2015	\$200.00

Casserly	12/31/2015	(\$700.00)
Stewart	12/31/2015	(\$600.00)
Bluma Prop.	1/1/2016	(\$67.00)
Caruso	1/1/2016	(\$375.00)
Weber	1/1/2016	\$275.00

44. During the Audit Period, the Brokerage recorded a deposit of \$16,695.93 in its check register as a "Loan from owner to adjust negative balance", and such deposit appeared on the corresponding bank statement for security deposit escrow account SD 0870 for the stated purpose; however, no documentation existed regarding the loan details or the related transaction, and the Brokerage could not provide any such details to the examiner.

45. The account balance summary (cut-off statement) for June 15, 2016 security deposit escrow account SD 0870 shows an unexplained transfer of \$2,000.00 on June 14, 2016, that is not recorded on Broker's register for the same dates.

46. The account balance summary (cut-off statement) for June 15, 2016 security deposit escrow account SD 0870 shows an ending balance for the account in the amount of \$39,533.21. The broker's check register, showing outstanding checks for the same period for that account in the amount of \$45,015.00, resulting in a negative balance of (-\$5,481.79). The Brokerage could not confirm whether the all of the checks written on the account had cleared the bank at the time of the Audit.

47. The following checks were entered into the Broker's security deposit check register without recording any check numbers:

Muller	8/13/2015	\$2,100
Robinson-Bergstr	9/30/2015	\$525.00
Muder-Raschke	9/30/2015	\$1,025.00
Bosley	9/30/2015	\$625.00
Freeman	9/30/2015	\$625.00
Ray-Ray	9/30/2015	\$525.00
Duckworth-Gibbs	9/30/2015	\$500.00
Weller	9/30/2015	\$525.00
Jones	9/30/2015	\$525.00
Bolton	9/30/2015	\$575.00
Perry	9/30/2015	\$625.00
Caroll-Davenport	9/30/2015	\$525.00
Cahill	11/10/2015	\$660.00

48. During the Audit Period, the Brokerage Balance Summary for security deposit escrow account SD 0870 shows a transfer out of that account of \$1,325.00 on May 27, 2016 that is not recorded on the broker's check register.

49. Respondents' conduct, as alleged in Count III, in conjunction with account SD 0870, constitutes a failure to maintain books, records, contracts and other necessary documents so that the adequacy of said account may be determined at any time, in violation of § 339.105.3, and constitutes Respondents' failure to maintain the funds of others in a separate bank

account, in violation of § 339.105.1, and demonstrates bad faith or incompetence, misconduct, or gross negligence, in violation of § 339.100.2(19).

50. Based on the Respondents' conduct, as alleged herein, cause exists to discipline the Respondents' real estate licenses pursuant to § 339.100.2(1), (15) and (19), RSMo.

Count IV
Failure to Retain Records

51. The MREC realleges and incorporates by reference paragraphs 1 through 50 as though fully set forth herein.

52. The broker's check detail report for August 6, 2015, reference no. 3408, shows 26 separate transfers to vendors from the Brokerage, totaling \$8,452.03, for which no corresponding invoices were maintained by the Brokerage.

53. The broker's check register for property management escrow account PM 4960 shows a payment was made to Kansas City Power and Light in the amount of \$757.38 on August 10, 2015, for which no other record was available showing the disbursement.

54. The broker's check register for property management escrow account PM 4960 shows a disbursement to AET LLC on September 9, 2015 in the amount of \$5,300.00, which is also shown on the corresponding bank statement. No other documentation exists to support or explain this transfer.

55. The broker's check register for property management escrow account PM 4960 shows a disbursement to AET LLC on September 14, 2015 in the amount of \$550.00, which is also shown on the corresponding bank statement. No other documentation exists to support or explain this transfer.

56. The broker's check register for property management escrow account PM 4960 shows a disbursement to Arrow Renovation & Construction on March 2, 2016 in the amount of \$223.71, which is also shown on the corresponding bank statement. No other documentation exists to support or substantiate this transfer.

57. The bank statement for property management escrow account PM 4960 shows an online banking transfer to AET LLC on April 2, 2016 in the amount of \$815.00. No other documentation exists to support or explain this transfer.

58. The broker's check register for property management escrow account PM 4960 shows a disbursement to Arrow Renovation & Construction on April 6, 2016 in the amount of \$584.10, which is also shown on the corresponding bank statement. No other documentation exists to support or explain this transfer.

59. The broker's check register for property management escrow account PM 4960 shows that the following checks were voided, however none of the voided checks were retained:

Lawhead	8/31/2015	Ck # 3432
Caruso	4/10/2016	1505400604
Hernandez	5/10/2016	1505400638
Hernandez	5/10/2016	1505400639
Hernandez	5/10/2016	1505400640
Hernandez	5/10/2016	1505400641
Hernandez	5/10/2016	1505400642
Novak	5/19/2016	Ck. # 3536

60. Respondents' conduct, as alleged in Count IV, constitutes the failure to retain books, accounts and records, in violation of 20 CSR 2250-8.160(2) and demonstrates bad faith or incompetence, misconduct, or gross negligence, in violation of § 339.100.2(19).

61. Based on the Respondents' conduct, as alleged herein, cause exists to discipline the Respondents' real estate licenses pursuant to § 339.100.2(1), (15) and (19), RSMo.

Count V
Insufficient Funds

62. The MREC realleges and incorporates by reference paragraphs 1 through 61 as though fully set forth herein.

63. The Brokerage disbursed funds held in escrow on behalf of owners when the owners' account balance was not sufficient to cover the disbursement from the following accounts during the periods indicated:

Jack Dawe	4/11/2016 - 5/10/2016
Jack Dawe	5/11/2016 - 6/10/2016
Geoff Dearing	9/11/2015 - 10/10/2015
Geoff Dearing	10/11/2015 - 11/10/2015
Geoff Dearing	11/11/2015 - 12/10/2015
Geoff Dearing	12/11/2015 - 1/10/2016
Geoff Dearing	1/11/2016 - 2/10/2016
Geoff Dearing	3/11/2016 - 4/10/2016
Geoff Dearing	4/11/2016 - 5/10/2016
Geoff Dearing	5/11/2016 - 6/10/2016
David Peterson	4/11/2016 - 5/10/2016
Chris Whaley	4/11/2016 - 5/10/2016
Candace Davis ³	9/11/2015 - 10/10/2015
Peter Schonberger	4/11/2016 - 5/10/2015
Gary Huffman	4/11/2016 - 5/10/2016
Richard Chapman	5/11/2016 - 6/10/2016
Rodney Smith	5/11/2016 - 6/10/2016
Jennifer Caruso	5/11/2016 - 6/10/2016
Kyle Lovrien	8/11/2015 - 9/10/2015
Kyle Lovrien	9/11/2015 - 10/10/2015
Kyle Lovrien	10/11/2015 - 11/10/2015
Kelsey Hendricks	8/11/2015 - 9/10/2015
Kelsey Hendricks	9/11/2015 - 10/10/2015
Danny Davis	11/11/2015 - 12/10/2015
Flora Chestnut	11/11/2015 - 12/10/2015

64. Respondents' conduct, as alleged in Count V, constitutes the disbursement of funds from escrow accounts with insufficient funds, in violation of 20 CSR 2250-8.220(1) and demonstrates bad faith or incompetence, misconduct, or gross negligence, in violation of § 339.100.2(19).

65. Based on the Respondents' conduct, as alleged herein, cause exists to discipline the Respondents' real estate licenses pursuant to § 339.100.2(1), (15) and (19), RSMo.

Count VI
Failure to Maintain Security Deposits Intact

66. During the Audit Period, the Brokerage improperly maintained security deposit escrow account SD 0870, which carried a balance less than the Brokerage's security deposit liability reported in on June 10, 2016, and although the account was adjusted by a deposit of the owner's funds in the amount of \$16,695.93 on May 7, 2016, the Brokerage's escrow liability for security deposit escrow account SD 0870 remained greater than funds held in that account through the remainder the Audit Period.

67. From October, 2015, to June, 2016, at a time when no brokerage funds were maintained in security deposit escrow account SD 0870 for payment of fees, \$90.00 in bank service charges were deducted from that account, resulting in payments made with insufficient funds in the account.

68. Respondents' conduct, as alleged in Count VI, constitutes the failure to maintain security deposits intact in a separate escrow account in violation of 20 CSR 2250-8.220(2), and demonstrates bad faith or incompetence, misconduct, or gross negligence, in violation of § 339.100.2(19).

69. Based on the Respondents' conduct, as alleged herein, cause exists to discipline the Respondents' real estate licenses pursuant to § 339.100.2(1), (15) and (19), RSMo.

Count VIII
(§ 339.100.2(16))

70. The MREC realleges and incorporates by reference paragraphs 1 through 69 as though fully set forth herein.

71. The conduct of Arrow Equity and Dawson, individually and collectively, as alleged in each count of this Complaint, individually and collectively demonstrates that Arrow Equity and Dawson are not competent to transact the business of a broker or salesperson in such a manner as to safeguard the interest of the public, which are grounds for the MREC to refuse to issue a license under § 339.040.1, RSMo, providing cause to discipline the real estate licenses of Arrow Equity and Dawson pursuant to § 339.100.2(16), RSMo.

Count IX
(§ 339.100.2(19))

72. The MREC realleges and incorporates by reference paragraphs 1 through 71 as though fully set forth herein.

73. Section 339.100.2(19), RSMo, provides:

2. 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 his individual or entity license for any one or any combination of the following acts:

.....

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

74. The conduct of Arrow Equity and Dawson, individually and collectively, as alleged in each count of this Complaint, individually and collectively, constitutes untrustworthy, improper, and/or fraudulent business dealings and/or demonstrates bad faith and/or gross incompetence, providing cause to discipline the real estate licenses of Arrow Equity and Dawson (§ 339.100.2(19))

WHEREFORE, Petitioner respectfully requests this Commission to conduct a hearing in this cause pursuant to Chapter 621, RSMo, and thereafter to issue its findings of fact and conclusions of law determining that Petitioner may take disciplinary action against the real estate licenses of Arrow Equity and Dawson for violations of Chapter 339, RSMo, and the regulations promulgated thereunder, and for such other and further relief this Commission deems just and proper.

Respectfully submitted,

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Attorneys for Petitioner

BEFORE THE
ADMINISTRATIVE HEARING COMMISSION
STATE OF MISSOURI

MISSOURI REAL ESTATE COMMISSION

V.

CHRISTOPHER SCOTT DAWSON

AND

ARROW EQUITY TRUST, LLC

ANSWER OF CHRISTOPHER SCOTT DAWSON

Respondent, Christopher Scott Dawson, for his answer to the Complaint states:

1. Respondent admits the statements contained in paragraph 1 of the Complaint.
2. Respondent admits the statements contained in paragraph 2 of the Complaint.
3. Respondent admits the statements contained in paragraph 3 of the Complaint.
4. Respondent admits the statements contained in paragraph 4 of the Complaint.
5. Respondent admits that he was the designated broker of Arrow Equity and admits

that he bears responsibility for his own conduct, but denies all other statements contained in paragraph 5 of the Complaint.

6. Respondent denies the statements contained in paragraph 6 of the Complaint.
7. Respondent admits the statements contained in paragraph 7 of the Complaint.
8. Respondent admits the statements contained in paragraph 8 of the Complaint.
9. Respondent admits the statements contained in paragraph 9 of the Complaint.
10. Respondent admits that paragraph 10 of the complaint accurately quotes the

referenced Missouri Statute.

11. Respondent admits that paragraph 11 of the complaint accurately quotes the referenced Missouri Statute.

12. Respondent admits that paragraph 12 of the complaint accurately quotes the referenced Missouri Statute.

13. Respondent admits that paragraph 13 of the complaint accurately quotes the referenced Missouri Statute.

14. Respondent admits that paragraph 14 of the complaint accurately quotes the referenced Missouri Statute.

15. Respondent admits that paragraph 15 of the complaint accurately quotes the referenced Missouri Statute.

16. Respondent admits that paragraph 16 of the complaint accurately quotes the referenced Missouri Statute.

17. Respondent admits that paragraph 17 of the complaint accurately quotes the referenced Missouri Statute.

18. Respondent admits the statements contained in paragraph 18 of the Complaint.

19. Without admitting that Respondent had the ability to exercise any control over the accounts mentioned in paragraph 19, Respondent admits the described accounts.

20. For his answer to paragraph 20 of the Complaint, Respondent restates and incorporates his answers to paragraphs 1-19 herein.

21. Respondent is without any knowledge of the statements contained in paragraph 21 and, therefore, denies the same. Respondent denies personally making any distribution described in paragraph 21.

22. Respondent denies the statements contained in paragraph 22 of the Complaint.

23. Respondent denies the statements contained in paragraph 23 of the Complaint.

24. For his answer to paragraph 24 of the Complaint, Respondent incorporates and restates his answers to paragraphs 1-23 herein.

25. Respondent is without any knowledge of the statements contained in paragraph 25 and, therefore, denies the same.

26. Respondent is without any knowledge of the statements contained in paragraph 26 and, therefore, denies the same.

27. Respondent is without any knowledge of the statements contained in paragraph 27 and, therefore, denies the same.

28. Respondent is without any knowledge of the statements contained in paragraph 28 and, therefore, denies the same.

29. Respondent is without any knowledge of the statements contained in paragraph 29 and, therefore, denies the same.

30. Respondent is without any knowledge of the statements contained in paragraph 30 and, therefore, denies the same.

31. Respondent is without any knowledge of the statements contained in paragraph 31 and, therefore, denies the same.

32. Respondent is without any knowledge of the statements contained in paragraph 32 and, therefore, denies the same.

33. Respondent is without any knowledge of the statements contained in paragraph 33 and, therefore, denies the same.

34. Respondent is without any knowledge of the statements contained in paragraph 34 and, therefore, denies the same.

35. Respondent is without any knowledge of the statements contained in paragraph 35 and, therefore, denies the same.

36. Respondent is without any knowledge of the statements contained in paragraph 36 and, therefore, denies the same.

37. Respondent is without any knowledge of the statements contained in paragraph 37 and, therefore, denies the same.

38. Respondent is without any knowledge of the statements contained in paragraph 38 and, therefore, denies the same.

39. Respondent is without any knowledge of the statements contained in paragraph 39 and, therefore, denies the same.

40. Respondent denies the statements contained in paragraph 40 of the Complaint to the extent such statements pertain to Respondent.

41. Respondent denies the statements contained in paragraph 41 of the Complaint.

42. For his answer to paragraph 42 of the Complaint, Respondent incorporates and restates his answers to paragraphs 1-41 herein.

43. Respondent is without any knowledge of the statements contained in paragraph 43 and, therefore, denies the same.

44. Respondent is without any knowledge of the statements contained in paragraph 44 and, therefore, denies the same.

45. Respondent is without any knowledge of the statements contained in paragraph 45 and, therefore, denies the same.

46. Respondent is without any knowledge of the statements contained in paragraph 46 and, therefore, denies the same.

47. Respondent is without any knowledge of the statements contained in paragraph 47 and, therefore, denies the same.

48. Respondent is without any knowledge of the statements contained in paragraph 48 and, therefore, denies the same. Respondent is without any knowledge of the statements contained in paragraph 25 and, therefore, denies the same.

49. Respondent denies the statements contained in paragraph 49 to the extent that such statements pertain to Respondent.

50. Defendant denies the statements contained in paragraph 50 of the Complaint.

51. For his answer to paragraph 51, Respondent incorporates and restates his answers to paragraphs 1-50 herein.

52. Respondent is without any knowledge of the statements contained in paragraph 52 and, therefore, denies the same.

53. Respondent is without any knowledge of the statements contained in paragraph 53 and, therefore, denies the same.

54. Respondent is without any knowledge of the statements contained in paragraph 54 and, therefore, denies the same.

55. Respondent is without any knowledge of the statements contained in paragraph 55 and, therefore, denies the same.

56. Respondent is without any knowledge of the statements contained in paragraph 56 and, therefore, denies the same.

57. Respondent is without any knowledge of the statements contained in paragraph 57 and, therefore, denies the same.

58. Respondent is without any knowledge of the statements contained in paragraph 58 and, therefore, denies the same.

59. Respondent is without any knowledge of the statements contained in paragraph 59 and, therefore, denies the same.

60. Respondent denies the statements contained in paragraph 60 of the Complaint to the extent that such statements pertain to Respondent.

61. Defendant denies the statements contained in paragraph 61 of the Complaint.

62. For his answer to paragraph 62, Respondent incorporates and restates his answers to paragraphs 1-61 herein.

63. Respondent is without any knowledge of the statements contained in paragraph 63 and, therefore, denies the same.

64. Respondent denies the statements contained in paragraph 64 to the extent that such statements pertain to Respondent.

65. Respondent denies the statements contained in paragraph 65 of the Complaint.

66. Respondent is without any knowledge of the statements contained in paragraph 66 and, therefore, denies the same.

67. Respondent is without any knowledge of the statements contained in paragraph 67 and, therefore, denies the same.

68. Respondent denies the statements contained in paragraph 68 to the extent that such statements pertain to Respondent.

69. Respondent denies the statements contained in paragraph 69 of the Complaint.

70. For his answer to paragraph 70, Respondent incorporates and restates his answers to paragraphs 1-69 herein.

71. Respondent denies the statements contained in paragraph 71 to the extent that such statements pertain to Respondent.

72. For his answer to paragraph 72, Respondent incorporates and restates his answers to paragraphs 1-71 herein.

73. Respondent admits that paragraph 73 accurately quotes the statute referenced therein.

74. Respondent denies the statements contained in paragraph 74 to the extent that such statements pertain to Respondent.

75. Further answering the Complaint, Respondent states that the owners of the Brokerage denied him access to and control of the bank accounts of the Brokerage and prevented Respondent from assuring that such accounts were kept in compliance with applicable law and regulations.

76. Further answering the Complaint, Respondent states that he was prevented from discharging his duties as broker of record for the Brokerage by the acts of the owners of the Brokerage.

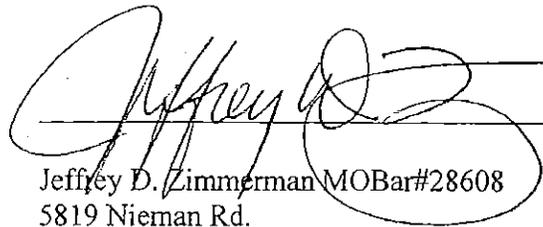
77. Further answering the Complaint, Respondent states that he did not knowingly commit or engage in the acts described in the Complaint.

78. Further answering the Complaint, Respondent states that the owners of the Brokerage concealed from him the true accounting records of the Brokerage and only provided records for his review that indicated that the Brokerage was in compliance with all applicable laws and regulations.

79. Further answering the Complaint, Respondent states that any violations of applicable law or regulations were the result of the actions of others and not Respondent.

80. Further answering the Complaint, Respondent states that, although he was designated as the broker of record, the structure of the ownership of the Brokerage prevented him from having any control over the bank accounts or accounting of the Brokerage.

WHEREFORE, Respondent request that the Commission conduct a hearing herein and issue its findings of fact and conclusions of law determining that no action should be taken against the real estate license of Respondent.



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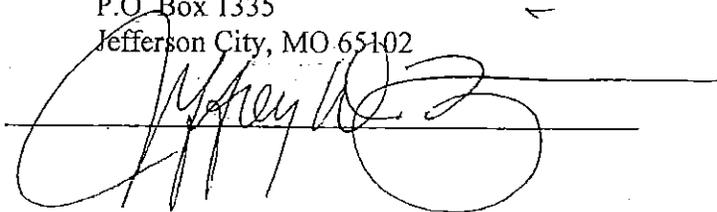
CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was mailed this 22nd day of November, 2017, US First Class Mail, postage prepaid to:

Ross Keeling
Assistant Attorney General
Supreme Court Building
207 High Street
P.O. Box 899
Jefferson City, MO 65102

And

Sarah Legerwood
Division of Professional Registration
3605 Missouri Blvd.
P.O. Box 1335
Jefferson City, MO 65102



FILED

January 9, 2018

ADMINISTRATIVE HEARING
COMMISSION

BEFORE THE
ADMINISTRATIVE HEARING COMMISSION
STATE OF MISSOURI

MISSOURI REAL ESTATE COMMISSION)
3605 Missouri Blvd.)
P.O. Box 1339)
Jefferson City, Missouri 65102-1339,)
)
Petitioner,)
v.) No. 17-900
)
CHRISTOPHER SCOTT DAWSON)
8819 N.E. 92 nd Terr.)
Kansas City, MO 64157)
(816) 355-4242)
)
and)
)
ARROW EQUITY TRUST, LLC)
)
Serve: Candace Davis)
Arrow Realty, LLC)
5400 Johnson Drive)
Suite 200)
Mission, KS 66205)
(816) 956-5003)
)
Respondents.)

ANSWER TO PETITIONER'S COMPLAINT FROM RESPONDENT ARROW EQUITY
TRUST LLC

Comes now, Respondent Arrow Equity Trust through its Attorney Lance Loewenstein in
its answer to the Petitioner's complaint filed on October 23, 2017, No. 17.900.

Respondent admits Paragraph 1 of the Complaint.

Respondent does not have sufficient information to answer Paragraph 2 of the Complaint,
so therefore denies it.

Respondent admits Paragraph 3 through 19 of the Complaint.

Respondent admits Paragraph 20 through 39 of the Complaint.

Respondent denies the allegation in Paragraph 40 that it demonstrated "...bad faith or incompetence, misconduct, or gross negligence..." but otherwise admits to the allegations therein.

Respondent admits to Paragraph 41 through 48 of the Complaint.

Respondent denies the allegation in Paragraph 49 that it demonstrated "...bad faith or incompetence, misconduct, or gross negligence..." but otherwise admits to the allegations therein.

Respondent admits to Paragraph 50 through 59 of the Complaint.

Respondent denies the allegation in Paragraph 60 that it demonstrated "...bad faith or incompetence, misconduct, or gross negligence..." but otherwise admits to the allegations therein.

Respondent admits to Paragraph 61 through 63 of the Complaint.

Respondent denies the allegation in Paragraph 64 that it demonstrated "...bad faith or incompetence, misconduct, or gross negligence..." but otherwise admits to the allegations therein.

Respondent admits to Paragraph 65 through 67 of the Complaint.

Respondent denies the allegation in Paragraph 68 that it demonstrated "...bad faith or incompetence, misconduct, or gross negligence..." but otherwise admits to the allegations therein.

Respondent admits to Paragraph 69 through 73 of the Complaint.

Respondent denies the allegation in Paragraph 74 that it demonstrated "... untrustworthy...and/or fraudulent business dealings..." and/or demonstrated "...bad faith or incompetence, misconduct, or gross negligence..." but otherwise admits to the allegations therein.

Respondent asserts no affirmative defenses, but notes that there are no complaints of forfeited funds from tenants or landlords on record with any agency or court, and that it offered to stipulate to these charges without any admission of fraud, bad faith, or deceit in November of 2017.

Respectfully Submitted,



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