BEFORE THE MISSOURI REAL ESTATE COMMISSION

MISSOURI REAL ESTATE COMMISSION	)	
	)	
Petitioner,	)	
	)	
v.	)	No. 17-1038 RE
	)	
	)	
GLYN P. STRONG, JR.	)	
	)	
Respondent.	)	

FINDINGS OF FACT, CONCLUSIONS OF LAW
AND DISCIPLINARY ORDER

On or about September 5, 2018, the Administrative Hearing Commission entered its Decision ("Decision") in the case of *Missouri Real Estate Commission v. Nvest Realty Group, LLC, dba Nvest Realty Group, The Good Crew, LLC, N-Vest, Nvest, Nvest Property Management & Realty, Caleb G. Anthony, and Glyn P. Strong, Jr.*, No. 17-1038 RE. In that Decision, the Administrative Hearing Commission found that Respondent Glyn P. Strong, Jr.'s broker salesperson license (license no. 2010041374) is subject to disciplinary action by the Missouri Real Estate Commission ("Commission") pursuant to § 339.100.2 (1), (3), (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 February 6, 2019, at the Division of Professional Registration, 3605 Missouri Boulevard,

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

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 the meeting. 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 in person or 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. Nvest Realty Group, LLC, dba Nvest Realty Group, The Good Crew, LLC, N-Vest, Nvest, Nvest Property Management & Realty, Caleb G. Anthony, and Glyn P. Strong, Jr.*, Case No. 17-1038 RE, issued September 5, 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 failed to appear in person or through legal counsel at the hearing before the Commission.

4. This Commission licensed Respondent Glyn P. Strong, Jr. as a broker salesperson, license number 2010041374. Respondent's license was not current at all times relevant to this proceeding. On June 30, 2018, Respondent's broker salesperson 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 September 5, 2018, in *Missouri Real Estate Commission v. Nvest Realty Group, LLC, dba Nvest Realty Group, The Good Crew, LLC, N-Vest, Nvest, Nvest Property Management & Realty, Caleb G. Anthony, and Glyn P. Strong, Jr.*, Case No. 17-1038 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 September 5, 2018, Respondent's broker salesperson license, number 2010041374, is subject to disciplinary action by the Commission pursuant to § 339.100.2(1), (3), (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 broker salesperson license of Glyn P. Strong, Jr. (license no. 2010041374)

is hereby **REVOKED**. Respondent is hereby **ORDERED** to pay a civil penalty of $2,500 by certified check made payable to the "Missouri Real Estate Commission" and mail to the Missouri Real Estate Commission, P.O. Box 1339, Jefferson City MO 65102-1339. Said certified check must be postmarked or hand delivered within 60 days of the date of this Order. Funds received pursuant to this Order shall be handled in accordance with Section 7 of Article IX of the Missouri Constitution and § 339.205.8, RSMo. All evidence of Respondent's licensure shall be immediately returned to the Commission within 30 days of this Order, 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 15th **DAY OF** FEBRUARY **, 2019.**

MISSOURI REAL ESTATE COMMISSION

Terry Moore

Terry W. Moore, Executive Director

Before the
Administrative Hearing Commission
State of Missouri

MISSOURI REAL ESTATE COMMISSION,	)	
	)	
Petitioner,	)	
	)	
vs.	)	No. 17-1038
	)	
NVEST REALTY GROUP, LLC, d/b/a NVEST REALTY GROUP, THE GOOD CREW, LLC, N-VEST, NVEST, NVEST PROPERTY MANAGEMENT & REALTY, CALEB G. ANTHONY, and GLYN P. STRONG, JR.,	)	
	)	
Respondents.	)	

DECISION

The licenses of Nvest Realty Group, LLC, d/b/a Nvest Realty Group, the Good Crew, LLC, N-vest, Nvest, Nvest Property Management & Realty Group (Nvest), Caleb G. Anthony, and Glyn P. Strong, Jr., (collectively, Respondents) are subject to discipline.

Procedure

On June 22, 2017, the Missouri Real Estate Commission (MREC) filed a complaint against Respondents. Respondents were served by certified mail with a copy of the complaint and our notice or hearing/notice of complaint.[1] On July 20, 2017, Nvest filed an answer, and on July 24, 2017, Strong filed an answer. On February 13, 2018, with our leave, the MREC filed an amended complaint. On February 20, 2018, Nvest and Strong separately filed answers to the

amended complaint. On February 27, 2018, we held a hearing on the amended complaint. Assistant Attorney General Ross Keeling represented the MREC. Harold F. Glass, with Millington, Glass, Love & Young, represented Nvest. Catherine A. Reade, with Haden, Cowhert & Bullock, LLC, represented Strong. Anthony represented himself. The matter became ready for our decision on May 15, 2018, the date the last written argument was filed.

Commissioner Renee T. Slusher, having read the full record including all the evidence, renders the decision. Section 536.080.2;[2] *Angelos v. State Bd. of Regis'n for the Healing Arts*, 90 S.W.3d 189 (Mo. App. S.D. 2002).

Findings of Fact[3]

1. Caleb G. Anthony ("Anthony") holds a real estate broker salesperson license. At all relevant times, Anthony's license was current and active.

2. Glyn P. Strong Jr. ("Strong") holds a real estate salesperson license. At all relevant times, Strong's real estate salesperson license was current and active. Strong was issued a Missouri broker salesperson license, which is current and active at the present time.

3. Nvest is a Missouri limited liability company, charter no. LC1391085.

4. At all relevant times, Nvest was licensed with the MREC as a real estate association.

5. Nvest does business under the fictitious names Nvest Realty Group, which is registered with the MREC. N-vest, Nvest, Nvest Property Management & Realty, and The Good Crew LLC, are registered fictitious names owned by Nvest.

6. At all relevant times, Anthony was the designated broker of Nvest. Anthony transferred his real estate license on October 23, 2015, and his license is no longer associated with Nvest.

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[1] There was no date of service for Nvest, but its certified mail receipt was filed with us on June 28, 2017. Strong and Anthony were both served on June 27, 2017.

[2] Statutory references, unless otherwise noted, are to RSMo 2016.

7. On or about July 13-16, 2015, July 20-23, 2015, August 27-30, 2015, and August 5-6 and 10, 2015, an MREC auditor conducted an audit and examination of Nvest's business records and escrow accounts (Audit) for the period of July 1, 2014 to June 30, 2015 (the Audit Period).

8. All documents received by the MREC representative during the Audit are true and accurate copies of all documents presented to the auditor by Respondents.

9. During the Audit Period, Nvest maintained four escrow accounts with Central Bank of the Ozarks, which was formerly Emprise Bank. The account numbers and respective balances remained the same when Emprise Bank became Central Bank of the Ozarks. Those accounts are as follows: Security Deposit Escrow Account in which tenants' security deposits were deposited, No. XXXXX5931 ("SD5931"), Property Management Rental Account, No. XXXXX4466 ("PM4466"), Sales Escrow Account (First), No. XXXXX6871 ("SE6871"), Sales Escrow Account (Second), No. XXXXX6876 (SE6876).

10. During all relevant times, Nvest acted as its own maintenance company under the fictitious name of "The Good Crew," which provided Nvest with maintenance and services needed to manage properties.

COUNT I

11. During the Audit Period, the following transfers of funds were made from SD5931 to PM4466, without documentation as to the related transaction, as follows:

a.	07/17/2014	Telephone Transfer	$18,755.00
b.	07/28/2014	Telephone Transfer	$20,000.00

[3] We found the majority of the facts based on a stipulation of facts between all parties. Exhibit 1.

c.	07/30/2014	Telephone Transfer	$ 9,000.00
d.	08/01/2014	Telephone Transfer	$10,000.00
e.	08/18/2014	Telephone Transfer	$25,000.00
f.	09/18/2014	Infoline Transfer	$30,000.00
g.	09/25/2014	Transfer (other)	$15,000.00
h.	10/16/2014	Transfer (other)	$15,000.00
i.	10/23/2014	Transfer (other)	$12,000.00
j.	11/05/2014	Transfer (other)	$ 1,250.00
k.	01/29/2015	Transfer (other)	$ 6,000.00
l.	03/25/2015	Transfer (other)	$10,000.00

12. During the Audit Period, the following transfers of funds were made from PM4466 for payment of the indicated checks without documentation as to the related transaction, and disbursed to the named recipients as follows:

a.	07/07/2014	Nvest	$ 8,755.00	Ck. # 4139
b.	07/07/2014	The Good Crew	$10,000.00	Ck. # 4138
c.	07/08/2014	Nvest	$ 2,000.00	Ck. # 4140
d.	07/08/2014	The Good Crew	$10,000.00	Ck. # 4142
e.	08/11/2014	The Good Crew	$ 2,500.00	Ck. # 4243
f.	09/29/2014	The Good Crew	$15,000.00	Ck. # 4367
g.	10/24/2014	The Good Crew	$12,000.00	Ck. # 4463
h.	01/30/2015	The Good Crew	$10,000.00	Ck. # 4678
i.	02/03/2015	The Good Crew	$ 5,000.00	Ck. # 4682

j.	02/05/2015	Nvest	$ 5,000.00	Ck. # 4685
k.	03/02/2015	The Good Crew	$13,000.00	Ck. # 4739
l.	03/05/2015	The Good Crew	$ 3,000.00	Ck. # 4746
m.	03/10/2015	The Good Crew	$ 20,000.00	Ck. # 4756

13. The above stated fund transfers were unexplained, and neither Anthony nor Strong was able to provide the MREC with documentation for the transfers or confirm the purpose of the activity.

14. On August 5, 2014, checks numbered 4217 through 4238 were issued from the Rental Account PM4466 in the total amount of $21,738.66 for payroll.

15. On July 2, 2014, check No. 004137 was issued from PM4466 in the amount of $100.00, and on March 4, 2015, check Nos. 4744 for $5,000.00 and 4745 for $1,000.00, each to Strong. Strong was unable to provide any explanation or documentation to the MREC that explained the purpose of the disbursements.

16. On April 23, 2015, check No. 4817 was issued to Justin E. Cravens in the amount of $1,182.00, and on September 16, 2014, check No. 4312 was issued to Justin & Nicole Cravens in the amount of $6,000.00, in partial payment of the purchase price of a business sale.

COUNT II

17. During the Audit Period, $1,089.51 in application fees collected by Nvest were deposited into SE6871 that were not timely removed.

18. During the Audit Period, Nvest failed to timely remove $140.00 in funds owed to the brokerage from SE6871, which were earned as a result of an agreement between Nvest and Grisham Investments.

19. During the Audit Period, Nvest failed to timely remove $110.00 in funds owed to the brokerage from SE6871, which were earned as a result of an agreement between Nvest and Tanner Brook Properties, LLC.

20. During the Audit Period, Nvest failed to timely remove $225.00 in funds owed to the brokerage from SE6871, which were earned as a result of an agreement between Nvest and Tom & Alison Legg.

21. During the Audit Period, Nvest failed to timely remove $118.50 in funds owed to the brokerage from SE6871, which were earned as a result of an agreement between Nvest and Tom Cannon.

22. During the Audit Period, Nvest failed to timely remove $187.50 in funds owed to the brokerage from SE6871, which were earned as a result of an agreement between Nvest and Hogg Creek Properties, LLC.

23. During the Audit Period, Nvest failed to timely remove $106.50 in funds owed to the brokerage from SE6871, which were earned as a result of an agreement between Nvest and Howard and Pat Canada.

24. On October 24, 2014, Nvest disbursed payment in the amount of $500.00 to City Utilities via automatic debit from SE6871 for payment of utility charges for the brokerage.

25. On April 1, 2014, Nvest disbursed payment in the amount of $250.00 to TriTel via check No. 20114 from SE6871 for payment of the brokerage's web domain maintenance.

26. During the Audit period, certain transfers and deposits were made into SE6871 from Nvest under the name of The Good Crew, LLC, for which Anthony and Strong could show no documentation, and could not explain a legitimate business purpose. The transactions are as follows:

a.	08/11/2014	$1,000.00
b.	08/20/2014	$1,500.00
c.	09/29/2014	$500.00
d.	09/29/2014	$1,000.00
e.	10/24/2014	$400.00
f.	11/13/2014	$2,000.00
g.	11/21/2014	$1,500.00
h.	12/05/2014	$1,000.00
i.	01/02/2015	$1,000.00
j.	02/05/2015	$2,720.00
k.	02/19/20115	$300.00
l.	02/27/2015	$600.00
m.	03/13/2015	$2,000.00
n.	03/27/2015	$100.00
o.	05/05/2015	$500.00
p.	05/15/2015	$550.00
q.	05/29/2015	$500.00
r.	06/22/2015	$300.00

COUNT III

27. During the Audit Period, Nvest disbursed funds on several occasions from PM4466, creating shortages in the amount of $158,381.99. Those disbursements are identified as follows:

a. 08/05/2014, checks numbered 4217 – 4238, creating a shortage of $21,738.66.

b. 07/02/2014, check number 4137, creating a shortage of $100.00.

c. 07/07/2014, check number 4139, creating a shortage of $8,755.00.

d. 07/07/2014, check number 4138, creating a shortage of $10,000.00.

e. 07/08/2014, check number 4140, creating a shortage of $2000.00.

f. 08/11/2014, and 09/29/2014, checks numbered 4142, 4243, and 4367, respectively, creating a shortage of $27,500.00.

g. 9/23/2014, check number 24817, issued by former broker but cleared on Nvest Realty Group LLC's escrow account, creating a shortage of $1,770.10.

h. 10/24/2014, 01/21/2015, and 02/03/2015, checks numbered 4463, 4678, and 4682, respectively, creating a shortage in of$27,000.00.

i. 02/05/2015, check number 46985, creating a shortage of $5,000.00.

j. 02/05/2015, check number 4684, creating a shortage of $1012.50.

k. 03/02/2015, check number 4739, creating a shortage of $13,000.00.

l. 03/04/2015, checks numbered 4744 and 4745, creating a shortage of $6,000.00.

m. 03/05/2015 and 03/10/2015, checks numbered 4746 and 4756, respectively, creating a shortage of $23,000.00.

n. 09/16/2014, and 04/23/2015, checks numbered 4312 and 4817, respectively, creating a shortage of $7,182.00.

o. 07/16/2014, check number 4155, creating a shortage of $450.00.

28. During the Audit Period, at which time no brokerage funds were maintained or set aside in the account for account maintenance, various fees and service charges were charged to PM4466 from July 2014 through June 2015, creating shortages in the amount of $1,423.78.

29. During the Audit Period, Nvest disbursed funds for the return of security deposits and for costs associated with termination of tenancy on several occasions from PM4466 without appropriate reimbursement from security deposit accounts, creating shortages as follows:

a. 06/30/2015, checks numbered 4990 and 4991, creating a shortage of $550.00.

b. 04/13/2015 and 04/15/2015, checks numbered 4819 and 4820, respectively, creating a shortage of $499.95.

c. 11/07/2014 and 03/17/2015, checks numbered 4477 and 4766, respectively,

creating a shortage of $900.

d. 05/13/2015, check number 4890, creating a shortage of $500.00.

30. During the Audit Period, Nvest disbursed funds on several occasions from SE6871, creating shortages in the amount of $11,861.97. Those disbursements are identified as follows:

a. 09/09/2014, Tele/wire Transfer to Good Crew, creating a shortage of $1,000.00.

b. 09/29/2014, NSF paid Service charge, creating a shortage of $30.00.

c. 10/01/2014, Tele/wire Transfer to Metro Escrow, creating a shortage of $100.00.

d. 10/24/2014, automatic debit to City Utilities, creating a shortage of $500.00.

e. 08/06/2014, check number 20053, creating a shortage of $42.99.

f. 04/01/2015, check number 20114, creating a shortage of $250.00.

g. 07/29/2014, check number 20022, creating a shortage of $300.00.

h. 10/24/2014, check number 20056, creating a shortage of $695.00.

i. 10/24/2014, check number 20057, creating s shortage of $650.00.

j. 11/03/2014, check number 20059, creating a shortage of $950.00.

k. 12/02/2014, check number 20068, creating a shortage of $695.00.

l. 01/22/2015, check number 20080, creating a shortage of $713.64.

m. 01/28/2015, check number 20083, creating a shortage of $699.03.

n. 03/16/2015, check number 20096, creating a shortage of $700.00.

o. 06/17/2015, check number 20123, creating a shortage of$4,400.00.

p. Fees and service charges shown on a bank statement for SE6871 from July, 2014 through June, 2015.

COUNT IV

31. During the Audit Period, Nvest failed to maintain a record of liabilities for SE6871.

32. During the Audit Period, Nvest charged a $25.00 application fee to prospective tenants. Fees paid by credit or debit card were processed by an outside vendor, Square, Inc., and

subject to a 3.5% processing fee. Fees processed through the accounting software vendor, Apfolio, were subject to a $10.00 processing fee. Nvest did not maintain records for the application fees, or the processing fees charged by Square, Inc., or Apfolio showing the amount due to the brokerage. All fees were left in SE6871 as brokerage funds.

33. During the Audit Period, Nvest collected fees for the negotiation of certain leases on behalf of property owners for properties not otherwise managed by Nvest. Due to the lack of agency agreements, the appropriate commissions due to Nvest for the negotiation of those leases could not be determined. Nvest did not maintain records showing the amount due to the brokerage, and all fees were left in SE6871 as brokerage funds. Those certain leases, listed by owner and address, are as follows:

a. Grisham Investments, 1443 North Fontaine, Springfield, MO.

b. Tanner Brook Properties LLC, 3329 S. Doris, Springfield, MO.

c. Tom & Allison Legg, 3732 S Colgate, Springfield, MO.

d. Tom Cannon, 2229 N. Johnston, Springfield, MO.

e. Hogg Creek Properties, LLC 1412 Collins Rd., Springfield, MO.

f. Howard and Pat Canada, 1924 N. Drury Unit B, Springfield, MO.

34. During the Audit Period, certain transfers were made into SE6871 from Nvest and from The Good Crew without any documentation or explanation as to the purpose of the transfer, or of a transaction associated with each transfer. The brokerage failed to keep a record showing those brokerage funds in the account, of the transfers that had been made. Those transfers are as follows:

a. 08/11/2014, $1,000.00

b. 08/20/2014, $1,500.00

c. 09/29/2014, $500.00

d. 09/29/2014, $1,000.00

e. 10/24/2014, $400.00

f. 11/13/2014, $2,000.00

g. 11/21/2014, $1,500.00

h. 12/05/2014, $1,000.00

i. 01/02/2015, $1,000.00

j. 02/05/2015, $2,720.00

k. 02/19/2015, $300.00

l. 02/27/2015, $600.00

m. 03/13/2015, $2,000.00

n. 03/27/2015, $100.00

o. 05/07/2015, $500.00

p. 05/15/2015, $500.00

q. 06/22/2015, $300.00

35. During the Audit Period, on September 9, 2014, a transfer of $1,000.00 was made from SE6871 to The Good Crew LLC without any documentation or explanation as to the purpose of the transfer, or of a transaction associated with the transfer.

36. During the Audit Period, certain checks were issued from SE6871 to Nvest, without any documentation or explanation as to the purpose of the checks, or of a transaction associated with each check. Those checks are as follows:

a.	07/29/2014, check number 20022	$300.00
b.	10/24/2014, check number 20056	$695.00
c.	10/24/2014, check number 20057	$650.00
d.	11/03/2014, check number 0057	$950.00
e.	12/02/2014, check number 20068	$695.00
f.	01/22/2015, check number 20080	$713.64
g.	01/28/2015, check number 20083	$669.03
h.	03/16/2015, check number 20096	$700.00
i.	06/17/2015, check number 20132	$4,400.00

37. During the Audit Period, on June 24, 2015, a deposit was made into SE6871 in the amount of $2,550.00. On that same day, a check was issued to cash from that account in the same amount of $2,550.00, without any documentation or explanation as to the purpose of the transactions.

38. At the time of the Audit, the examiner was unable to reconcile SD5931 due to the inadequacy of Nvest's records.

39. During the Audit Period, certain transfers were made from SD5931 to PM4466 without any documentation or explanation as to the purpose of the transfer, or of a transaction associated with each transfer. Those transfers are as follows:

a. 07/17/2014 $18,755.00

b. 07/28/2014 $20,000.00

c. 07/30/2014 $9,000.00

d. 08/01/2014 $10,000.00

e. 08/18/2014 $25,000.00

f. 09/18/2014 $30,000.00

g. 09/15/2014 $15,000.00

h. 10/16/2014 $15,000.00

i. 10/23/2014 $12,000.00

j. 11/05/2014 $1,250.00

k. 01/29/2015 $6,000.00

l. 03/25/2015 $10,000.00

40. During the Audit Period, certain transfers were made into SD5931 without any documentation or explanation as to the purpose of the transfer, or of a transaction associated with each transfer. Those transfers are as follows:

a. 08/08/2014, $7,445.32

b. 04/09/2015, $825.00

41. During the Audit Period, several instances occurred where Nvest charged tenants certain amounts for security deposit dispositions. Those dispositions were never disbursed from SD5931; rather, they were recorded on the register as un-reconciled checks. Although no paper checks were ever produced, the dispositions were recorded by check number. The owners and

properties involved, with the respective dates of disposition and assigned check numbers, are as follows:

a. 07/07/2014, Wellington, 2037 S. Ventura, $350.00, Ck. #9
b. 07/08/2014, Winters, 619 E. Talmage, 400.00, Ck. #10
c. 07/08/2014, Sikes, 3912 W. Kay Point, $800.00, Ck. # 11
d. 08/05/2014, Olson, 4121 E. Windsong, $3,000.00, Ck. #22
e. 08/13/2014, Kelly, 3873 E. Washita, $1,195.00, Ck. #23
f. 08/13/2014, Taylor, 3028, Village Lane, $400.00, Ck #24
g. 09/02/2014, Harris/Walker, 1630 N. National, $400.00, Ck. #34
h. 09/16/2014, Moody, 926 E. Pythian, $600.00, Ck. #35
i. 10/07/2014, Perry, 1442 Lindberg, $400.00, Ck. #36
j. 10/16/2014, Rosebrock, 2728 W. Vincent, $850.00, Ck. #37
k. 12/01/2014, Palmer, 2837 W. Elm, $495.00, Ck. #46
l. 12/02/2014, Buch, 1226 W. Kerr, $125.00, Ck. #7
m. 12/11/2014, Kelly, 1435 Camino Alto, $500.00, Ck. # 49
n. 12/29/2014, Curry, 1806 W. Webster, $275.00, Ck. # 50
o. 03/17/2015, Stevens, 1091 Bond Ct., $900.00, Ck. #60
p. 03/17/2015, Broekhoven, 2056 S. Cedarbrook, $900, Ck. # 61
q. 03/17/2015, Todd, 1115 E. Pythian, $600.00, Ck. #62
r. 03/17/2015, Beer/Smith, 1220 W. Chase, $600.00, Ck. # 63
s. 03/17/2015, Walker, 2028 N. East Ave., $400.00, Ck. # 63
t. 03/17/2015, Slavens, 212 N. Duke, $700.00, Ck. #63
u. 03/17/2015, Figgins, 920 Dustin, Ln., $700.00, Ck. #63
v. 03/17/2015, Aufiero, 2315 W. Village Ln., $700.00, Ck. # 63
w. 03/18/2015, Johnson, 1633 E. Bennett, $1.100.00, Ck. # 64
x. 05/04/2015, Lamoureaux, 2037 S Ventura, $525.00, Ck. # 66
y. 05/04/2015, McGuane, 1437 E. Camino Alto, $500.00, Ck. # 67
z. 05/04/2015, Grammer, 922 E. Pythian, $500.00, Ck. #67
aa. 05/04/2015, Smallwood, 1461 E. Camino Alto, $700.00, Ck. # 67
bb. 05/04/2015, Hafer, 807 N. 43rd, $750.00, Ck. #67
cc. 05/04/2015, Keyes/Weber, 923 N. Florence, $500.00, Ck. #67
dd. 05/04/2015, Nihu, 649 S. Grandview, $500.00, Ck. #67

ee. 05/04/2015, Davis & Aikins, 1424 S. Jefferson, $500.00, Ck. # 67

ff. 05/04/2015, Erikson, 3028 W. Village Lane, B, $400.00, Ck. # 67

gg. 05/04/2015, Snider/Conway, 1806 W. Chestnut, $550.00, Ck. # 67

hh. 05/04/2015, Ramo, 937 E. Pythian, $501.00, Ck. # 67

ii. 05/18/2015, Kiser, 3203 W. Riverside, $500.00, Ck. # 68

jj. 05/18/2015, Davis, 834 S. Duke, $850.00, Ck. # 69

kk. 06/03/2015, Holzknecht, 1422 Lindberg, $450.00, Ck. # 70

ll. 06/11/2015, Carey, 2980 W. Roxbury, $400.00, Ck. # 71

mm. 06/11/2015, Martin, 1441 N. Rogers, $500.00, Ck. # 71

nn. 06/11/2015, Morrow, 1192 S Hwy MM, $500.00, Ck. #71

oo. 06/11/2015, Bogue, 811 W. Brower, $750, Ck. # 72

pp. 06/30/2015, Rosebrock, 2728 W. Vincent, $800.00, Ck. # 74

qq. 06/30/2015, Entrekin, 601 W. Bell, $350.00, Ck. #74

rr. 06/30/2015, Knight, 1108 S. Colgate, $550.00, Ck. # 74

ss. 06/30/2015, Browning, 1026 E. Cambridge, $700.00, Ck. # 74

tt. 06/30/2015, Bray, 2297 Arlington, $1,200.00, Ck. # 74

uu. 06/30/2015, Russo, 3851 S Jonathan, $600.00, Ck. # 74

42. In May and June, 2015, check registers showed that several security deposit dispositions were made from SD5931; however, disbursements related to those transactions were not reflected on the corresponding bank statements, and no transfers had been made in order to replenish the account.

43. Nvest's brokerage reconciliation report for SD5931 dated June 30, 2015 shows un-reconciled items as far back as 2012, which was prior to the Nvest Realty Group's purchase of J.E. Cravens Investments, LLC. Due to Nvest's failure maintain adequate records, the true outstanding items cannot be determined.

44. At the time of the Audit, Nvest was unable to provide an accurate record of liabilities to PM4466.

45. During the Audit Period, Nvest's check register showed transfers from SD5931 into PM4466. The reconciliation report shows several of those transfers as being un-reconciled. As of

the Audit cutoff date, it was undeterminable which of the transfers had been made and which transfers were outstanding.

46. During the Audit Period, according to the owner statements dated June 30, 2015 for 23 properties managed under management agreements, Nvest should have been holding $9,362.73. In addition, $46,817.54 should have been held for properties managed without management agreements. Therefore, PM4466 should have been holding a total of $56,180.27, but according to June 30, 2015 bank statements, the balance of that account was only $17,621.02.

47. From July 2014 through March 2015, $173,505.00 was transferred from SD5931 to PM4466 without any documentation or explanation as to the purpose of the transfer, or of a transaction associated with each transfer.

48. Nvest's bank deposit report, dated December 1, 2014, shows security deposit transfers into PM4466 that were not reflected on the corresponding bank statement for that account. Documentation fails to account for $1,600.00 in alleged transfers into that account on bank statements.

49. Nvest's tenant ledger reports show NSF fee payments by tenants to Nvest in the amount of $45.00 on July 10, 2014, August 8, 2014, November 4, 2014, and March 10, 2015, were transferred into PM4466; however, after payment of associated bank fees, if any, the remaining funds were left in that account as brokerage funds. The auditor was unable to determine the amount of NSF fees remaining in the account.

50. Nvest's brokerage check register and reconciliation report for PM4466, dated June 30, 2015, shows unreconciled items as far back as 2013, which was prior to the Nvest Realty Group's purchase of J.E. Cravens Investments, LLC. Due to Nvest's failure to maintain adequate records, the true outstanding items cannot be determined.

51. Nvest's tenant ledger report for Straub/Buch, 1226 W. Kerr, Springfield, Missouri, shows a transfer of $575.00 for a security deposit refund to PM4466. Nvest's bank account activity report for SD5931 shows that only $125.00 of that amount was refunded to tenants. No other accounting of the remaining funds was made, and it is undeterminable whether those funds remain in SD5931 or PM4466.

COUNT V

52. During the Audit Period, Nvest performed the duties of a property manager on 222 different properties without a current written property management agreement from the respective owners of each property, and/or without a written assignment from the former property manager of each property, if any.

COUNT VI

53. During the Audit Period, Nvest made a deposit on April 9, 2014, into SE5931 without indicating a related transaction on each deposit ticket.

54. During the Audit Period, Nvest made numerous deposits into SE6871, SE6876, and PM4466 without indicating a related transaction recorded on each deposit ticket.

COUNT VII

55. During the Audit Period, Nvest made several bank transfers that failed to indicate a related transaction on the bank transfers and/or on the brokerage's journal entry detail reports. Those transfers are as follows:

a. 07/10/2014, $18,755.00

b. 07/22/2014, $20,000.00

c. 08/01/2014, $10,000.00

d. 08/18/2014, $25,000.00

e. 09/18/2014, $30,000.00

f. 09/25/2014, $15,000.00

g. 10/16/2014, $15,000.00

h. 10/23/2014, $12,000.00

i. 11/05/2014, $1,250.00

j. 01/29/2015, $6,000.00

k. 03/25/2015, $10,000.00

56. Greg Hagebush was an employee of Nvest who did maintenance, office work, and helped with some financial situations. Hagebush at times would instruct Nvest's bookkeepers to take money out of the security deposit account to pay operating expenses.

57. Hagebush left employment with Nvest during the Audit Period.

58. Strong was one of the owners of Nvest. He actively participated in the day-to-day operations of the business and was familiar with its business practices and improprieties.

59. Strong also instructed Nvest's bookkeepers to take money out of the security deposit account to pay operating expenses and to transfer funds between accounts. Strong primarily signed checks from Nvest's accounts.

60. At times during the Audit Period, homeowners did not receive rent due to them. When the homeowners called in inquire into the non-payment, the calls were directed to Strong to address.

61. In addition to being the designated broker for Nvest, Anthony also served as its leasing agent. Anthony showed and leased properties, and collected security deposits from tenants.

Evidentiary Issues

Nvest offered Exhibit A into evidence, and the MREC objected to its relevance. We took the objection with the case. Exhibit A is an affidavit of Andrew C. Fischer, managing member of Nvest and custodian of records for The Good Crew. The affidavit states that as of February 26, 2018, (a) security deposit escrow account no. 2785 is fully funded to cover all claims for return of security deposits; and (b) property management rental account no. 2782 is fully funded to remit the property owners all rents due.

The MREC objected, arguing that this information is not relevant because it addresses something that has occurred since the complaint was filed. Nvest argued that the exhibit is relevant to the conduct of Nvest and its owners and employees – particularly whether the actions taken were willful or intended to harm others.

We overrule the objection and accept Exhibit A into evidence.

Conclusions of Law

We have jurisdiction to hear the MREC's complaint. Section 621.045. The MREC bears the burden of proving that Respondents' licenses are subject to discipline by a preponderance of the evidence. *See Kerwin v. Mo. Dental Bd.*, 375 S.W.3d 219, 229-30 (Mo. App. W.D. 2012) (dental licensing board demonstrates "cause" to discipline by showing preponderance of evidence). A preponderance of the evidence is evidence showing, as a whole, that "the fact to be proved [is] more probable than not." *Id.* at 230.

We must judge the credibility of witnesses,[4] as well as the weight and value of the evidence. *Faenger v. Petty,* 441 S.W.3d 199, 204 (Mo. App. W.D. 2014). We have the

[4] There was no testimony at the hearing. Depositions taken of Anthony, Strong, Zach Fischer, and Holly Campbell were admitted into evidence. Exhibits 2-5.

discretion to believe all, part, or none of the testimony of any witness. *Dorman v. State Bd. of Regis'n for the Healing Arts,* 62 S.W.3d 446, 455 (Mo. App. W.D. 2001). When there is a direct conflict in the testimony, we must make a choice between the conflicting testimony. *Harrington v. Smarr,* 844 S.W.2d 16, 19 (Mo. App. W.D. 1992).

Because the parties stipulated to most of the facts, there is no question that there are irregularities at Nvest, as we will discuss below. The issue before us is the responsibility of each Respondent for those irregularities and whether Respondents' licenses are subject to discipline.

With regard to Anthony's liability, § 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 2250-8.120(7) provides:

> 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).

Under these laws, Anthony was responsible for the acts of Nvest and for the maintenance of the escrow accounts. Anthony argues that he had no knowledge of the financial problems at Nvest, but he was responsible, under the regulation, to ensure Nvest's compliance with the statutes and rules.

Likewise, Strong argues that he knew nothing of the irregularities. In his brief, he attributes any violations to Greg Hagebush.[5] The evidence contradicts this assertion, and Strong never testified to this in his deposition. The evidence supports that Strong was actively involved in the management of the business, signed the majority of the checks, instructed the bookkeeper to transfer funds between accounts, and otherwise knew of the irregularities addressed in our Findings of Fact. Furthermore, Hagebush was not employed during the entire Audit Period. We do not find Strong to be a credible witness.

In its written argument, Nvest argues that no one was harmed because of Anthony's and Strong's "loose" supervision, and that finding cause for discipline against it is "too harsh[.]" We disagree. Nvest is liable for the actions of its owners and agents. A limited liability company, like a corporation, "is an artificial being, and as an entity it must act through an agent." *Sutherland v. Sutherland*, 348 S.W.3d 84, 92 (Mo. App. W.D. 2011) (quoting *Carter v. St. John's Reg'l Med. Ctr.*, 88 S.W.3d 1, 9 (Mo. App. S.D. 2002) (internal quotation omitted)).

I. Cause for Discipline

The MREC argues there is cause to discipline Respondents' licenses pursuant to §339.100:

> 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 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;

[5] In its reply brief, the MREC argues that Strong changes the stipulated facts to blame Hagebush, and notes that this is impermissible if the stipulated facts are "clear as to content and purpose." *Buckner v. Buckner*, 912 S.W.2d 65, 70 (Mo. App. W.D. 1995) ("stipulations of fact are controlling and conclusive, and courts are bound to enforce them").

. . . . .

(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 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[.]

A. Violation of Statute or Rule – Subdivision (15)

The MREC argues that Respondents violated § 339.105, which 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 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 service charges related to the account.

2. Each **broker** shall notify the commission of his or her intent not to maintain an escrow account, or the name of the financial institution in which each escrow or trust account is maintained, the name and number of each such account, and shall file written authorization directed to each financial institution to allow the commission or its authorized representative to examine each such account; such notification and authorization shall be submitted on forms provided therefor by the commission. A broker shall notify the commission within ten business days of any change of his or her intent to maintain an escrow account, the financial institution, account numbers, or change in account status.

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.

(Emphasis added). The MREC argues that the following acts of Respondents violated § 339.105:

- payment of brokerage operating expenses from the sales escrow account in Count II, which constitutes commingling;
- transferring money from Nvest and The Good Crew into the sales escrow account as alleged in Count II, which constitutes commingling and failure to account;
- failing to remove brokerage funds from the sales escrow account monthly, as alleged in Count II, which constitutes commingling;
- overspending the owners' funds in the property management escrow accounts in Count III, which resulted in a failure to maintain client funds in a separate escrow account;
- failing to maintain the records that would be necessary to determine the adequacy of the escrow accounts as set forth in Count IV.

All of these acts are in violation of this statute. Pursuant to § 339.100.2(15) and for the violation of § 339.105, there is cause to discipline Strong's real estate broker salesperson license in that he is the only Respondent that was a broker during the Audit Period for which § 339.105 applies.

Section 339.780.2 provides:

> Before engaging in any of the activitiesenumerated in section 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 agreementshall 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.

(Emphasis added.) The MREC argues that Anthony violated this statute because Nvest performed the duties of a property manager on behalf of property owners without a current written property management agreement, as set forth in Count V. We agree. There is cause to discipline Anthony's license under § 339.100.2(15) for violation of § 339.780.2.

Regulation 20 CSR 2250-8.120(6) provides:

> 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 real estate transaction(s). Each check written on an escrow account for commission shall be made payable to the licensee to whom the commission is owed or to the firm's general operating account.

The MREC argues that Respondents violated this regulation by failing to indicate the related transaction on each deposit ticket for deposits into an escrow account, as set forth in Count VI. We agree. There is cause discipline Respondents' licenses pursuant to § 339.100.2(15) for violation of 20 CSR 2250-8.120(6).

Regulation 20 CSR 2250-8.200(1) provides:

> When managing 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.

The MREC argues that Respondents violated this regulation because Nvest performed the duties of a property manager on behalf of property owners without a current written property management agreement, as set forth in Count V. We agree. There is cause to discipline Respondents' licenses pursuant to § 339.100.2(15) for violation of 20 CSR 2250-8.200(1).

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.

(Emphasis added). The MREC argues that by disbursing funds on behalf of property owners from the escrow accounts when the owners' account balances were insufficient to cover the disbursements, as set forth in Count III, Respondents violated this regulation. We agree that as a broker, Anthony violated this regulation during the audit period. There is cause to discipline Anthony's license pursuant to § 339.100.2(15) for violation of 20 CSR 2250-8.220(1).

Regulation 20 CSR 2250-8.220(6) provides:

> Fees or commissions payable to a broker must be withdrawn from a property management escrow account at least once a month unless otherwise agreed in writing. Any rent paid in advance as a deposit for the last month's rent or as rent other than the current month's rent held by a broker shall be deposited in the property management escrow account unless otherwise agreed to in writing.

The MREC argues that Respondents failed to remove brokerage funds from the sales escrow account monthly, as alleged in Count II, and this constitutes commingling and is in violation of this regulation. We agree. There is cause to discipline Respondents' licenses pursuant to § 339.100.2(15) for violating 20 CSR 2250-8.220(6).

Regulation 20 CSR 2250-8.220(8) provides:

> 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.

The MREC argues that the unexplained disbursement of escrow funds and failure to indicate the related transaction on each corresponding record of disbursement, as set forth in Count I, violate this regulation. The MREC also argues that by failing to indicate the related transaction on the record of each bank transfer involving an escrow account, as set forth in Count VII, Respondents violated this regulation. We agree. There is cause to discipline Respondents' licenses pursuant to § 339.100.2(15) for violation of 20 CSR 2250-8.220(8).

B. Failure to Maintain/Deposit in Separate Account – Subdivision (1)

Respondents failed to maintain funds in separate accounts, commingled funds, and disbursed funds on behalf of property owners from the escrow accounts when the owners' account balances were insufficient to cover the disbursements. There is cause to discipline Respondents' licenses pursuant to § 339.100.2(1).

C. Failure to Account for/Remit Moneys – Subdivision (3)

Respondents failed within a reasonable time to account for or to remit money when it failed to maintain records that would be necessary to determine the adequacy of the escrow accounts and disbursed escrow funds without explanation. They failed to indicate related transactions on each corresponding record of disbursement of funds. There is cause to discipline Respondents' licenses pursuant to § 339.100.2(3).

D. Otherwise Grounds to Refuse License – Subdivision (16)

Section 339.040.1 provides:

> Licenses shall be granted only to persons who present, and corporations, associations, partnerships, limited partnerships, limited liability companies, and professional corporations whose officers, managers, associates, general partners, or members who actively participate in such entity's brokerage, broker-salesperson, or salesperson business present, satisfactory proof to the commission that they:
>
> (1) Are persons of good moral character;
>
> (2) Bear a good reputation for honesty, integrity, and fair dealing; and
>
> (3) Are competent to transact the business of a broker or salesperson in such a manner as to safeguard the interest of the public.

Good moral character is honesty, fairness, and respect for the law and the rights of others. *Hernandez v. State Bd. of Regis'n for Healing Arts*, 936 S.W.2d 894, 899 n.1 (Mo. App. W.D.

1997). The numerous violations cited above, including commingling funds, show that Strong and Anthony lack good moral character. They failed to adhere to the statutes and regulations of their industry that are in place to protect the public and the individuals they serve as professionals. Likewise, Nvest demonstrated a lack of good moral character through the acts of Strong and Anthony.

Reputation means "the estimation in which one is generally held: the character commonly imputed to one as distinct from real or inherent character[,]" WEBSTER'S THIRD NEW INTERNATIONAL DICTIONARY 1929 (unabr. 1986). No evidence was presented about Respondents' reputations.

Competence is defined as "having requisite or adequate ability or qualities[.]" MERRIAM-WEBSTER'S COLLEGIATE DICTIONARY 253 (11th ed. 2004). Respondents' many violations clearly show that Strong and Anthony lack competence to fulfill their responsibilities as professionals. Likewise, Nvest demonstrated a lack of good moral character through the acts of Strong and Anthony.

The MREC has established that there is cause to discipline Respondents' licenses pursuant to § 339.100.2(16) for lack of good moral character and incompetency.

E. Other Conduct – Subdivision (19)

The MREC argues that there is cause for discipline under § 339.100.2(19) 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 § 339.100.2(1), (3), (15) and (16). There is no "other" conduct. Therefore, we find no cause for discipline under § 339.100.2(19).

Summary

The Board has cause to discipline Anthony's real estate broker salesperson license, Nvest's real estate association license, and Strong's real estate salesperson license pursuant to § 339.100.2(1), (3), (15) and (16). The Board does not have cause to discipline any of Respondents' licenses pursuant to § 339.100.2(19).

SO ORDERED on September 5, 2018.

RENEE T. SLUSHER
Commissioner

FILED
February 13, 2018
ADMINISTRATIVE HEARING COMMISSION

BEFORE THE
ADMINISTRATIVE HEARING COMMISSION
STATE OF MISSOURI

MISSOURI REAL ESTATE COMMISSION	)	
	)	
Petitioner,	)	
v.	)	No. 17-1038
	)	
NVEST REALTY GROUP, LLC, et al.	)	
	)	
Respondents.	)	

AMENDED COMPLAINT

Petitioner, the Missouri Real Estate Commission ("MREC"), by and through the undersigned counsel, and for its cause of action against Respondents Nvest Realty Group LLC, Caleb G. Anthony, and Glyn P. Strong Jr. 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. Caleb G. Anthony ("Anthony") holds real estate broker salesperson license, No. 2013033343. At all times relevant herein, Anthony's license was current and active.

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

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3. Glyn P. Strong Jr. ("Strong") holds real estate salesperson license, No. 2010041374. At all times relevant herein, Strong's license was current and active. Glyn P. Strong Jr. was issued a Missouri broker salesperson license, number 2010041374 on October 26, 2017, which is current and active at the present time. Strong's broker salesperson license had not been issued during the time of conduct alleged in this Complaint, and he was not the designated broker of Nvest Realty Group, LLC during that time.

4. Nvest Realty Group LLC is a Missouri limited liability company, charter no. LC1391085.

5. At all relevant times herein, Nvest Realty Group, LLC was licensed with the MREC as a real estate association, license No. 2014044125.

6. Nvest Realty Group, LLC (hereinafter referred to as "Nvest") does business under the fictitious names Nvest Realty Group, which is registered with the MREC, N-vest, Nvest, Nvest Property Management & Realty, and The Good Crew LLC, which are registered fictitious names owned by Nvest.

7. At all times relevant herein, Anthony was the designated broker of Nvest; and, as such, Anthony bears responsibility for his own conduct as well as that of Nvest. Anthony transferred his real estate license on October 23, 2015, and his license is no longer associated with Nvest.

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8. Anthony's real estate license is culpable for the conduct and violations revealed by the MREC's audit of Nvest.

9. References herein to Anthony are also references to Nvest.

10. References herein to Nvest are also references to Anthony.

11. At all times relevant herein, although he only held a real estate salesperson license, Strong held himself out as an owner and managing partner of Nvest, and was the office manager for the brokerage, retaining signatory authority over all brokerage escrow accounts. Along with Anthony, Strong was responsible for the maintenance of the escrow accounts and ensuring the brokerage's compliance with the statutes and rules related to the brokerage escrow accounts.

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

13. Section 339.100.2, 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 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

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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 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 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[.]

14. Section 339.105, RSMo, provides, in pertinent 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

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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 service charges related to the account.

2. Each broker shall notify the commission of his or her intent not to maintain an escrow account, or the name of the financial institution in which each escrow or trust account is maintained, the name and number of each such account, and shall file written authorization directed to each financial institution to allow the commission or its authorized representative to examine each such account; such notification and authorization shall be submitted on forms provided therefor by the commission. A broker shall notify the commission within ten business days of any change of his or her intent to maintain an escrow account, the financial institution, account numbers, or change in account status.

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.

15. 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

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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;

16. Section 339.780.2, RSMo, provides:

2. Before engaging in any of the activities enumerated in section 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.

17. State Regulation 20 CSR 2250-8.120(6) provides:

(6) 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 real estate transaction(s). Each check written on an escrow account for commission shall be made payable to the licensee to whom the commission is owed or to the firm's general operating account.

18. 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

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escrow account and shall ensure the brokerage's compliance with the statutes and rules related to the brokerage escrow account(s).

19. State Regulation 20 CSR 2250-8.200(1) provides:

(1) When managing 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.

20. State Regulation 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.

21. State Regulation 20 CSR 2250-8.220(6) provides:

(6) Fees or commissions payable to a broker must be withdrawn from a property management escrow account at least once a month unless otherwise agreed in writing. Any rent paid in advance as a deposit for the last month's rent or as rent other than the current month's rent held by a broker shall be

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deposited in the property management escrow account unless otherwise agreed to in writing.

22. State Regulation 20 CSR 2250-8.220(8) provides:

> (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.

23. On or about July 13-16, 2015; July 20-23, 2015; August 27-30, 2015; and August 5-6 and 10, 2015, an MREC auditor conducted an audit and examination of Nvest's business records and escrow accounts ("Audit") for the period of July 1, 2014 to June 30, 2015 (the "Audit Period").

24. During the Audit Period, Nvest maintained four escrow accounts with Central Bank of the Ozarks, which was formerly Emprise Bank. The account numbers and respective balances remained the same when Emprise Bank became Central Bank of the Ozarks. Those accounts are as follows

a. Security Deposit Escrow Account, No. XXXXX5931 ("SD5931"),

b. Property Management Rental Account, No. XXXXX4466 ("PM4466"),

c. Sales Escrow Account (First), No. XXXXX6871 ("SE6871"),

d. Sales Escrow Account (Second), No. XXXXX6876 (SE6876).

Count I
<u>Improper Business Dealings</u>

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

26. During all times relevant to this Complaint, Nvest acted as its own maintenance company under the fictitious name of "The Good Crew," which provided Nvest with maintenance and services needed to manage properties.

27. During the Audit Period, the following transfers of funds were made from SD5931 to PM4466, without documentation as to the related transaction, as follows:

a.	07/17/2014	Telephone Transfer	$18,755.00
b.	07/28/2014	Telephone Transfer	$20,000.00
c.	07/30/2014	Telephone Transfer	$ 9,000.00
d.	08/01/2014	Telephone Transfer	$10,000.00
e.	08/18/2014	Telephone Transfer	$25,000.00
f.	09/18/2014	Infoline Transfer	$30,000.00
g.	09/25/2014	Transfer (other)	$15,000.00
h.	10/16/2014	Transfer (other)	$15,000.00
i.	10/23/2014	Transfer (other)	$12,000.00
j.	11/05/2014	Transfer (other)	$ 1,250.00
k.	01/29/2015	Transfer (other)	$ 6,000.00
l.	03/25/2015	Transfer (other)	$10,000.00

28. During the Audit Period the following transfers of funds were made from PM4466 for payment of the indicated checks without documentation as to the related transaction, and disbursed to the named recipients as follows:

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a.	07/07/2014	Nvest	$ 8,755.00	Ck. # 4139
b.	07/07/2014	The Good Crew	$10,000.00	Ck. # 4138
c.	07/08/2014	Nvest	$ 2,000.00	Ck. # 4140
d.	07/08/2014	The Good Crew	$10,000.00	Ck. # 4142
e.	08/11/2014	The Good Crew	$ 2,500.00	Ck. # 4243
f.	09/29/2014	The Good Crew	$15,000.00	Ck. # 4367
g.	10/24/2014	The Good Crew	$12,000.00	Ck. # 4463
h.	01/30/2015	The Good Crew	$10,000.00	Ck. # 4678
i.	02/03/2015	The Good Crew	$ 5,000.00	Ck. # 4682
j.	02/05/2015	Nvest	$ 5,000.00	Ck. # 4685
k.	03/02/2015	The Good Crew	$13,000.00	Ck. # 4739
l.	03/05/2015	The Good Crew	$ 3,000.00	Ck. # 4746
m.	03/10/2015	The Good Crew	$ 20,000.00	Ck. # 4756

29. Fund transfers described in paragraphs 27 and 28, above, were unexplained, and neither Anthony nor Strong were able to provide Auditors with documentation for the transfers or confirm the purpose of the activity. The unexplained disbursement of escrow funds is a violation of 20 CSR 2250-8.220(8), and constitutes improper business dealings in violation of § 339.100.2(19), RSMo.

30. On August 5, 2014, checks numbered 4217 through 4238 were issued from Rental Account PM4466 in the total amount of $21,738.66 for payroll. The use of escrow funds for payroll is a failure to maintain funds of others in a

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special or separate account in violation of §§ 339.100.2(1), and 339.105.1, and constitutes improper business dealings in violation of § 339.100.2(19), RSMo.

31. On July 2, 2014, check No. 004137 was issued from the Rental Account PM4466 in the amount of $100.00, and on 03/04/2015 checks No. 4744 for $5,000.00 and No. 4745 for $1,000.00, each to Glyn Strong. Strong was unable to provide any explanation or documentation explaining the purpose of the disbursements. The unexplained disbursement of escrow funds is a violation of 20 CSR 2250-8.220(8), constitutes improper business dealings in violation of § 339.100.2(19), RSMo.

32. On April 23, 2015, a check No. 4817 was issued to Justin E. Cravens in the amount of $1,182.00, and on 09/16/2014 check No. 4312 was issued to Justin & Nicole Cravens in the amount of $6,000.00, in partial payment of the purchase price of a business sale. This use of escrow funds for the payment of business costs or expenses here is a failure to maintain funds of others in a special or separate account in violation of §§ 339.100.2(1), and 339.105.1, and constitutes improper business dealings in violation of § 339.100.2(19), RSMo.

33. Nvest's failure to indicate the related transaction on each corresponding record of disbursement of funds, as described in this Count are violations of 20 CSR 2250-8.220(8).

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34. The conduct of Respondents set forth in this Count constitutes a failure to maintain the funds of others in separate or special accounts, and improper, and/or fraudulent business dealings and/or demonstrates bad faith and/or gross incompetence and/or untrustworthiness, and provides cause to discipline the real estate licenses of Nvest, Anthony, and Strong pursuant to § 339.100.2(1), (3), (15) and (19), 339.105.1, RSMo; and 20 CSR 2250-8.220(8).

Count II
Commingling

35. The MREC realleges and incorporates by reference paragraphs 1 through 34 as though fully set forth herein.

36. During the Audit Period, $1,089.51 in application fees collected by Nvest were deposited into the Sales Escrow Account SE6871 that were not removed timely.

37. During the Audit Period, Nvest failed to remove timely $140.00 in funds owed to the brokerage from Account SE6871, which were earned as a result of an agreement between Nvest and Grisham Investments.

38. During the Audit Period, Nvest failed to remove timely $110.00 in funds owed to the brokerage from Account SE6871, which were earned as a result of an agreement between Nvest and Tanner Brook Properties, LLC.

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39. During the Audit Period, Nvest failed to remove timely $225.00 in funds owed to the brokerage from Account SE6871, which were earned as a result of an agreement between Nvest and Tom & Alison Legg.

40. During the Audit Period, Nvest failed to remove timely $118.50 in funds owed to the brokerage from Account SE6871, which were earned as a result of an agreement between Nvest and Tom Cannon.

41. During the Audit Period, Nvest failed to remove timely $187.50 in funds owed to the brokerage from Account SE6871, which were earned as a result of an agreement between Nvest and Hogg Creek Properties, LLC.

42. During the Audit Period, Nvest failed to remove timely $106.50 in funds owed to the brokerage from Account SE6871, which were earned as a result of an agreement between Nvest and Howard and Pat Canada.

43. On October 24, 2014, Nvest disbursed payment in the amount of $500.00 to City Utilities via automatic debit from Account SE6871 for payment of utilities charges for the brokerage.

44. On April 1, 2014, Nvest disbursed payment in the amount of $250.00 to TriTel via check No. 20114 from Account SE6871 for payment of the brokerage's web domain maintenance. Payment of brokerage operating expenses from the Sales Escrow Account constitutes commingling, and is in violation of § 339.105.1, RSMo.

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45. During the Audit period, certain transfers and deposits were made into Account SE6871 from Nvest under the name of The Good Crew LLC for which Anthony and Strong could show no documentation, and could not explain a legitimate business purpose. The transactions are as follows:

a. 08/11/2014 $1,000.00
b. 08/20/2014 $1,500.00
c. 09/29/2014 $500.00
d. 09/29/2014 $1,000.00
e. 10/24/2014 $400.00
f. 11/13/2014 $2,000.00
g. 11/21/2014 $1,500.00
h. 12/05/2014 $1,000.00
i. 01/02/2015 $1,000.00
j. 02/05/2015 $2,720.00
k. 02/19/2015 $300.00
l. 02/27/2015 $600.00
m. 03/13/2015 $2,000.00
n. 03/27/2015 $100.00
o. 05/05/2015 $500.00
p. 05/15/2015 $550.00
q. 05/29/2015 $500.00
r. 06/22/2015 $300.00

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Transferring money from Nvest and The Good Crew LLC into the sales escrow account as alleged in this paragraph constitutes commingling and failure to account, and is in violation of § 339.105.1, and 339.105.3, RSMo.

46. Nvest's failure to remove brokerage funds from the Sales Escrow Account monthly, as alleged in this Count, constitutes commingling, and is in violation of 20 CSR 2250-8.220(6), §§ 339.100.2(15), and 339.105.1, RSMo.

47. Nvest's payment of brokerage operating expenses from the Sales Escrow Account, as alleged in this Count, constitutes commingling, and is in violation of § 339.105.1, RSMo.

48. Based on Nvest's conduct alleged in Count 2, herein, and its violations of 20 CSR 2250-8.220(6) and § 339.105.1, RSMo, cause exists to discipline Respondents' real estate licenses pursuant to § 339.100.2(1), (3), and (15), and § 339.105.3, RSMo.

Count III
Insufficient Account Balance to Cover Disbursements

49. The MREC realleges and incorporates by reference paragraphs 1 through 48 as though fully set forth herein.

50. During the Audit Period, Nvest disbursed funds on several occasions from the property management account PM4466, creating shortages in the account of $158,381.99. Those disbursements are identified as follows:

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a. 08/05/2014, checks numbered 4217 – 4238, creating a shortage of $21,738.66.

b. 07/02/2014, check number 4137, creating a shortage of $100.00

c. 07/07/2014, check number 4139, creating a shortage of $8,755.00.

d. 07/07/2014, check number 4138, creating a shortage of $10,000.00.

e. 07/08/2014, check number 4140, creating a shortage of $2000.00

f. 08/11/2014, and 09/29/2014, checks numbered 4142, 4243, and 4367, respectively, creating a shortage of $27,500.00.

g. 9/23/2014, check number 24817, issued by former broker but cleared on Nvest Realty Group LLC's escrow account, creating a shortage of $1,770.10.

h. 10/24/2014, 01/21/2015, and 02/03/2015, checks numbered 4463, 4678, and 4682, respectively, creating a shortage in of $27,000.00.

i. 02/05/2015, check number 46985, creating a shortage of $5,000.00

j. 02/05/2015, check number 4684, creating a shortage of $1012.50.

k. 03/02/2015, check number 4739, creating a shortage of $13,000.00.

l. 03/04/2015, checks numbered 4744 and 4745, creating a shortage of $6,000.00.

m. 03/05/2015 and 03/10/2015, checks numbered 4746 and 4756, respectively, creating a shortage of $23,000.00

n. 09/16/2014, and 04/23/2015, checks numbered 4312 and 4817, respectively, creating a shortage of $7,182.00.

o. 07/16/2014, check number 4155, creating a shortage of $450.00.

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51. During the Audit Period, at which time no brokerage funds were maintained or set aside in the account for account maintenance, various fees and service charges were charged to the property management account PM4466 from July 2014 through June 2015, creating shortages in the account in the amount of $1,423.78.

52. During the Audit Period, Nvest disbursed funds for the return of security deposits and for costs associated with termination of tenancy on several occasions from the Property Management Escrow Account PM4466 without appropriate reimbursement from security deposit accounts, creating shortages as follows:

a. 06/30/2015, checks numbered 4990 and 4991, creating a shortage of $550.00
b. 04/13/2015 and 04/15/2015, checks numbered 4819 and 4820, respectively, creating a shortage of $499.95
c. 11/07/2014 and 03/17/2015, checks numbered 4477 and 4766, respectively, creating a shortage of $900.
d. 05/13/2015. Check number 4890, creating a shortage of $500.00.

53. During the Audit Period, Nvest disbursed funds on several occasions from the property management escrow account SE6871, creating shortages in the account in the amount of $11,861.97. Those disbursements are identified as follows:

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a. 09/09/2014, Tele/wire Transfer to Good Crew, creating a shortage of $1,000.00.

b. 09/29/2014, NSF paid Service charge, creating a shortage of $30.00.

c. 10/01/2014, Tele/wire Transfer to Metro Escrow, creating a shortage of $100.00.

d. 10/24/2014, automatic debit to City Utilities, creating a shortage of $500.00.

e. 08/06/2014, check number 20053, creating a shortage of $42.99.

f. 04/01/2015, check number 20114, creating a shortage of $250.00.

g. 07/29/2014, check number 20022, creating a shortage of $300.00.

h. 10/24/2014, check number 20056, creating a shortage of $695.00.

i. 10/24/2014, check number 20057, creating s shortage of $650.00.

j. 11/03/2014, check number 20059, creating a shortage of $950.00.

k. 12/02/2014, check number 20068, creating a shortage of $695.00.

l. 01/22/2015, check number 20080, creating a shortage of $713.64.

m. 01/28/2015, check number 20083, creating a shortage of $699.03.

n. 03/16/2015, check number 20096, creating a shortage of $700.00.

o. 06/17/2015, check number 20123, creating a shortage of $4,400.00.

p. Fees and service charges shown on bank statement for Account SE6871 from July, 2014 through June, 2015.

54. By disbursing funds on behalf of property owners, from the escrow accounts when the owners' account balances were insufficient to cover the disbursements, Nvest violated 20 CSR 2250-8.220(1), set forth above.

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55. The overspending of the owners' funds in the property management escrow accounts resulted in a failure to maintain client funds in a separate escrow account in violation of § 339.105.1, set forth above.

56. Based on Nvest's conduct, and violations of § 339.105.1, RSMo, and 20 CSR 2250-8.220(1), as alleged in this Count, cause exists to discipline Respondents' real estate license pursuant to § 339.100.2(1) and (15), RSMo.

Count IV
Insufficient Records

57. The MREC realleges and incorporates by reference paragraphs 1 through 56 as though fully set forth herein.

58. During the Audit Period, Nvest failed to maintain a record of liabilities for the Sales Escrow Account SE6871.

59. During the Audit Period, Nvest charged a $25 application fee to prospective tenants. Fees paid by credit or debit card were processed by an outside vendor, Square, Inc. and subject to a 3.5% processing fee. Fees processed through the accounting software vendor, Apfolio, were subject to a $10 processing fee. Nvest did not maintain records for the application fees, or the processing fees charged by Square, Inc. or Apfolio for processing showing the amount due to the brokerage. All fees were left in the escrow account SE6871 as brokerage funds.

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60. During the Audit Period, Nvest collected fees for the negotiation of certain leases on behalf of property owners for properties not otherwise managed by Nvest. Due to the lack of agency agreements, the appropriate commissions due to Nvest for the negotiation of those leases could not be determined. Nvest did not maintain records showing the amount due to the brokerage, and all fees were left in the escrow account SE6871 as brokerage funds. Those certain leases, listed by owner and address, are as follows:

a. Grisham Investments, 1443 North Fontaine, Springfield, MO.
b. Tanner Brook Properties LLC, 3329 S. Doris, Springfield, MO.
c. Tom & Allison Legg, 3732 S Colgate, Springfield, MO.
d. Tom Cannon, 2229 N. Johnston, Springfield, MO.
e. Hogg Creek Properties, LLC 1412 Collins Rd., Springfield, MO.
f. Howard and Pat Canada, 1924 N. Drury Unit B, Springfield, MO.

61. During the Audit period, certain transfers were made into the escrow account SE6871 from Nvest and from the Good Crew without any documentation or explanation as to the purpose of the transfer, or of a transaction associated with each transfer. The brokerage failed to keep a record showing those brokerage funds in the account, of the transfers that had been made. Those transfers are as follows:

a. 08/11/2014, $1,000.00
b. 08/20/2014, $1,500.00
c. 09/29/2014, $500.00

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d. 09/29/2014, $1,000.00

e. 10/24/2014, $400.00

f. 11/13/2014, $2,000.00

g. 11/21/2014, $1,500.00

h. 12/05/2014, $1,000.00

i. 01/02/2015, $1,000.00

j. 02/05/2015, $2,720.00

k. 02/19/2015, $300.00

l. 02/27/2015, $600.00

m. 03/13/2015, $2,000.00

n. 03/27/2015, $100.00

o. 05/07/2015, $500.00

p. 05/15/2015, $500.00

q. 06/22/2015, $300.00

62. During the Audit period, certain transfers were made from the escrow account SE6871 to The Good Crew LLC without any documentation or explanation as to the purpose of the transfer, or of a transaction associated with each transfer. Those transfers are as follows:

a. 09/09/2014, $1,000.00

63. During the Audit Period, certain checks were issued from escrow account SE6871 to Nvest, without any documentation or explanation as to the purpose of the checks, or of a transaction associated with each check. Those checks are as follows:

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a. 07/29/2014, check number 20022, $300.00

b. 10/24/2014, check number 20056, $695.00

c. 10/24/2014, check number 20057, $650.00

d. 11/03/2014, check number 20059, $950.00

e. 12/02/2014, check number 20068, $695.00

f. 01/22/2015, check number 20080, $713.64

g. 01/28/2015, check number 20083, $669.03

h. 03/16/2015, check number 20096, $700.00

i. 06/17/2015, check number 20132, $4,400.00

64. During the Audit Period, on 06/24/2015, a deposit was made into escrow account SE6871 in the amount of $2,550.00. On that same day, a check was issued to cash from that account in the same amount of $2,550.00, without any documentation or explanation as to the purpose of the transactions.

65. At the time of the Audit, the examiner was unable to reconcile the security deposit escrow deposit SD5931 due to the inadequacy of Nvest's records.

66. During the Audit period, certain transfers were made from the escrow account SD5931 to the property management escrow account, PM4466 without any documentation or explanation as to the purpose of the transfer, or of a transaction associated with each transfer. Those transfers are as follows:

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a. 07/17/2014, $18,755.00

b. 07/28/2014, $20,000.00

c. 07/30/2014, $9,000.00

d. 08/01/2014, $10,000.00

e. 08/18/2014, $25,000.00

f. 09/18/2014, $30,000.00

g. 09/15/2014, $15,000.00

h. 10/16/2014, $15,000.00

i. 10/23/2014, $12,000.00

j. 11/05/2014, $1,250.00

k. 01/29/2015, $6,000.00

l. 03/25/2015, $10,000.00

67. During the Audit period, certain transfers were made into the escrow account SD5931 without any documentation or explanation as to the purpose of the transfer, or of a transaction associated with each transfer. Those transfers are as follows:

a. 08/08/2014, $7,445.32

b. 04/09/2015, $825.00

68. During the Audit Period, several instances occurred where Nvest charged tenants certain amounts for security deposit dispositions. Those dispositions were never disbursed from account SD5931, rather they were recorded on the register as un-reconciled checks. Although no paper checks were ever produced, the dispositions were recorded by check number anyway.

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The owners and properties involved, with the respective dates of disposition, and assigned check numbers are as follows:

a. 07/07/2014, Wellington, 2037 S. Ventura, $350.00, Ck. # 9
b. 07/08/2014, Winters, 619 E. Talmage, 400.00, Ck. # 10
c. 07/08/2014, Sikes, 3912 W. Kay Point, $800.00, Ck. # 11
d. 08/05/2014, Olson, 4121 E. Windsong, $3,000.00, Ck. # 22
e. 08/13/2014, Kelly, 3873 E. Washita, $1,195.00, Ck. # 23
f. 08/13/2014, Taylor, 3028, Village Lane, $400.00, Ck # 24
g. 09/02/2014, Harris/Walker, 1630 N. National, $400.00, Ck. # 34
h. 09/16/2014, Moody, 926 E. Pythian, $600.00, Ck. # 35
i. 10/07/2014, Perry, 1442 Lindberg, $400.00, Ck. # 36
j. 10/16/2014, Rosebrock, 2728 W. Vincent, $850.00, Ck. # 37
k. 12/01/2014, Palmer, 2837 W. Elm, $495.00, Ck. # 46
l. 12/02/2014, Buch, 1226 W. Kerr, $125.00, Ck. # 47
m. 12/11/2014, Kelly, 1435 Camino Alto, $500.00, Ck. # 49
n. 12/29/2014, Curry, 1806 W. Webster, $275.00, Ck. # 50
o. 03/17/2015, Stevens, 1091 Bond Ct., $900.00, Ck. # 60
p. 03/17/2015, Broekhoven, 2056 S. Cedarbrook, $900, Ck. # 61
q. 03/17/2015, Todd, 1115 E. Pythian, $600.00, Ck. # 62
r. 03/17/2015, Beer/Smith, 1220 W. Chase, $600.00, Ck. # 63
s. 03/17/2015, Walker, 2028 N. East Ave., $400.00, Ck. # 63
t. 03/17/2015, Slavens, 212 N. Duke, $700.00, Ck. # 63
u. 03/17/2015, Figgins, 920 Dustin, Ln., $700.00, Ck. # 63
v. 03/17/2015, Aufiero, 2315 W. Village Ln., $700.00, Ck. # 63
w. 03/18/2015, Johnson, 1633 E. Bennett, $1.100.00, Ck. # 64
x. 05/04/2015, Lamoureaux, 2037 S Ventura, $525.00, Ck. # 66

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y. 05/04/2015, McGuane, 1437 E. Camino Alto, $500.00, Ck. # 67

z. 05/04/2015, Grammer, 922 E. Pythian, $500.00, Ck. # 67

aa. 05/04/2015, Smallwood, 1461 E. Camino Alto, $700.00, Ck. # 67

bb. 05/04/2015, Hafer, 807 N. 43rd, $750.00, Ck. # 67

cc. 05/04/2015, Keyes/Weber, 923 N. Florence, $500.00, Ck. # 67

dd. 05/04/2015, Nihu, 649 S. Grandview, $500.00, Ck. #67

ee. 05/04/2015, Davis & Aikins, 1424 S. Jefferson, $500.00, Ck. # 67

ff. 05/04/2015, Erikson, 3028 W. Village Lane, B, $400.00, Ck. # 67

gg. 05/04/2015, Snider/Conway, 1806 W. Chestnut, $550.00, Ck. # 67

hh. 05/04/2015, Ramo, 937 E. Pythian, $501.00, Ck. # 67

ii. 05/18/2015, Kiser, 3203 W. Riverside, $500.00, Ck. # 68

jj. 05/18/2015, Davis, 834 S. Duke, $850.00, Ck. # 69

kk. 06/03/2015, Holzknecht, 1422 Lindberg, $450.00, Ck. # 70

ll. 06/11/2015, Carey, 2980 W. Roxbury, $400.00, Ck. # 71

mm. 06/11/2015, Martin, 1441 N. Rogers, $500.00, Ck. # 71

nn. 06/11/2015, Morrow, 1192 S Hwy MM, $500.00, Ck. # 71

oo. 06/11/2015, Bogue, 811 W. Brower, $750, Ck. # 72

pp. 06/30/2015, Rosebrock, 2728 W. Vincent, $800.00, Ck. # 74

qq. 06/30/2015, Entrekin, 601 W. Bell, $350.00, Ck. # 74

rr. 06/30/2015, Knight, 1108 S. Colgate, $550.00, Ck. # 74

ss. 06/30/2015, Browning, 1026 E. Cambridge, $700.00, Ck. # 74

tt. 06/30/2015, Bray, 2297 Arlington, $1,200.00, Ck. # 74

uu. 06/30/2015, Russo, 3851 S Jonathan, $600.00, Ck. # 74

69. In May and June, 2015, check registers show that several security deposit dispositions were made from account SD5931, however disbursements related to those transactions were not reflected on the

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corresponding bank statements, and no transfers had been made in order to replenish the account.

70. Nvest's brokerage reconciliation report for account SD5931 dated 6/30/15 shows un-reconciled items as far back as 2012, which is prior to the Nvest Realty Group's purchase of J.E. Cravens Investments, LLC. Due to Nvest's failure maintain adequate records, the true outstanding items cannot be determined.

71. At the time of the Audit, Nvest was unable to provide an accurate record of liabilities to account PM4466.

72. During the Audit Period, Nvest's check register shows transfers from the security deposit escrow account SD5931 into account PM4466. The reconciliation report shows several of those transfers as being un-reconciled. As of the audit cutoff date it was undeterminable which of the transfers had been made and which transfers were outstanding.

73. During the Audit Period, according to the owner statements dated June 30, 2015 for 23 properties managed under management agreements, Nvest should have been holding $9,362.73. In addition, $46,817.54 should have been held for properties managed without management agreements. Therefore, account PM4466 should have been

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holding a total of $56,180.27, but according to June 30, 2015 bank statements the balance of that account was only $17,621.02.

74. From July 2014 through March 2015, $173,505.00 was transferred from security deposit escrow account SD5931 to account PM4466 without any documentation or explanation as to the purpose of the transfer, or of a transaction associated with each transfer.

75. Nvest's Bank Deposit report, dated December 1, 2014, shows security deposit transfers into account PM4466 which were not reflected on the corresponding bank statement for that account. Documentation fails to account for $1,600.00 in alleged transfers into that account that are not accounted for on bank statements.

76. Nvest's Tenant Ledger Reports show NSF fee payments by tenants to Nvest in the amount of $45.00 on July 10, 2014, August 8, 2014, November 4, 2014, and March 10, 2015, were transferred into account PM4466, however after payment of associated bank fees, if any, the remaining funds were left in that account as brokerage funds. Examiner was unable to determine the amount of NSF fees remaining in the account.

77. Nvest's brokerage check register and reconciliation report for account PM4466, dated 6/30/15, shows unreconciled items as far back as 2013, which is prior to the Nvest Realty Group's purchase of J.E. Cravens

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Investments, LLC. Due to Nvest's failure to maintain adequate records, the true outstanding items cannot be determined.

78. Nvest's Tenant Ledge Report for Straub/Buch, 1226 W. Kerr, Springfield, Missouri, shows a transfer of $575.00 for security deposit refund to account PM4466. Nvest's Bank Account Activity report for account SD5931 shows that only $125.00 of that amount was refunded to tenants. No other accounting of the remaining funds was made, and it is undeterminable whether those funds remain in account SD5931 or PM4466.

79. As a result of the instances described in this Count, Nvest failed to maintain the records that would be necessary to determine the adequacy of the escrow accounts named in each of those instances, in violation of § 339.105.3, RSMo, set forth above.

80. Based on Nvest's violations of § 339.105.3, RSMo, cause exists to discipline Respondents' real estate licenses under § 339.100.2(3) and (15), RSMo.

Count V
Properties Managed Without a Written Agreement

81. The MREC realleges and incorporates by reference paragraphs 1 through 80 as though fully set forth herein.

82. During the Audit Period, Nvest performed the duties of a property manager on 222 different properties without a current written

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property management agreement from the respective owners of each property, and/or without a written assignment from the former property manager of each property, if any.

83. By performing the duties of a property manager on behalf of property owners without a current written property management agreement Nvest violated § 339.780.2, RSMo, and 20-CSR 2250-8.200(1) set forth above.

84. By managing a property without a current written property management agreement Nvest also violated the terms of 20-CSR 2250-8.200(1), set forth above.

85. Based on Nvest's violation of 20-CSR 2250-8.200(1) and §339.780.2, RSMo, cause exists to discipline Respondents' real estate licenses pursuant to §§ 339.780.2 and 339.100.2(15), RSMo.

Count VI
Transactions Not Indicated on Deposit Tickets

86. The MREC realleges and incorporates by reference paragraphs 1 through 85 as though fully set forth herein.

87. During the Audit Period, Nvest made a deposit on April 9, 2014, into account SE5931 without indicating a related transaction on each deposit ticket.

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88. During the Audit Period, Nvest made numerous deposits into accounts SE6871, SE6876, and PM4466 without indicating a related transaction recorded on each deposit ticket.

89. By failing to indicate the related transaction on each deposit ticket for deposits into an escrow account Nvest violated 20 CSR 2250-8.120(6), set forth above.

90. Based on Nvest's violation of 20-CSR 2250-8.120(6), cause exists to discipline Respondents' real estate licenses pursuant to § 339.100.2(15), RSMo.

Count VII
Transactions Not Indicated on Record of Bank Transfers

91. The MREC realleges and incorporates by reference paragraphs 1 through 90 as though fully set forth herein.

92. During the Audit Period, Nvest made several bank transfers which failed to indicate a related transaction on the bank transfers and/or on the Brokerage's Journal Entry Detail reports. Those transfers are as follows:

a. 07/10/2014, $18,755.00
b. 07/22/2014, $20,000.00
c. 08/01/2014, $10,000.00
d. 08/18/2014, $25,000.00
e. 09/18/2014, $30,000.00

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f. 09/25/2014, $15,000.00

g. 10/16/2014, $15,000.00

h. 10/23/2014, $12,000.00

i. 11/05/2014, $1,250.00

j. 01/29/2015, $6,000.00

k. 03/25/2015, $10,000.00

93. By failing to indicate the related transaction on each deposit ticket for deposits into an escrow account Nvest violated 20 CSR 2250-8.220(8), set forth above.

94. Based on Nvest's violation of 20-CSR 2250-8.220(8), cause exists to discipline Respondents' real estate licenses pursuant to § 339.100.2(15), RSMo.

Count VIII
§ 339.100.2(16)

95. The MREC realleges and incorporates by reference paragraphs 1 through 94 as though fully set forth herein.

96. Section 339.100.2(16), 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, RSMo, 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:
>
> . . . . .

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

97. 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:

(1) Are persons of good moral character; and

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

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

98. The conduct of Nvest and Anthony, individual and collectively, as alleged in each count of this Complaint, individually and collectively demonstrates that Nvest and Anthony (1) lack good moral character; (2) do not bear a good reputation for honesty, integrity, and fair dealing; and (3) 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 Nvest and Anthony pursuant to § 339.100.2(16), RSMo.

Count IX

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§ 339.100.2(19)

99. The MREC realleges and incorporates by reference paragraphs 1 through 98 as though fully set forth herein.

100. The conduct of Nvest and Anthony, 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 negligence, providing cause to discipline the real estate licenses of Nvest and Anthony pursuant to § 339.100.2(19), RSMo, set forth above.

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 Nvest, Anthony and Strong 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,

JOSHUA D. HAWLEY
Attorney General
/s/ Ross Keeling

Ross Keeling
Assistant Attorney General

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Attorneys for Petitioner

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BEFORE THE
ADMINISTRATIVE HEARING COMMISSION
STATE OF MISSOURI

FILED

FEB 20 2018

ADMINISTRATIVE HEARING COMMISSION

MISSOURI REAL ESTATE COMMISSION Petitioner,	)	
v.	)	Case No. 17-1038
NVEST REALTY GROUP, LLC d/b/a NVEST REALTY GROUP, THE GOOD CREW, LLC, N-VEST, NVEST, and NVEST PROPERTY MANAGEMENT & REALTY, and CALEB G. ANTHONY, and GLYN P. STRONG, JR. Respondents.	)	

RESPONDENT GLYN P. STRONG, JR'S ANSWER TO AMENDED COMPLAINT

COMES NOW Respondent Glyn P. Strong, Jr., by and through his attorneys of record, Haden, Cowherd & Bullock, L.L.C., and for his Answer to Petitioner's Amended Complaint admits, denies and avers as follows:

Allegations Common to All Counts

1. Respondent Strong admits the allegations contained in paragraph 1 of Petitioner's Amended Complaint.

2. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 2 of Petitioner's Amended Complaint, and, therefore, denies the same.

3. Respondent Strong admits the allegations contained in paragraph 3 of Petitioner's Amended Complaint.

4. Respondent Strong admits the allegations contained in paragraph 4 of Petitioner's Amended Complaint.

5. Respondent Strong admits the allegations contained in paragraph 5 of Petitioner's Amended Complaint.

6. Respondent Strong admits the allegations contained in paragraph 6 of Petitioner's Amended Complaint.

7. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 7 of Petitioner's Amended Complaint, and, therefore, denies the same.

8. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 8 of Petitioner's Amended Complaint, and, therefore, denies the same.

9. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 9 of Petitioner's Amended Complaint t, and, therefore, denies the same.

10. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 10 of Petitioner's Amended Complaint, and, therefore, denies the same.

11. Respondent Strong admits only that Strong was a licensed real estate agent at the time of the events in the Amended Complaint and denies the remaining allegations contained in paragraph 11 of Petitioner's Amended Complaint.

12. Respondent Strong admits only that jurisdiction and venue are proper and denies the remaining allegations contained in paragraph 12 of Petitioner's Amended Complaint.

13. Respondent Strong admits only that RSMo. § 339.100.2 was set forth in part in paragraph 13 of Petitioner's Amended Complaint Compliant and denies the remaining allegations contained in paragraph 13 of Petitioner's Amended Complaint.

14. Respondent Strong admits only that RSMo. § 339.105 was set forth in part in paragraph 14 of Petitioner's Amended Complaint and denies the remaining allegations contained in paragraph 14 of Petitioner's Amended Complaint.

15. Respondent Strong admits only that RSMo. § 339.710(12) was set forth in part in paragraph 15 of Petitioner's Amended Complaint and denies the remaining allegations contained in paragraph 15 of Petitioner's Amended Complaint.

16. Respondent Strong admits only that RSMo. § 339.780.2 was set forth in part in paragraph 16 of Petitioner's Amended Complaint and denies the remaining allegations contained in paragraph 16 of Petitioner's Amended Complaint.

17. Respondent Strong admits only that State Regulation 20 CSR 2250-8.120(6) was set forth in part in paragraph 17 of Petitioner's Amended Complaint and denies the remaining allegations contained in paragraph 17 of Petitioner's Amended Complaint.

18. Respondent Strong admits only that State Regulation 20 CSR 2250-8.120(7) was set forth in part in paragraph 18 of Petitioner's Amended Complaint and denies the remaining allegations contained in paragraph 18 of Petitioner's Amended Complaint.

19. Respondent Strong admits only that State Regulation 20 CSR 2250-8.200(1) was set forth in part in paragraph 19 of Petitioner's Amended Complaint and denies the remaining allegations contained in paragraph 19 of Petitioner's Amended Complaint.

20. Respondent Strong admits only that State Regulation 20 CSR 2250-8.220(1) was set forth in part in paragraph 20 of Petitioner's Amended Complaint and denies the remaining allegations contained in paragraph 20 of Petitioner's Amended Complaint.

21. Respondent Strong admits only that State Regulation 20 CSR 2250-8.220(6) was set forth in part in paragraph 21 of Petitioner's Amended Complaint and denies the remaining allegations contained in paragraph 21 of Petitioner's Amended Complaint.

22. Respondent Strong admits only that State Regulation 20 CSR 2250-8.220(8) was set forth in part in paragraph 22 of Petitioner's Amended Complaint and denies the remaining allegations contained in paragraph 22 of Petitioner's Amended Complaint.

23. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 23 of Petitioner's Amended Complaint, and, therefore, denies the same.

24. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 24 of Petitioner's Amended Complaint, and, therefore, denies the same.

COUNT I
Improper Business Dealings

COMES NOW Respondent Strong, and for his Answer to Count I of Petitioner's Amended Complaint admits, denies and avers as follows:

25. Respondent Strong hereby reavers, reallege, and incorporates herein by reference all of the admissions, denials, and averments contained in paragraphs 1-24 of Petitioner's Amended Complaint in the Allegations Common to All Counts above, as if fully set forth herein *in haec verba*.

26. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 26 in Count I of Petitioner's Amended Complaint, and, therefore, denies the same.

27. Respondent Strong is without sufficient without sufficient information to admit or deny the allegations contained in paragraph 27 in Count I of Petitioner's Amended Complaint, and, therefore, denies the same.

28. Respondent Strong is without sufficient without sufficient information to admit or deny the allegations contained in paragraph 28 in Count I of Petitioner's Amended Complaint, and, therefore, denies the same.

29. Respondent Strong denies the allegations contained in paragraph 29 in Count I of Petitioner's Amended Complaint.

30. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 30 in Count I of Petitioner's Amended Complaint, and, therefore, denies the same.

31. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 31 in Count I of Petitioner's Amended Complaint, and, therefore, denies the same.

32. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 32 in Count I of Petitioner's Amended Complaint, and, therefore, denies the same.

33. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 33 in Count I of Petitioner's Amended Complaint, and, therefore, denies the same.

34. Respondent Strong denies the allegations contained in paragraph 34 in Count I of Petitioner's Amended Complaint.

Count II
Commingling

COMES NOW Respondent Strong, and for his Answer to Count II of Petitioner's Amended Complaint admits, denies and avers as follows:

35. Respondent Strong hereby reavers, reallege, and incorporates herein by reference all of the admissions, denials, and averments contained in paragraphs 1-34 in Petitioner's Amended Complaint in Allegations Common to All Counts and Count I above, as if fully set forth herein *in haec verba.*

36. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 36 in Count II of Petitioner's Amended Complaint, and, therefore, denies the same.

37. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 37 in Count II of Petitioner's Amended Complaint, and, therefore, denies the same.

38. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 38 in Count II of Petitioner's Amended Complaint, and, therefore, denies the same.

39. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 39 in Count II of Petitioner's Amended Complaint, and, therefore, denies the same.

40. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 40 in Count II of Petitioner's Amended Complaint, and, therefore, denies the same.

41. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 41 in Count II of Petitioner's Amended Complaint, and, therefore, denies the same.

42. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 42 in Count II of Petitioner's Amended Complaint, and, therefore, denies the same.

43. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 43 in Count II of Petitioner's Amended Complaint, and, therefore, denies the same.

44. Respondent Strong is without sufficient without to admit or deny the allegations contained in paragraph 44 in Count II of Petitioner's Amended Complaint, and, therefore, denies the same.

45. Respondent Strong denies the allegations contained in paragraph 45 in Count II of Petitioner's Amended Complaint.

46. Respondent Strong denies the allegations contained in paragraph 46 in Count II of Petitioner's Amended Complaint.

47. Respondent Strong denies the allegations contained in paragraph 47 in Count II of Petitioner's Amended Complaint.

48. Respondent Strong denies the allegations contained in paragraph 48 in Count II of Petitioner's Amended Complaint.

Count III
Insufficient Account Balance to Cover Disbursements

COMES NOW respondent Strong, and for his Answer to Count III of Petitioner's Amended Complaint admits, denies and avers as follows:

49. Respondent Strong hereby reavers, reallege, and incorporates herein by reference all of the admissions, denials, and averments contained in paragraphs 1-48 in Petitioner's Amended Complaint t in Allegations Common to All Counts, and Counts I and II above, as if fully set forth herein *in haec verba*.

50. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 50 in Count III of Petitioner's Amended Complaint and, therefore, denies the same.

51. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 51 in Count III of Petitioner's Amended Complaint, and, therefore, denies the same.

52. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 52 in Count III of Petitioner's Amended Complaint, and, therefore, denies the same.

53. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 53 in Count III of Petitioner's Amended Complaint, and, therefore, denies the same.

54. Respondent Strong denies the allegations contained in paragraph 54 in Count III of Petitioner's Amended Complaint.

55. Respondent Strong denies the allegations contained in paragraph 55 in Count III of Petitioner's Amended Complaint.

56. Respondent Strong denies the allegations contained in paragraph 56 in Count III of Petitioner's Amended Complaint.

Count IV
Insufficient Records

COMES NOW respondent Strong, and for his Answer to Count IV of Petitioner's Amended Complaint admits, denies and avers as follows:

57. Respondent Strong hereby reavers, reallege, and incorporates herein by reference all of the admissions, denials, and averments contained in paragraphs 1-56 of Petitioner's Amended Complaint in Allegations Common to All Counts, and Counts I, II, and III above, as if fully set forth herein *in haec verba*.

58. Respondent Strong denies the allegations contained in paragraph 58 in Count IV of Petitioner's Amended Complaint.

59. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 59 in Count IV of Petitioner's Amended Complaint, and, therefore, denies the same.

60. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 60 in Count IV of Petitioner's Amended Complaint, and, therefore, denies the same.

61. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 61 in Count IV of Petitioner's Amended Complaint, and, therefore, denies the same.

62. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 62 in Count IV of Petitioner's Amended Complaint, and, therefore, denies the same.

63. Respondent Strong is without sufficient information to admit or deny the allegations contained paragraph 63 in Count IV of Petitioner's Amended Complaint, and, therefore, denies the same.

64. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 64 in Count IV of Petitioner's Amended Complaint, and, therefore, denies the same.

65. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 65 in Count IV of Petitioner's Amended Complaint, and, therefore, denies the same.

66. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 66 in Count IV of Petitioner's Amended Complaint, and, therefore, denies the same.

67. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 67 in Count IV of Petitioner's Amended Complaint, and, therefore, denies the same.

68. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 68 in Count IV of Petitioner's Amended Complaint, and, therefore, denies the same.

69. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 69 in Count IV of Petitioner's Amended Complaint, and, therefore, denies the same.

70. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 70 in Count IV of Petitioner's Amended Complaint, and, therefore, denies the same.

71. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 71 in Count IV of Petitioner's Amended Complaint, and, therefore, denies the same.

72. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 72 in Count IV of Petitioner's Amended Complaint, and, therefore, denies the same.

73. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 73 in Count IV of Petitioner's Amended Complaint, and, therefore, denies the same.

74. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 74 in Count IV of Petitioner's Amended Complaint, and, therefore, denies the same.

75. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 75 in Count IV of Petitioner's Amended Complaint, and, therefore, denies the same.

76. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 76 in Count IV of Petitioner's Amended Complaint, and, therefore, denies the same.

77. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 77 in Count IV of Petitioner's Amended Complaint, and, therefore, denies the same.

78. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 78 in Count IV of Petitioner's Amended Complaint, and, therefore, denies the same.

79. Respondent Strong denies the allegations contained in paragraph 79 in Count IV of Petitioner's Amended Complaint.

80. Respondent Strong denies the allegations contained in paragraph 80 in Count IV of Petitioner's Amended Complaint.

Count V
Properties Managed Without a Written Agreement

COMES NOW respondent Strong, and for his Answer to Count V of Petitioner's Amended Complaint admits, denies and avers as follows:

81. Respondent Strong hereby reavers, reallege, and incorporates herein by reference all of the admissions, denials, and averments contained in paragraphs 1-80 of Petitioner's Amended Complaint in Allegations Common to All Counts, and Counts I, II, III, and IV above, as if fully set forth herein *in haec verba*.

82. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 82 in Count V of Petitioner's Amended Complaint, and, therefore, denies the same.

83. Respondent Strong denies the allegations contained paragraph 83 in Count V of Petitioner's Amended Complaint.

84. Respondent Strong is without sufficient without sufficient information to admit or deny the allegations contained in paragraph 84 in Count V of Petitioner's Amended Complaint, and, therefore, denies the same.

85. Respondent Strong is without sufficient without sufficient information to admit or deny the allegations contained in paragraph 85 in Count V of Petitioner's Amended Complaint, and, therefore, denies the same.

Count VI
Transactions Not Indicated on Deposit Tickets

COMES NOW respondent Strong, and for his Answer to Count VI of Petitioner's Amended Complaint admits, denies and avers as follows:

86. Respondent Strong hereby reavers, reallege, and incorporates herein by reference all of the admissions, denials, and averments contained in paragraphs 1-85 of Petitioner's Amended Complaint in Allegations Common to All Counts, and Counts I, II, III, IV and V above, as if fully set forth herein *in haec verba.*

87. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 87 in Count VI of Petitioner's Amended Complaint, and, therefore, denies the same.

88. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 88 in Count VI of Petitioner's Amended Complaint, and, therefore, denies the same.

89. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 89 in Count VI of Petitioner's Amended Complaint, and, therefore, denies the same.

90. Respondent Strong denies the allegations contained in paragraph 90 in Count VI of Petitioner's Amended Complaint.

Count VII
Transactions Not Indicated on Record of Bank Transfers

COMES NOW respondent Strong, and for his Answer to Count VII of Petitioner's Amended Complaint admits, denies and avers as follows:

91. Respondent Strong hereby reavers, reallege, and incorporates herein by reference all of the admissions, denials, and averments contained in paragraphs 1-90 of Petitioner's Amended Complaint in Allegations Common to All Counts, and Counts I, II, III, IV, V, and VI above, as if fully set forth herein *in haec verba*.

92. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 92 in Count VII of Petitioner's Amended Complaint, and, therefore, denies the same.

93. Respondent Strong denies the allegations contained paragraph 93 in Count VII of Petitioner's Amended Complaint.

94. Respondent Strong denies the allegations contained paragraph 94 in Count VII of Petitioner's Amended Complaint.

Count VIII
§ 339.100.2(16)

COMES NOW respondent Strong, and for his Answer to Count VIII of Petitioner's Amended Complaint admits, denies and avers as follows:

95. Respondent Strong hereby reavers, reallege, and incorporates herein by reference all of the admissions, denials, and averments contained in paragraphs 1-94 of Petitioner's

Amended Complaint in Allegations Common to All Counts, and Counts I, II, III, IV, V, VI, and VII above, as if fully set forth herein *in haec verba.*

96. Respondent Strong admits only that RSMo. § 339.100.2(16) was set forth in part in paragraph 96 of Petitioner's Amended Complaint and denies the remaining allegations contained in paragraph 96 in Count VIII of Petitioner's Amended Complaint.

97. Respondent Strong admits only that RSMo. § 339.040 was set forth in part in paragraph 97 of Petitioner's Amended Complaint and denies the remaining allegations contained in paragraph 97 in Count VIII of Petitioner's Amended Complaint.

98. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 98 in Count VIII of Petitioner's Amended Complaint, and, therefore, denies the same.

Count IX
§ 339.100.2(19)

COMES NOW respondent Strong, and for his Answer to Count IX of Petitioner's Amended Complaint admits, denies and avers as follows:

99. Respondent Strong hereby reavers, reallege, and incorporates herein by reference all of the admissions, denials, and averments contained in paragraphs 1-98 of Petitioner's Amended Complaint in Allegations Common to All Counts, and Counts I, II, III, IV, V, VI, VII, and VIII above, as if fully set forth herein *in haec verba.*

100. Respondent Strong is without sufficient information to admit or deny the allegations contained in paragraph 100 in Count IX of Petitioner's Amended Complaint, and, therefore, denies the same.

101. Respondent Strong denies the prayer for relief in Petitioner's Amended Complaint.

AFFIRMATIVE DEFENSES

102. Petitioner's claims are barred for the reason that under the facts and matters pled in the Amended Complaint and under the law applicable thereto, Petitioner has failed to state a cause of action against Respondent Strong for which relief can be granted.

103. In further answer and by way of affirmative defense, Respondent Strong states that any damage was caused and/or contributed to be caused by and through the carelessness, negligence, and/or fault of other third parties, as such, persons were contributory negligent.

WHEREFORE Respondent Strong prays to be discharged from Petitioner's Amended Complaint with his costs herein incurred and for such further relief as the Court deems just and proper.

HADEN, COWHERD & BULLOCK, L.L.C.

By *<u>/s/ Catherine A. Reade</u>*

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Attorney for Respondent Glyn P. Strong, Jr.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing document was served upon the Administrative Hearing Commission via facsimile (573) 751-5018, via E-Mail this 19th day of February, 2018 to the following:

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Assistant Attorney General
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/s/ Catherine A. Reade
Catherine A. Reade