REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of KARI K. KING	FINAL ORDER BY DEFAULT

PROCEDURAL HISTORY AND PROCEDURAL LAW

1.

1.1 On August 13, 2026, the Real Estate Commissioner issued, by certified mail, a *Notice of Intent to Revoke License No. PB.200101182 And to Assess a Civil Penalty the* real estate principal broker license of Kari K. King (King). The Oregon Real Estate Agency (Agency) sent the *Notice of Intent to Revoke License No. 200101182 And to Assess a Civil Penalty* to King's last known address of record with the Agency (5633 SW Avena PI, Corvallis, Oregon, 97333-1337). The *Notice of Intent to Revoke License No. 200101182 And to Assess a Civil Penalty* was also mailed to King by regular first-class mail to the above address in a handwritten envelope. And *The Notice of Intent to Revoke License No. 200101182 And to Assess a Civil Penalty* was emailed to King at her email address of record.

1.2 The email was not returned as undeliverable.

1.3 Neither the certified mailings nor the first-class mailings have been returned to the Agency. Over twenty days (20 days) have elapsed since the mailing of the notice issued in this matter and no written request for hearing has been received by the Agency.

2.

Based upon the foregoing, and upon the Agency's investigation reports, documents and files that, pursuant to Section 9 of the *Notice of Intent to Revoke License No. PM.200101182 And to Assess a Civil Penalty* automatically become part of the evidentiary record of this disciplinary action upon default (for the purpose of proving a prima facie case (ORS 183.417(4)), the Real Estate Commissioner finds:

2.1 A notice of intent is properly served when deposited in the United States mail, registered or certified mail, and addressed to the real estate licensee at the licensee's last known address of record with OREA. (ORS 183.415(2); OAR 137-003-0505; OAR 863-001-0006. If correctly addressed, such a notice is effective even though it is not received by the person to be notified. *Stroh v. SAIF,* 261 OR 117, 492 P2d 472 (1972) (footnote 3 in this case misquotes the cited treatise and contradicts the text of the opinion; treatise and cited case law support the proposition stated in the text.) Also, notice is effective even though the addressee fails or refuses to respond to a postal service "mail arrival notice" that indicates that certified or registered mail is being held at the post office. *See State v. DeMello,* 300 Or App 590, 716 P2d 732 (1986) (discussing use of certified mail to effectuate notice of driver's license suspension under ORS 482.570). *See also El Rio Nilo, LLC v. OLCC,* 240 Or App 362, 246 P3d 508 (2011) (Notice by certified mail effective even though addressee did not pick up in time to file request for hearing timely).(Oregon Attorney General's Administrative Law Manual and Uniform Model Rules Of Procedure Under the Administrative Procedures 2019 Edition at pages 97-98.

2.2 King's last known address of record with the Agency was 5633 SW Avena PI, Corvallis, Oregon, 97333-1377.

2.3 A certified mailing of the *Notice of Intent to Revoke License No. PB.200101182 And to Assess a Civil Penalty* was mailed to King at her last known address of record on August 13, 2026. The certified mailing of the notice has not been returned to the Agency.

2.4 The notice was also mailed regular first-class mail in a handwritten envelope to the above address for King. The mailing in the handwritten envelope has not been returned to the Agency. The OAH Rules contain a rebuttable presumption that documents sent by regular mail are received by the addressee. ORS 137-003-0520(10). If the regularly mailed notice is actually received, it is effective on the date received, rather than the date of mailing.

2.5 Over twenty (20) days have elapsed since the mailing of the notice and no written request for a hearing has been received.

2.6 According to ORS 696.775, the lapsing, expiration, revocation or suspension of a real estate license, whether by operation of law, order of the Real Estate Commissioner or decision of a court of law, or the inactive status of the license, or voluntary surrender of the license by the real estate licensee does not deprive the commissioner of jurisdiction to: (1)

proceed with an investigation of the licensee; (2) conduct disciplinary proceedings relating to the licensee; (3) Take action against a licensee, including assessment of a civil penalty against the licensee for a violation of ORS 696.020(2); or (4) revise or render null and void an order suspending or revoking a license.

2.7 As noted in section 9 of the *Notice of Intent to Revoke License No. PB.200101182 And To Assess a Civil Penalty*, and section 2 above, the Agency's entire investigation file was designated as the record for purposes of presenting a prima facie case upon default, including submissions from King and all information in the administrative file relating to the mailing of notices and any responses received.

FINDINGS OF FACT

3.

3.1 At all times mentioned herein, King was licensed as a principal broker with Mid Valley Properties LLC.

3.2 Between January 20, 2026, and March 26, 2026, the Agency received three complaints against King.

3.3 In a complaint from property manager, Jacquelyn Renfro (Renfro), against King. Renfro alleged that a property management agreement between King and property owner Cheryl Morgan (Morgan) had been terminated on October 31, 2025, and King did not disburse funds or provide the final accounting.

3.4 A review of records showed that after the property management agreement had been terminated effective October 31, 2025, Mid Valley Properties collected rent in December 2025 on two properties in the amounts of $849.59 and $1,020.00.

3.5 An email dated February 27, 2026, showed Mid Valley Properties sent a rent payment reminder to a tenant, with a link to make payments online.

3.6 An email dated March 12, 2026, showed Mid Valley Properties sent an unpaid charges reminder to a tenant, with a link to make an online payment.

3.7 In an interview with Agency Investigator Frank H. Leonard Jr. (Leonard), Renfro, explained she took over management on November 10, 2025. Renfro stated that King did not

provide tenant security deposits, lease agreements, keys, and other property management documents within 60 days of termination, as required.

3.8 Renfro explained that due to the lack of documentation and records, it was difficult to determine who occupied some units and some tenants were not notified timely of the change in property management.

3.9 Renfro stated that the November 2025 rent went to King, along with some of the December 2025 rent. Renfro determined that one tenant may have continued to send rent to King in January 2026.

3.10 In a complaint from property owner, Duncan Koller (Koller), against King, Koller alleged that King failed to send the 2025 form 1099, did not transfer a tenant security deposit to the new property manager, and failed to pay the City of Corvallis an annual fee.

3.11 In an interview with Leonard, Koller explained that he stopped receiving communication from King around October 2025, and he terminated his property management agreement on November 17, 2025.

3.12 A review of the Oregon Secretary of State online business registry showed King as the registered agent and member of Mid Valley Properties. The registry showed the company was administratively dissolved on November 21, 2024.

3.13 Koller explained that as of February 2026, King had not transferred the tenant security deposit to his new property manager, and King did not provide his 2025 IRS Form 1099.

3.14 In a complaint from property owner, Jason Spilman (Spilman), against King, Spilman alleged that King had not provided owner statements since June 2025. In addition, Spilman alleged that King owed $9,476.00 for tenant security deposits, along with the January 2026 unpaid rent, and reserved funds of $250.00 for each property.

3.15 Records show that Spilman sent an email to King in September 2025 and January 2026, notifying her that his owner's statement in the property management portal had not been updated since June 23, 2025.

3.16 Spilman emailed King in November and December 2025 and January 2026 requesting updates regarding rental proceeds.

3.17 Spilman terminated his property management agreement with King on January 7, 2026. On March 7, 2026, Spilman emailed King and requested they be reimbursed $9,476.00

for the rental income collected in January 2026, along with the security deposits, and reserve funds, owner statements, and other documents related to their properties.

3.18 Spilman confirmed to Leonard that he had not received any communication or documentation from King.

3.19 Spilman confirmed that King retained security deposits of $2,235 and $2,350 respectively. Unpaid rental income from January 2026 and retained reserved funds $250 per property. Spilman estimated the total amount of funds withheld by King to be approximately $9,476.00.

3.20 On June 22, 2026, King pleaded guilty to Careless Driving. King did not report this adverse action to the Agency as required.

3.21 Between January 20, 2026, and April 23, 2026, the Agency attempted to contact King through email, text message, and telephone.

3.22 On May 1, the Agency sent a certified letter to King requesting a response and records. The Agency received a signed certified mail receipt, signed by King, on May 18, 2026.

3.23 King has neither responded to the Agency's repeated requests for response, nor provided the requested property management records.

STATEMENT OF LAW APPLICABLE TO FINDINGS OF FACT

4.

4.1 ORS 696.301(3) states a real estate licensee's real estate license may be disciplined if they have: disregarded or violated any provision of ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any rule of the Real Estate Agency

4.2 ORS 696.301(12) states a licensee's real estate license can be disciplined if they have demonstrated incompetence or untrustworthiness in performing any act for which the licensee is required to hold a license.

4.3 ORS 696.301(14) states, a real estate licensee can be disciplined if they committed an act of fraud or engaged in dishonest conduct substantially related to the fitness of the applicant or real estate licensee to conduct professional real estate activity, without regard to whether the act or conduct occurred in the course of professional real estate activity.

4.4 ORS 696.301(15) states, a real estate licensee can be disciplined if they engaged in any conduct that is below the standard of care for the practice of professional real estate activity in Oregon as established by the community of individuals engaged in the practice of professional real estate activity in Oregon.

4.5 According to ORS 696.396(2)(c)(B) and (C) the Real Estate Commissioner may revoke a real estate license if material facts establish a violation of a ground of discipline under ORS 696.301 that: (B) exhibits incompetence in the performance of professional real estate activity; or (C) Exhibits dishonesty or fraudulent conduct.

4.6 OAR 863-027-0020(1) defines the goal of progressive discipline and OAR 863-027-0020(2) sets out all factors the Real Estate Commissioner will consider when determining the level of discipline for licensees.

4.7 ORS 696.990(6)(a) states a real state licensee who is a real estate property manager or principal real estate broker and who is engaging in or who has engaged in the management of rental real estate may be required to forfeit and pay to the General Fund of the State Treasury a civil penalty of up to $1,000.00 per day of violation, or a lesser penalty in an amount determined by the commissioner if the licensee fails to comply with rules that require the licensee to produce for inspection records related to the management of rental real estate that are maintained by the licensee as provided by ORS 696.280. ORS 696.990(6)(b) states a civil penalty imposed under this subsection may not exceed $10,000.00.

4.8 In establishing violations alleged, the Agency may rely on one or more definitions contained in ORS 696.010.

4.9 In accordance with ORS 696.775, the lapsing, expiration, revocation or suspension of a real estate license, whether by operation of law, order of the Real Estate Commissioner or decision of a court of law, or the inactive status of the license, or voluntary surrender of the license by the real estate licensee does not deprive the commissioner of jurisdiction to: (1) proceed with an investigation of the licensee; (2) conduct disciplinary proceedings relating to the licensee; (3) take action against a licensee, including assessment of a civil penalty against the licensee for a violation of ORS 696.020(2); or (4) revise or render null and void an order suspending or revoking a license.

ULTIMATE FINDINGS OF FACT

5.

5.1 King continued to collect rent after the termination of property management agreements.

5.2 King failed to provide final accounting within 60 days of the termination of property management agreements.

5.3 King failed to have an active registered business with the Oregon Secretary of State.

5.4 King failed to transfer tenant security deposits.

5.5 King failed to provide property owners with tenant information.

5.6 King failed to report an adverse action with 20 days to the Agency.

5.7 King failed to uphold affirmative duties to account in a timely manner for all funds from or on behalf of the owner, and to act in a fiduciary manner for all funds received from or on behalf of the owner, and to act in a fiduciary manner in all matters relating to trust funds.

5.8 King demonstrated incompetence or untrustworthiness in performing acts for which the real estate licensee is required to hold a license, committed acts of fraud or engaged in dishonest conduct substantially related to the fitness of the applicant or real estate licensee to conduct professional real estate activity, without regard to whether the act or conduct occurred in the course of professional real estate activity, and engaged in conduct that is below the standard of care for the practice of professional real estate activity in Oregon.

5.9 King's complete failure to produce the records constitutes grounds to impose a civil penalty as per ORS 696.990(6)(a) and (b).

5.8 In summary, the facts above establish grounds to revoke King's principal broker and impose a civil penalty in an amount up to $10,000.00.

5.10 In summary, the facts above establish grounds to revoke King's principal broker manager license.

CONCLUSIONS OF LAW

6.

6.1 Pursuant to ORS 183.417(4) and OAR 137-003-0670 King is in default.

6.2 The material facts establish a violation of a ground for discipline, by preponderance of the evidence, under ORS 696.301 as set forth in the *Notice of Intent to Revoke License No. PM.200101182 and to Assess a Civil Penalty.*

6.3 Based on these violations, the Agency may revoke King's principal broker license.

6.4 Specifically, King is subject to discipline pursuant to ORS 696.301(3), (12) (14) and (15) for (3) disregarding or violating any provision of ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any rule of the Real Estate Agency; (12) demonstrating incompetence or untrustworthiness in performing any act for which the licensee is required to hold a license; (14) committing an act of fraud or engaged in dishonest conduct substantially related to the fitness of the applicant or real estate licensee to conduct professional real estate activity, without regard to whether the act or conduct occurred in the course of professional real estate activity; and (15) engaging in any conduct that is below the standard of care for the practice of professional real estate activity in Oregon as established by the community of individuals engaged in the practice of professional real estate activity in Oregon.

6.5 A revocation of King's principal broker license is appropriate for violations of ORS 696.301(3), (12), (14) and (15).

6.6 A revocation of King's principal broker license is appropriate under ORS 696.396(2)(c)(B) and (C). According to ORS 696.396(2)(c)(B) and (C) the Agency may suspend a real estate license if the material facts establish a violation of a ground of discipline under ORS 696.301 that (B) exhibits incompetence in the performance of professional real estate activity or (C) Exhibits dishonesty or fraudulent conduct.

6.7 Based on the evidence in the record, the preponderance of the evidence supports the revocation of King's principal broker license.

6.8 The Agency may therefore revoke King's principal broker license.

6.9 Pursuant to ORS 696.775 the expiration/lapsing of King's license does not prohibit the Commissioner from proceeding with this, or further action.

6.10 The specific violations are repeated here below:

(1) Violation: King continued to collect rent after the termination of a property management agreement. This is grounds for discipline under ORS 696.301(3) as it incorporates ORS 696.301(14) 2025 Edition, which states: (14) Committed an act of fraud or engaged in dishonest conduct substantially related to the fitness of the applicant or real estate licensee to conduct professional real estate activity, without regard to whether the act or conduct occurred in the course of professional real estate activity.

(2) Violation: By failing to provide final accounting to Renfro within 60 days of the termination of the property management agreement, King violated 696.301(3) and its implementing rule OAR 863-025-0070(2)(a) 1/1/2026 Edition, which states: (2) Not later than 60 days after the effective date of termination, the property manager must: (a) Disburse all obligated funds to the party or parties entitled to the funds.

(3) Violation: By failing to have an active registered business with the Oregon Secretary of State, King violated ORS 696.301(3) and its implementing rule OAR 863-024-0095(1) 1/1/2024, 1/1/2025, 1/1/2026 Editions, which states: (1) Before managing rental real estate in any name, a licensed property manager or principal broker must first register the business name with the Agency using the online process available through the Agency's website. For the purposes of this rule, "registered business name" means any name under which rental real estate is managed, including the licensee's legal name, an assumed name, or the name of a business entity, such as a corporation, partnership, limited liability company, or other business entity recognized by law. A licensee must maintain the registered business name with the Oregon Secretary of State's Corporation Division for any name other than the licensee's legal name.

(4) Violation: By failing to provide final accounting on behalf of owner Koeller within 60 days of the termination of the property management agreement, King violated 696.301(3) and its implementing rule OAR 863-025-0070(2)(a) 1/1/2026 Edition, which states: (2) Not later than 60 days after the effective date of termination, the property manager must: (a) Disburse all obligated funds to the party or parties entitled to the funds.

(5) Violation: By failing to provide final accounting on behalf of Spilman within 60 days of the termination of the property management agreement, King violated 696.301(3) and its implementing rule OAR 863-025-0070(2)(a) 1/1/2026 Edition, which states: (2) Not later

than 60 days after the effective date of termination, the property manager must: (a) Disburse all obligated funds to the party or parties entitled to the funds.

(6) Violation: By failing to provide the property owner with information regarding tenants, as required, King violated ORS 696.301(3) and its implementing rule OAR 863-025-0068(1)(a)(b)(c) 1/1/2025 edition, which states: (1) Upon written request from a property owner, a property manager must deliver to the owner the information listed in subsections (a) through (e) of this section for each tenant within five business days of actually receiving the request for information, unless the owner and the manager agree to a different time period: (a) The tenant's name, mailing address, and phone number; (b) The current rent amount and all scheduled tenant charges; (c) An accounting of all security deposits and fees held for the tenant.

(7) Violation: By failing to transfer tenant security deposits, King violated ORS 696.301(3) and its implementing rule OAR 863-025-0030(1)(d) 1/1/2025 edition, which states: (1) Except as provided in section (3) of this rule, all tenants' security deposits received by a property manager must be deposited and maintained in a security deposits account until: (d) The property management agreement is terminated and the property manager transfers the tenant's security deposit to the owner unless the owner directs the property manager, in writing, to transfer the security deposits and fees to another property manager, escrow agent or person.

(8) Violation: By failing to report an adverse action within 20 days to the Agency, as required, King violated ORS 696.301(3) and its implementing rule OAR 863-015-0175 (1)(b)(c)(3)(4) 1/1/2025 edition, which states: (1) A real estate licensee must notify the Commissioner of the following: (b) Any adverse decision or judgment resulting from any civil or criminal suit or action or arbitration proceeding or any administrative or Oregon State Bar proceeding related to the licensee in which the licensee was named as a party and against whom allegations concerning any business conduct or professional real estate activity is asserted; (c) Any adverse decision or judgment resulting from any other criminal or civil proceeding that reflects adversely on the "trustworthy and competent" requirements contained in ORS Chapter 696 and its implementing rules; (3) The notification required by this rule must be in writing and must include a brief description of the circumstances involved, the names of

the parties, and a copy of the adverse decision, judgment, or award and, in the case of a criminal conviction, a copy of the sentencing order. If any such judgment, award, or decision is appealed, each subsequent appellate court decision is subject to this rule's notification requirements; (4) The notification required by this rule must be made within twenty 20 calendar days after receiving written notification of an adverse judgment, award, or decision described in this rule. Notification must be made under this rule whether or not the decision is appealed.

(9) Violation: By failing to provide records of professional real estate activity, as required by the Agency, King violated ORS 696.301(3) as it incorporates ORS 696.280(3) 2025 edition, which states: (3) Records maintained under this section must at all times be open for inspection by the Real Estate Commissioner or the commissioner's authorized representatives.

In addition, King violated ORS 696.301(3) and its implementing rule OAR 863-025-0035(2)(a)(b)(c) 1/1/2025 edition, which states: (2) A property manager must produce records required under section (1) of this rule for inspection by the Agency as follows: (a) When the Agency makes a request for production of property management records, the property manager must provide such records within no less than five banking days; (b) If the Agency has reasonable grounds to believe that funds of an owner or tenant may be missing or misappropriated or that the property manager is engaging in fraudulent activity, any records demanded or requested by the Agency must be produced immediately; and (c) Failure to produce such records within the timelines stated in subsection (a) or (b) of this section is a violation of ORS 696.301.

King is subject to a civil penalty under ORS 696.990(6)(a)(b) 2025 edition, which states: (6)(a) Except as provided in paragraph (b) of this subsection, a real estate licensee who is a real estate property manager or principal real estate broker and who is engaging in or who has engaged in the management of rental real estate may be required to forfeit and pay to the General Fund of the State Treasury a civil penalty of up to $1,000 per day of violation, or lesser penalty in an amount determined by the commissioner, if the licensee fails to comply with rules that require the licensee to produce for inspection records related to the management of rental real estate that are maintained by the licensee as provided by ORS 696.280; (b) A civil penalty imposed under this subsection may not exceed $10,000.

(10) Violation: Based on the foregoing, King violated ORS 696.301(3) as it incorporates ORS 696.890(4)(a)(c)(d)(e)(f) 2025 edition, which states: (4) A real estate property manager owes the property owner the following affirmative duties: (a) To deal honestly and in good faith; (c) To exercise reasonable care and diligence; (d) To account in a timely manner in all matters relating to trust funds; (e) To act in a fiduciary manner in all matters relating to trust funds; (f) To be loyal to the owner by not taking action that is adverse or detrimental to the owner's interest.

(11) Violation: Based on the foregoing, King is subject to discipline under ORS 696.301(12)(14)(15) 2025 edition, which states a licensee's real estate license may be disciplined who has: (12) Demonstrated incompetence or untrustworthiness in performing any act for which the real estate licensee is required to hold a license; (14) Committed an act of fraud or engaged in dishonest conduct substantially related to the fitness of the applicant or real estate licensee to conduct professional real estate activity, without regard to whether the act or conduct occurred in the course of professional real estate activity; (15) Engaged in any conduct that is below the standard of care for the practice of professional real estate activity in Oregon as established by the community of individuals engaged in the practice of professional real estate activity in Oregon.

6.11 Revocation of King's principal broker license is appropriate under ORS 696.396(2)(c)(B) and (C).

ORDER

IT IS HEREBY ORDERED Kari King's principal broker license is revoked.

IT IS FURTHER ORDERED that, pursuant to ORS 696.990(6)(a)(b) and based upon the violations set forth above, King pay a civil penalty of $10,000.00, said penalty to be paid to the General Fund of the State Treasury by paying the same to OREA.

Dated this 20th day of October, 2026.

OREGON REAL ESTATE AGENCY

Steve Strode
box SIGN 193X36Y6-4PQ9X6J7

Steven Strode
Real Estate Commissioner

NOTICE OF RIGHT TO APPEAL: You are entitled to judicial review of this Order. Judicial review may be obtained by filing a petition for review within 60 days from the date of service of this order. Judicial review is to the Oregon Court of Appeals, pursuant to the provisions of ORS 183.482.