

1 REAL ESTATE AGENCY  
2 BEFORE THE REAL ESTATE COMMISSIONER

3  
4 In the Matter of the Real Estate Broker  
5 License of  
6  
7 DAVID REN  
8

}  
} STIPULATED FINAL ORDER  
}

9 The Real Estate Agency (OREA) and David Ren (Ren) do hereby agree and stipulate to  
10 the following:

11 FINDINGS OF FACT

12 1.

13 1.1 Ren was licensed as a principal broker with Keller Williams Realty Sunset Corridor  
14 (Keller Williams) from July 3, 2008 until August 24, 2011.

15 1.2 On July 11, 2011, OREA received a complaint from Ernest Coufal, Jr. (Coufal),  
16 who is a principal broker at The Sunset Group (Sunset), alleging that Ren was conducting  
17 property management activities under the business name "Borean Property Management"  
18 (Borean PM).

19 1.3 Coufel met with Ren in April 2011 to discuss the possibility of Ren transferring his  
20 license to Sunset. During their conversation, Coufel said that Ren told him that he was  
21 managing about 20 to 30 rental units outside Keller Williams through this company that he  
22 owned, Borean PM.

23 1.4 On August 17, 2011, Michael Vuylsteke (Vuylsteke), the supervising principal  
24 broker for Keller Williams, told OREA that he was completely unaware of Ren's property  
25 management activity outside of Keller Williams.

26 1.5 OREA requested that Ren produce all records pertaining to his property  
27 management activities on August 22, 2011, which Ren provided on August 25, 2011.

28 1.6 Ren's records showed that he had entered into 32 property management  
29 agreements (PMA).

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1 1.7 Through the course of the investigation, Ren worked diligently with OREA to come  
2 into compliance with OREA statutes and rules.

3 CONCLUSIONS OF LAW

4 2.

5 2.1 Ren conducted property management activities under a business name that was  
6 not registered with OREA.

7 **Violation:** OAR 863-024-0095, which requires that a business name be registered with  
8 the Agency before conducting property management activity under that business name.

9 2.2 Ren failed to notify the Oregon Real Estate Agency of opening and operating  
10 clients' trust accounts (CTA) and authorizing examination.

11 **Violation:** ORS 696.241(2)(3), which requires that a licensee file the appropriate forms  
12 with the Agency for each CTA maintained and to authorize the Agency to examine any CTA.

13 2.3 Ren failed to ensure that each CTA defined whether it was a "clients' trust  
14 account" or a "client trust account, security deposit" account.

15 **Violation:** OAR 863-025-0025(11)(c)(d), which requires that any CTA include those  
16 words on the name of the accounts.

17 2.4 Ren failed to ensure that when he opened his CTA, that he notified his bank that  
18 the accounts were CTA.

19 **Violation:** OAR 863-025-0025(2), which requires that a property manager must open and  
20 maintain at least one CTA.

21 2.5 By allowing service charges to be deducted from the CTA, Ren comingled funds.

22 **Violation:** ORS 696.241(9), which states that the only funds allowed to be kept in CTA  
23 must be actual trust funds deposited with the licensee.

24 2.6 Ren made an ATM withdrawal for \$300.00 from his CTA.

25 **Violation:** OAR 863-025-0025(19), which prohibits a property manager from utilizing any  
26 form of debit card issued by financial institutions on a CTA.

27 2.7 Ren failed to disclose and disburse earned interest in his PMA.

28 **Violation:** OAR 863-025-0025(3)(b), which only allows interest to be earned if it is  
29 disclosed in the property management agreement.

30 2.8 Ren allowed funds other than security deposits to be comingled in one account.

1           **Violation:** OAR 863-025-0025(6)(a)(b), which only allows security deposits to be held in  
2 security deposits accounts.

3           2.9 Ren failed to reconcile each CTA within 30 days of the date of the bank statement.

4           **Violation:** OAR 863-025-0025(20)(a)(A)(B)(C)(b)(c)(d)(A)(B)(e); and  
5 (21)(a)(A)(B)(C)(b)(c)(d)(A)(B)(e), which requires that CTAs be reconciled within 30 days of the  
6 date of the bank statement.

7           2.10 Ren failed to provide in his PMA a description of the monthly statements of  
8 accounting the property manager will provide to the owner.

9           **Violation:** OAR 863-025-0020(2)(g), which requires that the PMA contain a description of  
10 the monthly statement of accounting the property manager will provide to the owner.

11           2.11 Ren failed to provide written instructions in his PMA on how the property  
12 manager's records related to the management of the owner's property would be disbursed after  
13 termination of the agreement.

14           **Violation:** OAR 863-025-0020(2)(h), which requires that the PMA contain the disposition  
15 of the property manager's records of the management of the owner's rental real estate after  
16 termination of the agreement.

17           2.12 Ren failed to provide a statement in his PMA that the property manager will  
18 disclose to the owner, in writing, the property manager's planned use of any employee's or a  
19 business in which the property manager has a pecuniary interest to provide services for the  
20 owner's property, if such employee's or business were not disclosed.

21           **Violation:** OAR 863-025-0020(2)(j), which requires that the PMA contain a statement  
22 that the property manager will disclose to the owner, in writing, the property manager's planned  
23 use of any employees or a business in which the property manager has a pecuniary interest to  
24 provide services for the owner's property.

25           2.13 Ren failed to provide a disclosure in his PMA that indicates, if interest earnings  
26 inure to the benefit of the owner, when such interest earnings will be distributed.

27           **Violation:** OAR 863-025-0020(3)(b)(A), which requires that terms must be included in the  
28 PMA, if the property manager and owner agree to place trust funds in an interest bearing  
29 account, that if the interest earnings go to the owner, when such interest will be disbursed.

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

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

14 ORDER

15 IT IS HEREBY ORDERED that Ren's license be, and hereby is, reprimanded. In  
16 addition, Ren must complete the property manager pre-licensing course within 120 days of the  
17 date of this Order, and must notify OREA when he has done so. If Ren does not complete the  
18 property manager pre-licensing course within 120 days, or if he has any further violations within  
19 two years from the date of this Order, Ren's license will automatically and immediately be  
20 suspended for 60 days.

21  
22 IT IS SO STIPULATED:

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24   
25 DAVID REN

26  
27 Date 2-7-12

IT IS SO ORDERED:

28  
29   
30 GENE BENTLEY  
Real Estate Commissioner

Date 2.21.12

DATE of service: 2-21-12

