

**AMENDED SETTLEMENT AGREEMENT BETWEEN**  
**MISSOURI REAL ESTATE COMMISSION AND KING REALTY LLC**  
**AND MONICA KING**

Come now King Realty LLC ("King Realty") and Monica King ("King") and the Missouri Real Estate Commission ("Commission") and enter into this settlement agreement for the purpose of resolving the question of whether King Realty LLC's license as a real estate association and Monica King's licenses as a real estate broker associate and real estate broker will be subject to discipline.

Pursuant to the terms of § 536.060, RSMo,<sup>1</sup> the parties hereto waive the right to a hearing by the Administrative Hearing Commission of the State of Missouri ("AHC") regarding cause to discipline the Licensees' licenses, and, additionally, the right to a disciplinary hearing before the Commission under § 621.110, RSMo.

Licensees King Realty and King 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 counsel; the right to have all charges against them proven upon the record by competent and substantial evidence; the right to cross-examine any witnesses appearing at the hearing against them; the right to present evidence on their own behalf at the hearing; the right to a decision upon the record by a fair and impartial administrative hearing commissioner concerning the charges pending against them and, subsequently, the right to a disciplinary hearing before the Commission at which time they may present evidence in mitigation of discipline; and the right to recover attorney's fees incurred in defending this action against their licenses. Being aware of these rights provided them by operation of law, King Realty and King 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.

King and King Realty acknowledge that they have received a copy of the documents relied upon by the Commission in determining there was cause to discipline their licenses, along with citations to law and/or regulations the Commission believes were violated.

For the purpose of settling this dispute, King Realty and King stipulate that the factual allegations contained in this settlement agreement are true and stipulates with the Commission that their licenses,

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<sup>1</sup> All statutory references are to Missouri Revised Statutes 2000, as amended, unless otherwise indicated.

numbered 2013041710 (King Realty) and 2013041711 (King broker associate) and 201341721 (King broker) and 2014014750 (King broker associate) are subject to disciplinary action by the Commission in accordance with the provisions of Chapter 621 and §§ 339.010-339.205 and 339.710-339.855, RSMo.

Joint Stipulation of Fact and Conclusions of Law

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 broker or salesperson in this state. The Commission has control and supervision of the licensed occupations and enforcement of the terms and provisions of Sections 339.010-339.205 and 339.710-339.855, RSMo.

2. Licensee, King Realty LLC, holds an active real estate association license from the Commission, license number 2013041710. The Commission issued King Realty's license on November 14, 2013 and King Realty's license expires June 30, 2016. Licensee's license was not current and active at all relevant times herein in that when King agreed to manage the property for D.B., King Realty was not licensed by the Commission. Licensee Monica King is the designated broker for King Realty LLC.

3. Licensee, Monica King, holds an active broker associate license from the Commission, license number 2013041711. The Commission issued King's broker associate license on November 14, 2013. Licensee's license expires June 30, 2016. Licensee's license was not current and active at all relevant times herein in that King did not have the broker associate license from the Commission at the time King managed the properties for D.B. King also holds an expired broker license from the Commission, license number 2003011721. The Commission issued King's broker license on May 12, 2003 and it expired June 30, 2014 due to non-renewal. King also holds a second broker associate license, license number 2014014750. The Commission issued this broker associate license on May 16, 2014 and it expired June 30, 2014 due to non-renewal.

4. In November 2014, the Commission received a complaint from D.B. regarding Licensee. D.B. alleged that he hired Licensee to manage his rental property but she did not pay him the rents due. Based on the complaint, the Commission initiated an investigation. The Commission's investigation revealed:

- a. D.B. hired Licensee in August 2013 to manage two apartment buildings on Prospect Avenue in Kansas City, Missouri. D.B. stated that there was no written agreement or contract for her

services and she only managed them for "a couple of months" in 2013. D.B. stated that some of the tenants paid rent directly to him and others paid Licensee. He stated that the buildings had 14 units total and only 6 were leased when Licensee took over the property management. He stated he "believed that [Licensee] did not lease any other units or hold security deposits." D.B. stated that he received two rent payment checks from Licensee but they did not clear the bank. The first check, dated September 19, 2013 was for \$368 and the second, dated November 7, 2013, was for \$1,472. The checks were for the amounts from Monica King, King Realty, to D.B, signed by Licensee. Copies of the back of the checks showed a bank stamp of "Refer to Maker." D.B. stated that when he tried to deposit the checks, both were returned for insufficient funds. D.B. stated these were the only checks he received from Licensee. D.B. stated that "after repeated attempts to have [Licensee] send the rent money due to him, eventually he was unable to contact her at all." He stated he sent Licensee an email and told her he would file a complaint against her.

- b. Commission investigators also interviewed Licensee. Licensee concurred that she became affiliated with D.B. in August 2013. She stated she sent D.B. a property management agreement that she signed but D.B. never completed it or sent it back to her. She also concurred that there were two properties according to the agreement to be managed. She stated she only collected rent from the occupied properties and did not lease any other properties or hold any security deposits. She stated she managed the properties from August to November 2013. She provided the Commission three monthly statements that she claimed to have sent to D.B. The November 2013 statement matched the November check sent to D.B. in the amount of \$1,472. Licensee's September statement listed an amount of \$1,704 as owner proceeds but the check Licensee sent was for \$368. The October statement from Licensee listed total owner proceeds as \$2,162. Licensee was unable to explain why D.B. did not get a second check for the \$1,336 remainder due for September or a check for \$2,162 for the October proceeds. She stated she was not able to locate any other documents during the interview to show the other checks had been issued. Following the interview, Licensee located and provided copies of two cancelled checks allegedly sent to D.B. in October 2013. The copies

- showed a check dated October 8, 2013 in the amount of \$1,334 and one dated October 21, 2013 in the amount of \$828. The back of both checks appeared to have been signed by D.B. and bank transaction codes in Colorado, which appeared to show the deposit of the checks.
- c. During her interview, Licensee did not dispute that she owed D.B. money and that there were funds available in the bank account when those checks were sent to him. She stated she was currently managing 94 units for fifteen other clients and after being audited she "has begun better reconciliation procedures." She stated she "intends to pay D.B. back by making payments over time."
  - d. The Commission's investigation revealed that the properties Licensee managed and D.B. claimed to own were actually owned by H.C., who was listed as the owner of record with the Jackson County Recorder of Deeds Office until recently. The Jackson County Assessor's Office verified the legal description of the properties and the Recorder of Deeds and Assessor's Offices provided copies of documents related to the properties. H.C. took title to the buildings on Prospect on November 19, 2012 and they were sold April 17, 2015. D.B. does not appear as the owner at any time.
  - e. Licensee, when re-contacted, stated she did not know who H.C. was and was unaware that D.B. did not actually own the properties. She stated she would ask D.B. for legal proof before sending him the payments.
  - f. D.B., when re-contacted, acknowledged that H.C. was the owner of record for the properties and claimed only to be acting as H.C.'s agent. D.B. had no documentation regarding the alleged agency arrangement. D.B. stated he was an attorney and had purchased the properties in question and placed them in H.C.'s name. He stated it was really his property. He alleged to have power of attorney to receive the rent money but that it was just general power of attorney. D.B. described his relationship with H.C. as "business" but not in legal terms.
  - g. Commission investigators also contacted H.C. in Colorado. H.C. confirmed she was the owner of the properties until they were sold in April 2015. She stated she signed an affidavit for D.B. on July 9, 2015, allowing the owner proceeds Licensee collected to be paid to D.B. H.C. stated there was no prior written agreement or power of attorney with D.B., he was just a friend.

h. The Commission received a notarized affidavit on July 17, 2015 from D.B. It was dated June 26, 2015 and signed by H.C. swearing she was the owner of record for the properties from 2012 to 2015 and D.B. had an interest in the properties. The affidavit stated that D.B. was the property manager for her and that D.B. should receive the remaining rents owned to be placed in an account that she listed.

5. From April 7-9 and 13-14, 2015, the Commission conducted an audit of Licensees. The audit covered the period of August 2013 to current. The Commission's audit revealed the following violations:

- a. Licensee King conducted unlicensed activity in that Licensee King had been operating under her individual broker's license since 2004. Licensee King Realty had been registered with the Secretary of State since 2005, but was not licensed with the Commission. Licensee King licensed King Realty with the Commission in November 2013 but did not renew her individual broker's license.
- b. Licensee King failed to account for monies which belonged to others on numerous instances in violation of sections 339.100.2(3) and 339.180.1, RSMo.
- c. On numerous occasions, Licensees conducted untrustworthy and improper business dealings in violation of section 339.100.2(19), RSMo, in that Licensee King wrote checks to herself and stated that she cashed the checks and then made a deposit to the owner's account or cashed the checks and then paid cash to vendors. King also transferred funds to her personal/brokerage account and paid vendors and owners from that account. For example, a vendor would go to Home Depot and purchase supplies to repair a property Licensees managed. Home Depot would call Licensees for payment and Licensees had a debit card associated with the brokerage account but not the rental account. Licensees would pay for the supplies with the debit card from the brokerage account and then transfer funds from the rental account for reimbursement. Licensee also paid the property expenses from the brokerage account when she ran out of checks for the rental account, and then transferred funds to the brokerage account for reimbursement. Licensees did not keep a record of these transactions.
- d. There were numerous instances of commingling in the property management escrow account, account number ending in 0207 ("Account 0207") at Mazuma Credit Union. On numerous

occasions, the brokerage bills and commission were paid out of the property management escrow account and funds were transferred to the brokerage account to pay the bills, all in violation of section 339.105.1, RSMo.

- e. In violation of section 339.105.1, RSMo, there were identified shortages to Account 0207 on four instances: \$100 and \$1,050 for commingling; \$20 for a check written for more than the invoice and \$87.38 in bank fees.
- f. In violation of section 339.105.1, RSMo, on numerous occasions, there were temporary overages to the property management escrow account, Account 0207, due to managing property without an agreement.
- g. In violation of section 339.105.3, RSMo, Licensee King did not maintain records necessary to determine the adequacy of the property management escrow account, Account 0207.
  - i. Licensee King used duplicate checks but did not have all the duplicates.
  - ii. Licensee King did not get images of checks and deposits with bank statements.
  - iii. The Commission examiner was unable to determine what the starting check number was for the audit period. Licensees refused to obtain duplicates for the imaged checks from the bank for financial reasons. Licensees printed checks obtainable online and obtained copies of some checks. The credit union was unable to find images for some checks. The Commission made a request for these documents and provided it to Licensee King on April 7, 2015.
  - iv. Licensees did not provide all the requested documents.
  - v. Licensee King did not keep copies of deposit slips or a deposit register and was unable to provide copies from the credit union for financial reasons. Licensee King did not provide copies of the deposit tickets during the audit.
  - vi. Licensee King did not keep a record of transfers to and from the rental account.
  - vii. Licensee King did not keep a complete check register. Licensee had duplicates of some checks, copies of some checks and check stubs for about 17 checks but 14 of the stubs had no information written on them.

- viii. On numerous occasions, Licensees conducted untrustworthy and improper business dealings, in that Licensee King wrote checks to herself and stated that she cashed the checks and then made a deposit to the owner's account or cashed the checks and then paid cash to vendors. King also transferred funds to her personal/brokerage account and paid vendors and owners from that account. For example, a vendor would go to Home Depot and purchase supplies to repair a property Licensees managed. Home Depot would call Licensees for payment and Licensees had a debit card associated with the brokerage account but not the rental account. Licensees would pay for the supplies with the debit card from the brokerage account and then transfer funds from the rental account for reimbursement. Licensee also paid the property expenses from the brokerage account when she ran out of checks for the rental account, and then transferred funds to the brokerage account for reimbursement. Licensees did not keep a record of these transactions.
- ix. Licensees paid bank fees from the rental account and not the brokerage account and the Commission's examiner was unable to determine if Licensees reimbursed the rental account.
- x. Licensees paid check orders out of the rental account, not the brokerage account and the Commission's examiner was unable to determine from Licensees' records whether Licensees reimbursed the rental account.
- xi. Licensees pervasively and improperly retained records including voided checks, deposit tickets, check duplicates and owner statements.
- xii. There were temporary overages and shortages to the escrow account for managing properties without an agreement.
- xiii. There was comingling in the escrow account, Account 0207 in that brokerage bills and sales commissions were paid out of that account. The Commission's examiner was unable to determine if the account was reimbursed.
- xiv. Licensees' check duplicates appeared blank or were unreadable.
- xv. Licensees' records showed negative owner balances.

- xvi. Licensees did not keep the owner statements that generated each month. Licensee King tried to recreate the statements for the audit but admitted that they were incorrect. The statements were very confusing in that there was a property summary sheet that did not match or correlate to the net income statement page. Licensee admitted she did not understand the property summary page, did not use it and made the payment to the owners based on the information from the net income statement page. Licensee verified that two entities, Mob Walnut LLC and Rosinzonsky Holdings LLC had negative balances some months. Licensees did not always put the owner draw into the system when she paid an owner which made some of the statements inaccurate.
  - xvii. Licensees failed to retain invoices and for some of those sent directly to the owner, Licensees did not obtain a copy of the invoice but paid the expense.
  - xviii. Licensee King failed to book expenses to owners properly. Specifically, of an owner sent funds for repairs, Licensee King did not record the funds on the owner statement.
  - xix. The related transaction was not indicated on each check written, the corresponding check stub or other record of disbursement on the property management escrow account.
  - xx. There were numerous shortages to the property management escrow account due to charges not being booked to an owner. Rather, Licensee King lumped all expenses together on the owner statement and did not have a record of the breakdown of expenses charged to the owner.
  - xxi. The Commission's examiner was unable to determine outstanding checks.
- h. In violation of section 339.105.3, RSMo, Licensees failed to maintain sufficient records to determine the adequacy of payments sampled during the audit period. The Commission examiner was unable to verify that charges were correctly booked to an owner because Licensee King did not keep a copy of the original statements to the owners and Licensee accepted payments from the owners for repairs and maintenance but did not keep a record of the payments received or record them on the owner statements.

- i. In violation of section 339.105.3, RSMo, and regulations 20 CSR 2250-8.160(1) and 8.220(7), Licensee King failed to allow the Commission and its duly authorized agent access to the Licensees' property management account records.
- j. On six instances, in violation of sections 339.720.1 and 339.780.2, RSMo, and regulation 20 CSR 2250-8.090(9)(F), the management agreement did not include all the licensee's duties and responsibilities.
- k. Licensee King's written office policy did not describe the relationships in which the designated broker and affiliated licensees could engage with any seller, landlord, buyer or tenant in violation of section 339.760.1, RSMo.
- l. In violation of section 339.780.1, RSMo, and 20 CSR 2250-8.090(9)(L), Licensees entered into a property management agreement on behalf of the brokerage without written authorization from the designated broker.
- m. In violation of section 339.780.2, RSMo, and 20 CSR 2250-8.090(4)(A)(2), Licensee's listing agreement did not include all the commission to be paid.
- n. Licensees' management agreement with the landlord did not contain a statement that permits or prohibits an offer of subagency on six instances in violation of section 339.780.2, RSMo, and 20 CSR 2250-8.090(9)(G).
- o. Licensee King managed property without an agreement on four occasions in violation of section 339.780.2, RSMo, and 20 CSR 2250-8.200(1).
- p. In violation of section 339.780.3, RSMo, on two occasions, Licensees acted as an agent of the buyer without obtaining a written agency agreement.
- q. Licensees' management agreement did not specify the required minimum services on six instances in violation of section 339.780.7, RSMo.
- r. In violation of 20 CSR 2250-8.090(4)(A)(14), all of the terms and conditions under which the property could be sold were not contained in the listing agreement, specifically, the percent of deposit forfeiture to be retained by the broker and broker protection.
- s. On 19 occasions, in violation of 20 CSR 2250-8.090(9)(C), the management agreement did not specify whether prepaid rents would be held by the broker or the owner.

- t. On six instances, in violation of 20 CSR 2250-8.090(9)(H), the management agreement did not include a statement that permits or prohibits the designated broker from acting as a dual agent.
- u. On six instances, in violation of 20 CSR 2250-8.090(9)(I), the management agreement did not include a statement which permits or prohibits the designated broker from acting as a transaction broker.
- v. On six instances, in violation of 20 CSR 2250-8.090(9)(J), the management agreement did not specify whether or not the designated broker was authorized to cooperate with and compensate other designated brokers.
- w. On six instances, in violation of 20 CSR 2250-8.090(9)(K), the management agreement failed to contain a statement that confirmed that the landlord received a Broker Disclosure Form.
- x. The management agreement did not contain the signature of the broker on one occasion in violation of 20 CSR 2250-8.090(9)(L).
- y. The licensees' brokerage relationship was not disclosed in writing on six instances in violation of 20 CSR 2250-8.096(1).
- z. On two instances, in violation of 20 CSR 2250-8.100(1), the contract did not specify who was to hold earnest money.
- aa. Earnest money was not collected as specified in the contract in violation of 20 CSR 2250-8.100(1)
- bb. On two instances, Licensees wrote their own forms in violation of 20 CSR 2250-8.140(1).
- cc. On six instances, in violation of 20 CSR 2250-8.140(1), Licensees used a standardized form not approved by legal counsel.
- dd. On two instances, in violation of 20 CSR 2250-8.150(2), Licensees failed to verify the accuracy of the closing statement. On one occasion it was not signed by all sellers and on the other the earnest money was more than the contract specified.
- ee. Licensee King failed to retain a complete copy of the closing statement on one instance in violation of 20 CSR 2250-8.150(3) and 8.160(1).

- ff. Licensees failed to retain records relating to property management on numerous occasions including voided checks, deposit tickets and check duplicates in violation of 20 CSR 2250-8.160(2).
  - gg. Licensees disbursed funds from the property management escrow account when the owner's balance was not sufficient to cover the disbursement on numerous instances in violation of 20 CSR 2250-8.220(1).
  - hh. On numerous instances, in violation of 20 CSR 2250-8.220(8), the related transaction was not indicated on each check written, the corresponding check stub or other record of disbursement.
6. Section 339.020, RSMo, states:
- It shall be unlawful for any person, partnership, limited partnership, limited liability company, association, professional corporation, or corporation, foreign or domestic, to act as a real estate broker, real estate broker-salesperson, or real estate salesperson, or to advertise or assume to act as such without a license first procured by the commission.
7. Section 339.040.1, RSMo, states, in relevant part:
- 1. Licenses shall be granted only to persons who present, and corporations, associations, 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 broker salesperson in such a manner as to safeguard the interest of the public.
8. Section 339.105, RSMo, states, in relevant part:
- 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 her 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 her personal funds, which sum shall be specifically identified and deposited to cover 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.

9. Section 339.180.1, RSMo, states, in relevant part:

1. It shall be unlawful for any person or entity not licensed under this chapter to perform any act for which a real estate license is required. Upon application by the commission, and the necessary burden having been met, a court of general jurisdiction may grant an injunction, restraining order or other order as may be appropriate to enjoin a person or entity from:

(1) Offering to engage or engaging in the performance of any acts or practices for which a permit or license is required by this chapter upon a showing that such acts or practices were performed or offered to be performed without a permit or license;

or

(2) Engaging in any practice or business authorized by a permit or license issued pursuant to this chapter upon a showing that the holder presents a substantial probability of series danger to the health, safety or welfare of any person with, or who is considering obtaining, a legal interest in real property.

10. Section 339.720.1, RSMo, states, in relevant part:

1. A licensee's general duties and obligations arising from the limited agency relationship shall be disclosed in writing to the seller and the buyer or to the landlord and the tenant pursuant to sections 339.760 to 339.780. Alternatively, when engaged in any of the activities enumerated in section 339.010, a licensee may act as an agent in any transaction in accordance with a written agreement as described in section 339.780.

11. Section 339.760, RSMo, states, in relevant part:

Every designated broker who has affiliated licensees shall adopt a written policy which identifies and describes the relationships in which the designated broker and affiliated licensees may engage with any seller, landlord, buyer, or tenant as part of any real estate brokerage activities.

12. Section 339.780, RSMo, states, in relevant part:

1. All written agreements for brokerage services on behalf of a seller, landlord, buyer, or tenant shall be entered into by the designated broker on behalf of that broker and affiliated licensees, except that the designated broker may authorize affiliated licensees in writing to enter into the written agreements on behalf of the designated broker.

2. Before engaging in any of the activities enumerated in sections 339.010, a designated broker intending to establish a limited agency relationship with a seller or landlord shall enter into a written agency agreement with the party to be represented. The agreement shall include a licensee's duties and responsibilities specified in section 339.730 and the terms of compensation and shall specify whether an offer of subagency may be made to any other designated broker.

3. Before or while engaging in any of the acts enumerated in section 339.010, except ministerial acts defined in section 339.710, a designated broker acting as a single agent for a buyer or tenant shall enter into a written agency agreement with the buyer or tenant. The agreement shall include a licensee's duties and responsibilities specified in section 339.740 and the terms of compensation.

...

7. All exclusive brokerage agreements shall specify that the broker, through the broker or through one or more affiliated licensees, shall provide, at a minimum, the following services:

- (1) Accepting delivery of and presenting to the client or customer offers and counteroffers to buy, sell, or lease the client's or customer's property or the property the client or customer seeks to purchase or lease;
- (2) Assisting the client or customer in developing, communicating, negotiating, and presenting offers, counteroffers, and notices that relate to the offers and the counteroffers until a lease or purchase agreement is signed and all contingencies are satisfied or waived; and
- (3) Answering the client's or customer's questions relating to the offers, counteroffers, notices, and contingencies.

13. Section 339.790.2, RSMo, states, in relevant part:

...

2. A real estate broker and an affiliated licensee owe no further duty or obligation after termination, expiration, completion or performance of the brokerage agreement, except the duties of:

- (1) Accounting in a timely manner for all money and property related to, and received during, the relationship[.]

14. Regulation 20 CSR 2250-8.090 states, in relevant part:

...

(4) Seller's/Lessor's Agency (Sale/Lease Listing) Agreement.

- (A) Every written listing agreement or other written agreement for brokerage services shall contain all of the following:

...

(2) The commission to be paid (including any and all bonuses);

...

(14) All other terms and conditions under which the property is to be sold.

...

(9) Every written property management agreement or other written authorization between a broker and the owners of the real estate shall:

...

(C) Specify whether security deposits and prepared rents will be held by the broker or the owner;

...

(F) Include the licensee's duties and responsibilities;

(G) Contain a statement which permits or prohibits the designated broker from offering subagency (not application for transaction broker agreements);

(H) Contain a statement which permits or prohibits the designated broker and/or affiliated licensee from acting as a disclosed dual agent and if permitted, the duties and responsibilities of a dual agent;

(I) Contain a statement which permits or prohibits the designated broker and/or affiliated licensee from acting as a transaction broker and if permitted, the duties and responsibilities of a transaction broker;

(J) Include specification of whether or not the designated broker is authorized to cooperate with and compensate other designated brokers acting pursuant to any other brokerage relationship as defined by sections 339.710 to 339.860, RSMo, including but not limited to tenant's agents and/or transaction brokers.

(K) Contain a statement which confirms that the landlord received the Broker Disclosure Form prescribed by the commission:

1. On or before signing of the brokerage relationship agreement; or
2. Upon the licensee obtaining any personal or financial information, whichever occurs first;

(L) Contain the signatures of all the owners and broker or affiliated licensee as authorized by the broker[.]

15. Regulation 20 CSR 2250-8.096(1) states:

Licenses acting with or without a written agreement for brokerage services pursuant to sections 339.710 to 339.860, RSMo, are required to have such relationships confirmed in writing by each party to the real estate transaction on or before such party's first signature to the real estate contract. Nothing contained herein prohibits the written confirmation of brokerage relationships from being included or incorporated into the real estate contract, provided that any addendum or incorporated document containing the written confirmation must include a separate signature section for acknowledging the written confirmation that shall be signed and dated by each party to the real estate transaction.

(A) Written confirmation must –

1. Identify the licensee's brokerage relationship;
2. Identify the source or sources of compensation;
3. Confirm that the brokerage relationships, if required by rule or regulation were disclosed to the seller/landlord and/or buyer/tenant or their respective agents and/or transaction brokers no later than the first showing, upon first contact, or immediately upon the occurrence of any change to that relationship;
4. Confirm the seller's/landlord's and buyer's/tenant's receipt of the Broker Disclosure Form prescribed by the commission;
5. Be signed and dated by the seller/landlord and buyer/tenant. If the landlord has entered into a written property management agreement pursuant to 20 CSR 2250-8.200–20 CSR 2250-8.210, the landlord shall not be required to sign the written confirmation; and
6. Be signed and dated by the disclosing licensees on or before the contract date. If a landlord's agent or transaction broker is conducting property management pursuant to 20 CSR 2250-8.200–20 CSR 2250-8.210, the unlicensed office personnel may, in their performance of the duties enumerated in 339.010.5(5)(a)–(e), sign the written confirmation on behalf of the landlord's agent or transaction broker.

(B) A signed copy shall be given to the seller/landlord and buyer/tenant and a signed copy shall be retained by the disclosing licensee's broker. If any party to the real estate transaction refuses to sign the confirmation, the licensee working with that party pursuant to 339.710 to 339.860, RSMo, shall set forth, sign and date a written explanation of the facts of refusal and the explanation shall be retained by the licensee's broker.

16. Regulation 20 CSR 2250-8.100(1) states:

Every licensee shall make certain that all of the terms and conditions authorized by the principal in a transaction are specified and included in an offer to sell or buy and shall not offer the property on any other terms. Every written offer shall contain the legal description or property address,

or both, and city where the property is located, or in the absence of, a clear description unmistakably identifying the property.

17. Regulation 20 CSR 2250-8.140(1) states:

When acting as a broker in a transaction, a broker may use current standardized forms including, but not limited to, contracts, agency disclosures, property management agreements, listing agreements, warranty deeds, quit claim deeds, trust deeds, notes, security instruments and leases, prepared or approved by the broker's counsel or by the counsel for a trade association of which the broker is a member or associate member, or by a Missouri state or local bar association and may complete them by filling in blank spaces to show the parties, property description and terms necessary to close the transaction the broker has procured.

18. Regulation 20 CSR 2250-8.150 states, in relevant part:

...

(2) A broker may arrange for a closing to be administered by a title company, an escrow company, a lending institution or an attorney, in which case the broker shall not be required to sign the closing statement; however, it shall remain the broker's responsibility to require closing statements to be prepared, to review the closing statements to verify their accuracy and to deliver the closing statements to the buyer and the seller or cause them to be delivered. The detailed closing statement shall contain all material financial aspects of the transaction, including the sale price, the earnest money received, any mortgages or deeds of trust of record, all monies received by the broker, closing agent or company in the transaction, the amount, and payee(s) of all disbursements made by the broker, closing agency or company and the signatures of the buyer and seller.

(3) The brokers for the buyer and the seller shall retain legible copies of both buyer's and seller's signed closing statements.

19. Regulation 20 CSR 2250-8.160 states, in relevant part:

(1) Every broker shall retain for a period of at least three (3) years true copies of all business books; accounts, including voided checks; records; contracts; brokerage relationship agreements, closing statements and correspondence or other written authorization relating to each real estate transaction that the broker has handled. The records shall be made available for inspection by the commission and its authorized agents at all times during usual business hours at the broker's regular place of business. No broker shall charge a separate fee relating to retention of records.

(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.

20. Regulation 20 CSR 2250-8.200(1) states:

When managing a property a licensee shall not rent or lease, offer to rent or lease, negotiate, or offer or agree to negotiate, the rent or lease, list or offer to list for lease or rent, assist or direct in procuring of prospects calculated to result in the lease or rent, assist or direct in the negotiation of any transaction calculated or intended to result in the lease or rent, or show that property to prospective renters or lessees unless the licensee's broker holds a current written property management agreement or other written authorization signed by the owner of the real estate or the owner's authorized agent.

21. Regulation 20 CSR 2250-8.220 states, in relevant part:

- (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 owner(s) 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.
- (7) In addition to the notification required by section 339.105.2, RSMo, each broker, upon the request of the commission or its agent, shall consent to the examination and audit of the broker's property management escrow account(s) by the commission or its agent. As part of the consent, each broker shall execute a form presented to him/her by the commission or its agent entitled Consent to Examine and Audit Escrow or Trust Account.
- (8) Each check written on an escrow account, or each corresponding check stub, or other record of disbursement of funds from the account and each deposit ticket shall indicate the related transaction. Each check written on an escrow account for licensee fees or commission shall be made payable to the licensee who is owed the fee or commission or to the firm's general operating account.

22. Licensees' conduct, as described in paragraphs 3 through 5 above, constitutes cause to discipline Licensees' licenses.

23. Cause exists for the Commission to take disciplinary action against Licensees' licenses under § 339.100.2(3), (15), (16), (19) and (23), RSMo, which states in pertinent part:

2. The Commission may cause a complaint to be filed with the administrative hearing commission as provided by chapter 621, RSMo, against any state-certified real estate appraiser, state-licensed real estate appraiser, or any person who has failed to renew or has surrendered his or her certificate or license for any one or any combination of the following causes:

...

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

...

(23) Assisting or enabling any person to practice or offer to practice any profession licensed or regulated under sections 339.010 to 339.180\* who is not registered and currently eligible to practice under sections 339.010 to 339.860\*.[.]

#### Joint Agreed Disciplinary Order

24. Based upon the foregoing, the parties mutually agree and stipulate that the following shall constitute the disciplinary order entered by the Commission in this matter under the authority of §§ 536.060, 621.045.4 and 621.110, RSMo.

25. The terms of discipline shall include that **Licensee's license shall be on probation for five (5) years.** Licensee King's broker associate license, license number 2014014750, broker associate license, license number 2013041711, broker license, license number 2003011721 and Licensee King Realty's real estate association license, license number 2013041710 are hereby placed on PROBATION for five (5) years. During the period of probation, Licensees shall be entitled to practice as a real estate broker associate and real estate association, respectively, provided Licensees adhere to all the terms stated herein. The period of probation shall constitute the "disciplinary period."

26. **Terms and conditions of the disciplinary period.** Terms and conditions of the disciplinary period are as follows:

### Specific Terms

a. Licensees shall repay the missing funds, as described in paragraph 4b above, to Douglas Bruce, P.O. Box 26018, Colorado Springs, Colorado, 80936 within twelve months of the effective date of this Agreement. Licensees shall submit written proof of such repayment to the Commission within five (5) business days of making the payment, provided, however, that proof of repayment shall also be submitted to the Commission within twelve (12) months of the effective date of this Agreement.

b. Licensees shall, at their own expense, ensure that quarterly audits of their registered escrow account, Account 0207, maintained at Mazuma Credit Union, are conducted and completed by a certified public accountant (CPA) approved by the Commission. Within 15 calendar days of the effective date of this Settlement Agreement, Licensees shall submit to the MREC in writing a list of at least three CPAs, including name, address, and relationship to Licensees. The Commission may approve one or more of the listed CPAs or may require Licensees, on grounds that are reasonable, to submit additional names for consideration and approval. Licensees shall, at their expense, retain an approved CPA to conduct and complete the quarterly audits for one (1) year of the disciplinary period. The first such quarterly audit shall begin with the quarter ending December 30, 2015 and continue through and conclude with the quarter ending September 30, 2016. Within seven calendar days of completion of each quarterly audit, Licensees shall provide the MREC with written confirmation of the audit's completion. Further, within 30 days of completion of each quarterly audit, the certified public accountant conducting and completing the audit will mail to the MREC by certified mail, return receipt requested, a signed statement from the CPA confirming that his/her firm completed a reconciliation of the account and matched the reconciled balance to the check register and the total of all reported owner and/or tenant balances. All documents necessary to prove the reconciliation should be submitted with the CPA's statement. If the CPA should find that the three-way reconciliation does not match, the CPA report should include the details and documentation necessary to show that all discrepancies were identified and corrected.

### General Terms

- a. Licensees shall keep the MREC apprised at all times in writing of their current addresses and telephone numbers at each place of residence and business. Licensees shall notify the MREC in writing within ten days of any change in this information.
- b. Licensees shall timely renew Licensee's licenses, timely pay all fees required for license renewal, and comply with all other requirements necessary to maintain their licenses in a current and active state. During the disciplinary period, Licensees shall not place their licenses on inactive status as would otherwise be allowed under 20 CSR 2250-4.050. Alternatively, without violating the terms and conditions of this Settlement Agreement, Licensees may surrender their real estate licenses by submitting a letter to the MREC. If Licensees apply for a real estate license after surrender, Licensees shall be required to requalify as if original applicants and the MREC will not be precluded from basing its decision, wholly or partially, on the findings of fact, conclusions of law, and discipline set forth in this Settlement Agreement.
- c. Licensees shall meet in person with the MREC or its representative at any such time and place as required by the MREC or its designee upon notification from the MREC or its designee. Said meetings will be at the MREC's discretion and may occur periodically during the probation period.
- d. Licensees shall immediately submit documents showing compliance with the requirements of this Order to the MREC when requested by the MREC or its designee.
- e. During the probationary period, Licensees shall accept and comply with unannounced visits from the MREC's representatives to monitor compliance with the terms and conditions of this Order.
- f. Licensees shall comply with all relevant provisions of Chapter 339, RSMo, as amended; all rules and regulations of the MREC; and all local, state, and federal laws. "State" as used herein refers to the State of Missouri and all other states and territories of the United States.
- g. Licensee King shall report to the MREC each occurrence of Licensee King's being finally adjudicated and found guilty, or entering a plea of guilty or nolo contendere, in a state or federal criminal prosecution, to felony or misdemeanor offenses, within ten business days of each such occurrence.

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

28. This Agreement does not bind the Commission or restrict the remedies available to it concerning any future violations by Licensee of Chapter 339, RSMo, as amended, or the regulations promulgated thereunder, or of the terms of this Agreement.

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

30. The parties to this Agreement understand that the Missouri Real Estate Commission will maintain this Agreement as an open record of the Commission as provided in Chapters 339, 610 and 324, RSMo.

31. The terms of this settlement agreement are contractual, legally enforceable, and binding, not merely recital. Except as otherwise provided 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.

32. Licensees, together with Licensees' heirs and assigns, and Licensees' attorneys, do hereby waive, release, acquit and forever discharge the Commission, its respective members and any of its employees, agents, or attorneys, including any former Commission members, employees, agents, and attorneys, of, or from, any liability, claim, actions, causes of action, fees, costs and expenses, and compensation, including but not limited to, any claims for attorney's fees and expenses, including any claims pursuant to § 536.087, RSMo, or any claim arising under 42 U.S.C. § 1983, which may be based upon, arise out of, or relate to any of the matters raised in this case, its settlement, or from the negotiation or execution of this settlement agreement. The parties acknowledge that this paragraph is severable from the remaining portions of this settlement agreement in that it survives in perpetuity even in the event that any court of law deems this settlement agreement or any portion thereof to be void or unenforceable.

33. If no contested case has been filed against Licensees, Licensees have the right, either at the time the settlement agreement is signed by all parties or within fifteen days thereafter, to submit the agreement to the Administrative Hearing Commission for determination that the facts agreed to by the parties to the

settlement agreement constitute grounds for denying or disciplining the licenses of Licensees. If Licensees desire the Administrative Hearing Commission to review this Agreement, Licensees may submit this request to: **Administrative Hearing Commission, Truman State Office Building, Room 640, 301 W. High Street, P.O. Box 1557, Jefferson City, Missouri 65101.**

34. If Licensees have requested review, Licensees and Commission jointly request that the Administrative Hearing Commission determine whether the facts set forth herein are grounds for disciplining Licensees' licenses and issue findings of fact and conclusions of law stating that the facts agreed to by the parties are grounds for disciplining Licensees' licenses. Effective the date the Administrative Hearing Commission determines that the agreement sets forth cause for disciplining Licensees' licenses, the agreed upon discipline set forth herein shall go into effect. If the Administrative Hearing Commission issues an order stating that the Settlement Agreement does not set forth cause for discipline, then the Commission may proceed to seek discipline against Licensees as allowed by law. If the Licensees do not submit the agreement to the Administrative Hearing Commission for determination, the agreement shall become effective fifteen (15) days following the signature of the Commission's Executive Director.

**LICENSEES**

*Monica L*

King Realty LLC  
Monica King, owner

*Monica L*

Monica King

Date 11-2-15

**COMMISSION**

*Joseph Denkler*

Joseph Denkler  
Executive Director  
Missouri Real Estate Commission

Date 11/10/15