

BEFORE THE IOWA REAL ESTATE COMMISSION OF THE STATE OF IOWA

IN THE MATTER OF

Top Priority Property Management LLC
F06380000

RESPONDENT

CASE NO.: 24-238

COMBINED STATEMENT OF
CHARGES, SETTLEMENT
AGREEMENT, AND FINAL ORDER

The Iowa Real Estate Commission ("Commission") and Top Priority Property Management, LLC ("Respondent") enter into this combined Statement of Charges and Settlement Agreement and Final Order ("Order") pursuant to Iowa Code sections 17A.10(2), 272C.3(4), 272C.10, and 193 Iowa Administrative Code rule 7.4.

A. BACKGROUND

1. **Iowa License.** Respondent was issued Iowa real estate firm license F06380000 on July 26, 2022. Respondent's Iowa real estate firm license is active and will next expire on December 31, 2027. At all times relevant to this matter, Jerry Hegtvedt, broker license B42390000, was the licensed real estate broker in charge of the Respondent real estate brokerage firm.

2. **Practice Setting.** Respondent is an Iowa licensed real estate firm located in Waterloo, Iowa. As the broker in charge, Hegtvedt was responsible for ensuring compliance with all applicable rules and regulations governing his assigned real estate firm's operations in the State of Iowa, including maintenance of all trust accounts used by the firm.

3. **Jurisdiction.** The Commission has jurisdiction in this matter pursuant to Iowa Code chapters 17A, 543B, 272C and 193E Iowa Administrative Code rule 18.14.

4. **Allegations.** On November 8, 2024, a Commission auditor completed an examination of Respondent's Iowa real estate trust accounts and transaction records. The auditor examined

Respondent's trust accounts relating to property management activity. The auditor found that fourteen (14) ledger cards (owner balances) had negative numbers in them. The auditor found that Respondent was not properly performing a written three-way tie to document and ensure agreement of the general ledger balance, individual ledgers, and reconciled bank balance. The auditor found that the written reconciliations had questionable entries and outstanding debits. The auditor found one (1) ledger named "Top Priority" that was determined to be a maintenance company that was being run through the trust account and it had a negative balance of \$104,686.80. The auditor also examined Respondent's security deposit account and found that one (1) ledger card (owner balance) had a negative number, and one (1) ledger named "Top Priority" had a negative balance of \$12,816.50.

B. STATEMENT OF CHARGES

COUNT I

5. Respondent is charged under Iowa Code sections 543B.29(1)"d", 543B.29(1)"k", 543B.34(1)"g", and 543B.46 and 193E Iowa Administrative Code rule 13.1(1)"e" for engaging in a practice harmful or detrimental to the public by utilizing the trust account as a business operating account.

COUNT II

6. Respondent is charged under Iowa Code sections 543B.29(1)"d", 543B.29(1)"k", 543B.34(1)"g", and 543B.46 and 193E Iowa Administrative Code rules 13.1(6)"a"(3), 15.1(7)"f", and 18.14(5)"e" for engaging in a practice harmful or detrimental to the public by failing to provide a means for a monthly reconciliation of the Respondent's trust account to ensure agreement of the general ledger balance, reconciled bank balance, and individual ledger accounts.

COUNT III

7. Respondent is charged under Iowa Code sections 543B.29(1)“d”, 543B.29(1)“k”, 543B.34(1)“g”, and 543B.46 and 193E Iowa Administrative Code rules 13.1(6)“c”, 15.1(7)“c” and 18.14(5)“e”(2) for engaging in a practice harmful or detrimental to the public by failing to properly maintain individual ledger accounts and/or withdrawing, paying or transferring money from an owner’s account in excess of the remaining credit balance.

C. SETTLEMENT AGREEMENT

8. Respondent acknowledges that the allegations in the Statement of Charges, if proven in a contested case hearing, would constitute grounds for the discipline agreed to in this Order.

9. To resolve this matter without proceeding to hearing, Respondent agrees to pay a civil penalty in the amount of five thousand dollars (\$5,000), complete additional continuing education relating to trust accounting practices, and engage a Certified Public Accountant to establish trust account records and verify current compliance with applicable trust accounting standards.

10. In entering this Order, Respondent acknowledges the following:

- a. This Order is subject to the approval of the Commission and will have no force or effect if it is not accepted by the Commission.
- b. Counsel for the State will present this Order to the Commission *ex parte*.
- c. I have the right to be represented by counsel in this matter.
- d. I understand I have an opportunity to be heard and to contest the allegations against me in a formal hearing before the Commission and that, by waiving the formal hearing, I waive my right to challenge the allegations against me and all attendant rights, including the right to seek judicial review of the Commission’s actions.

- e. I waive my ability to review the investigative file in this case.
 - f. I understand this Order will be part of my permanent licensure file and may be considered by the Commission in determining the nature and severity of any disciplinary action to be imposed in the event of any future violations.
 - g. I am voluntarily entering into this Order.
 - h. Failure to comply with the provisions of this Order shall be grounds for further disciplinary action pursuant to Iowa Code § 272C.3(2)(a).
 - i. I understand I am responsible for all expenses incurred to comply with the conditions and requirements of this Order.
11. Respondent shall submit a copy of this Order to all licensing boards where Respondent holds a license, whether active or not, within **THIRTY days** of the date of the Commission approval of this Order.
12. This Order constitutes discipline against Respondent pursuant to and in accordance with 193E Iowa Administrative Code rule 18.14, is the final agency action in a contested case pursuant to Iowa Code section 17A.10. This case shall constitute one violation against license number F06380000 for purposes of Iowa Code section 543B.29(4).
13. This Order shall not preclude the Commission from taking additional action against Respondent should Respondent violate laws, rules, or standards of practice administered by the Commission in the future.
14. This Order becomes a public record available for inspection and copying upon execution in accordance with the requirements of Iowa Code Chapters 17A, 22, and 272C.
15. The Commission's approval of this Order shall constitute a **Final Order** of the

Commission.

D. FINAL ORDER

IT IS THEREFORE ORDERED:

A. CIVIL PENALTY: Respondent shall pay a civil penalty in the amount of five thousand dollars (\$5,000), due within eight (8) months of Commission approval of this Settlement Agreement. Respondent shall make the check payable to the "State of Iowa" and mail the check to:

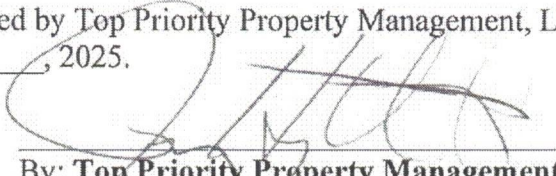
Iowa Real Estate Commission
C/O Ashley Thompson, Executive Officer
6200 Park Avenue
Des Moines, IA 50321

B. EDUCATION: Respondent's broker, Jerry Hegtvedt, shall attend the Commission approved six (6) hour course "Iowa Real Estate Trust Accounts." These hours shall be in addition to any real estate continuing education required by law for license renewal or licensure as a real estate broker. The original certificate of attendance must be submitted to the Iowa Real Estate Commission no later than twelve (12) months after approval of this Settlement Agreement by the Commission.

C. CPA AUDIT: Respondent shall hire an Iowa licensed Certified Public Accountant (CPA) at the Respondent's expense to audit and to establish trust account records following Generally Accepted Accounting Principles for the trust account relating to property management activity. The CPA's audit report demonstrating Respondent's current compliance with applicable standards, Iowa law and Commission trust account rules shall be submitted to the Iowa Real Estate Commission on or before July 1, 2025.

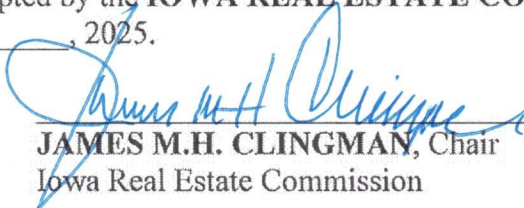
FOR THE RESPONDENT:

Voluntarily agreed to and accepted by Top Priority Property Management, LLC on this
18th day of February, 2025.


By: **Top Priority Property Management, LLC**
Respondent

FOR THE IOWA REAL ESTATE COMMISSION:

Voluntarily agreed to and accepted by the **IOWA REAL ESTATE COMMISSION** on this
6th day of March, 2025.


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