

1 OREGON REAL ESTATE AGENCY
2 BEFORE THE REAL ESTATE COMMISSIONER
3

4 In the Matter of the Real Estate License of)
5) SETTLEMENT AGREEMENT
6 JIM CRABTREE) AND
7) STIPULATED FINAL ORDER
8 _____)
9

10 The Oregon Real Estate Agency (OREA) and Jim Crabtree (Crabtree) do hereby agree
11 and stipulate as follows:

12 1.

13 On April 4, 2014, OREA notified Crabtree that it was initiating disciplinary proceedings
14 based on 35 violations of law, as set out in the Settlement Letter dated April 4, 2014 in this
15 proceeding (see Attachment 1). As a result of this letter, Crabtree requested a settlement
16 conference in a timely manner.

17 2.

18 OREA and Crabtree are willing to resolve this matter by stipulated agreement.

19 3.

20 Crabtree does not desire to contest or defend against the alleged violations and agrees
21 that OREA may enter an order revoking Crabtree's property manager license. The alleged
22 violations for this order include only violations 1-34, as set out in in the Settlement Letter. The
23 civil penalty associated with violation 35, as set out in the Settlement Letter, has been
24 dismissed and will not be pursued further by OREA.

25 4.

26 Crabtree and the OREA agree that the OREA will enter an order revoking Crabtree's
27 property manager license.

28 STIPULATION AND WAIVER

29 I, Crabtree, have read and reviewed the above settlement agreement which has been
30 submitted to me by OREA and further, the order that follows hereafter. I understand that this

1 agreement, stipulation and waiver embodies the full and complete agreement and stipulation
2 between OREA and me. I further understand that if I do not agree with this stipulation I have
3 the right to request a hearing before the Real Estate Commissioner on this matter and to be
4 represented by legal counsel at such a hearing. Hearings are conducted in accordance with
5 the procedures set forth in ORS Chapter 183 and in accordance with the Rules of Practice and
6 Procedure adopted by the Attorney General of the State of Oregon. I freely and voluntarily
7 waive my rights to a hearing and to any OREA or judicial review of this matter. I freely and
8 voluntarily waive my rights to representation by legal counsel at any hearing.

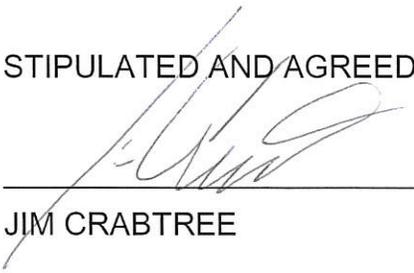
9 I hereby agree and stipulate to the above and understand that the order that follows
10 hereafter may be completed and signed by the Real Estate Commissioner or may be rejected
11 by the Real Estate Commissioner, in which case an amended Settlement Agreement and
12 Stipulated Final Order may be issued in this matter. I understand that in accordance with the
13 provisions of ORS 696.445(3), notice of this order shall be published in the Oregon Real
14 Estate News Journal.

15 ORDER

16 Based on the settlement agreement, which is incorporated herein, the Oregon Real
17 Estate Commissioner orders that the real estate property manager license of Jim Crabtree is
18 hereby revoked.

19
20 STIPULATED AND AGREED:

STIPULATED, AGREED AND ORDERED:

21
22 
23 JIM CRABTREE

24 
25 GENE BENTLEY
26 Real Estate Commissioner

27 Date: MAY 6, 2014

28 Date: 5.7.14

29 DATE of service: 5-8-2014



Oregon

John A. Kitzhaber, MD, Governor

Real Estate Agency

1177 Center ST NE

Salem, OR 97301-2505

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April 4, 2014

JIM CRABTREE
1626 SW FLEET AVE
LINCOLN CITY, OR 97367-2328

Case No: 2013-681, 2013-799 and 2013-814

Dear Jim Crabtree:

Based on the facts developed in the investigation of the referenced complaint file, the Real Estate Agency intends to take administrative action against you or your license for possible violations of Oregon Revised Statutes (ORS) or Oregon Administrative Rules (OAR). A copy of the investigative report is enclosed.

The Real Estate Agency believes that your actions are in violation of the following Agency statutes and rules and are subject to sanction under ORS 696.301.

1. By failing to file with the Real Estate Agency, on forms approved by the Agency, within 10 business days after opening a clients' trust account, a statement identifying the name of the bank or banks, account numbers, the names of the accounts and the date the account was opened, and a statement authorizing the Real Estate Commissioner or the commissioner's representative to examine the client trust account, you violated ORS 696.241(2). (2013 edition)
2. By conducting business under the names Lincoln City Property Management and Horizon Property Management at the same time, you violated OAR 863-024-0095(7). (9/14/11 and 4/1/13 editions)
3. By failing to register the business name Lincoln City Property Management with the Real Estate Agency prior to conducting business under that name, you violated OAR 863-027-0095(1). (9/14/11 and 4/1/13 editions)
4. By failing to associate your licensed name with the registered business name Horizon Rentals and Property Management, Inc with the Real estate Agency prior to conducting business under that name, you violated OAR 863-024-0095(3)(a) and (b). (9/14/11 and 4/1/13 editions)
5. By allowing a tenant to move into the Martin property four days early and failing to collect pro-rated rent for those four days, you violated ORS 696.890(4)(c) and (f) (2013 edition)
6. By failing to follow up to assure the Martin tenant transferred the utilities into their name, you violated ORS 696.890(4)(c). (2013 edition)
7. By attempting to continue moving forward to place a new tenant in the Martin property against their wishes, you violated ORS 696.890(4)(f). (2013 edition)
8. By refusing to meet with Harrison Martin and refusing to allow Harrison Martin to inspect his property after the tenant vacated in August 2013, you violated ORS 696.890(4)(f). (2013 edition)
9. By telling the Martins the cleaning was done on their property after the tenant vacated, when in fact the property was still dirty, flea infested and missing three smoke detectors and the house numbers from the front of the garage, you violated ORS 696.890(4)(c). (2013 edition)

10. By accepting an incorrect amount for rent from the tenants in the Martin property, and not following up on the shortage, you violated ORS 696.890(4)(c). (2013 edition)
11. By providing the Martins with invoices from Excellence, Inc on their final accounting that did not match the actual payments recorded on the general ledger or on the Martins owners' ledger, you violated ORS 696.890(4)(c). (2013 edition)
12. By failing to properly account for the \$250.00 owner reserve held for the Martin property, that was transferred from Horizon Rentals and Property Management in February 2013, you violated ORS 696.890(4)(c), (d) and (e). (2013 edition)
13. By failing to pay rent due to Penny Dunne in a timely manner for the months of June, July and August 2013, you violated ORS 696.890(4)(d). (2013 edition)
14. By failing to pay Goldy's in a timely manner for work done on Dunne's property, and failing to follow up on the matter when Dunne brought it to your attention, you violated ORS 696.890(4)(c). (2013 edition)
15. By allowing Penny Dunne's owner ledger to show a negative balance on numerous occasions and by allowing the negative balance to remain negative at the close of the business day for extended periods of time, you violated OAR 863-025-0025(12) and OAR 863-025-0040(7). (2013 edition)
16. By failing to account for Penny Dunne's \$250.00 owner reserve that was transferred from Horizon Rentals and Property Management, Inc on February 14, 2013, you violated ORS 696.890(4)(c) and (d). (2013 edition)
17. By collecting rent for Penny Dunne's property in September 2013, and not disbursing your earned management fee for that month, you violated OAR 863-025-0025(15). (4/1/13 edition)
18. By paying invoice #13-0155 twice, for a repair to Penny Dunne's property by Groth-Gates Heating, you failed to exercise reasonable care and diligence, in violation of ORS 696.890(4)(c). (2013 edition)
19. By failing to turn over the security deposit held for Penny Dunne's tenant to Dunne's new property management company within sixty days of the termination of the property management agreement, you violated OAR 863-025-0070(2)(b), (c) and (d). (4/1/13 edition)
20. By failing to pay the Schullers their owner draw for the month of February 2013 in a timely manner, you violated ORS 696.890(4)(d). (2013 edition)
21. By allowing the Schullers' owner ledger to show a negative balance on numerous occasions for extended periods of time, you violated OAR 863-025-0040(7). (4/1/13 edition)
22. The owner ledger for the Schuller property shows a rent payment received from Richard Deem on January 15, 2013, but does not show as being deposited until October 5, 2013, in violation of OAR 863-025-0065(1). (9/14/11 and 4/1/13 editions)
23. A \$250.00 owner reserve for the Schuller property was transferred from Horizon Rentals and Property Management to Jim Crabtree on February 14, 2013, but was never accounted for on the Schuller owner ledger, in violation of ORS 696.890(4)(c) and (d). (2013 edition)
24. The general ledger for the owner client trust account and the owner ledger for the Shoreline Holdings property show a deposit on July 1, 2013, in the amount of \$2570.00, including a \$400.00 security deposit. The ledgers show no record of this security deposit being transferred to the security deposit client trust account, in violation of OAR 863-025-0030(1) and (2). (4/1/13 edition)
25. The owner ledger for the Shoreline Holdings property shows rent in the amount of \$1050.00 was received on August 5, 2013, but was not deposited until August 21, 2013, in violation of OAR 863-025-0065(1). (4/1/13 Edition)
26. By failing to turn the security deposit being held for the tenant in the Schuller property over to the Schullers' new property manager within sixty days of the termination of the management agreement, you violated OAR 863-025-0070(2)(b)(C) and (D). (4/1/13 edition)

27. By your own admission, you failed to perform monthly three way reconciliations for the owners' client trust account from January 2013 to December 2013, in violation of OAR 863-025-0025(20). (9/14/11 and 4/1/13 editions)
28. By your own admission, you failed to perform monthly three way reconciliations for the security deposit client trust account from January 2013 to December 2013, in violation of OAR 863-025-0025(21). (9/14/11 and 4/1/13 editions)
29. By your own admission, you failed to establish a tenant ledger for each tenant in the properties you managed, in violation of OAR 863-025-0035(1)(f). (9/14/11 and 4/1/13 editions)
30. A review of three bank statements for the security deposit client trust account revealed that the account does not contain the words "clients' trust account-security deposits", in violation of OAR 863-025-0025(11)(d). (4/1/13 edition)
31. A review of the two checks written to Groth-Gates Heating from the owners' client trust account revealed the checks do not include the words "clients' trust account", in violation of OAR 863-025-0025(11)(c). (4/1/13 edition)
32. A review of the general ledger shows numerous disbursements that do not contain a check number or a description of the purpose of the disbursement, in violation of OAR 863-025-0040(2)(b)(C) and (D). (4/1/13 edition)
33. Through the above listed violations, you have demonstrated incompetence or untrustworthiness in performing any act for which you are required to hold a license and are subject to discipline under ORS 696.301(12) and ORS 696.301(3). (2011 and 2013 editions)
34. By your own admission, you used money from the security deposit client trust account to pay a bookkeeper to set up your bookkeeping system and the security deposit client trust account is now short by approximately \$6,000.00, in violation of OAR 863-025-0030(1) (4/1/13 edition), and ORS 696.890(4)(e) (2013 edition) and are subject to discipline under ORS 696.301(3) and ORS 696.301(14) (2013 edition)
35. After numerous requests for the production of bank statements for the owners client trust account and the security deposit client trust account, a formal written demand was emailed to you on December 17, 2013, requiring the production of these bank statements by no later than 5:00pm on December 18, 2013. You responded by sending bank statements for one security deposit client trust account, explaining that there were two security deposit client trust accounts that covered different time periods. In a subsequent email on December 17, 2013, you were asked to produce the bank statements for all client trust accounts you had controlled in your property management activities. As of the date of this letter, you have failed to provide the requested bank statements, in violation of OAR 863-025-0035(2)(b) (4/1/13 edition) and are subject to a civil penalty under ORS 696.990(6)(a). (2013 edition)

The purpose of this letter is to inquire as to whether you would be willing to settle the matter and avoid the time and expense of a formal administrative hearing by entering into a stipulated order resulting in a revocation of your license and a civil penalty in the amount of \$10,000.00. If you wish to accept this offer, please contact Denise Lewis at 503-378-4761 within two weeks of the date of this letter.

If you are interested in discussing this matter on an informal basis with the Agency, contact Denise Lewis at 503-378-4761 within two weeks of the date of this letter to schedule a settlement conference to occur within 30 days of the date of this letter.

The proposed sanction may be changed if the matter is not resolved by stipulated agreement. If this matter cannot be resolved by stipulated agreement, we are prepared to move the matter forward by issuing a Notice of Intent, which is the first step in the formal disciplinary process. However, we are willing to refrain from taking this action in the event a successful settlement

can be achieved.

You also may arrange to review the entire investigative file by contacting Denise Lewis at 503-378-4761. Copies of file documents are available to you for a fee under the Public Records law.

The enclosed document entitled "The Settlement Process" provides additional information for your consideration.

Respectfully,

A handwritten signature in cursive script that reads "Selina Barnes".

Selina Barnes
Regulations Manager
Regulation Division
Selina.M.Barnes@state.or.us
503.378.4637
503.373.7153 (fax)

SB/rp

Enc.