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REAL ESTATE AGENCY BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Property Manager's

STIPULATED FINAL ORDER

JENNIFER CRANE

The Real Estate Agency (OREA) and Jennifer Crane (Crane) do hereby agree and stipulate to the following:

FINDINGS OF FACT

- 1. At all times mentioned herein, Crane was licensed as a property manager doing business under the registered business name of Crane Property Management (CPM) from July 13, 2006 through April 30, 2008, and from July 15, 2008 until her license expired on April 30, 2012. Crane submitted a renewal application to OREA on December 6, 2012, which is in pending status. Crane continued to conduct property management activity during the time that her license was expired. Crane has assisted a court-appointed receiver in the management of CPM since the appointment on January 14, 2013.
- 2. On November 16, 2012, a notice of a mandatory mail-in audit was mailed to CPM with an erroneous due date of August 27, 2012. A second notice of a mandatory mail-in audit was mailed to CPM with a corrected due date on November 27, 2012, requesting the audit documents be submitted no later than thirty days from the date of the letter.
- 3. On November 27, 2012, Lindsey Nunes (Nunes), a Compliance Specialist for OREA, received an email with a seven page letter attached from Crane. In the letter, Crane admitted that her bookkeeper had been doing two way reconciliations instead of three way reconciliations. Crane also admitted that around late 2009 or early 2010, she had become aware of a shortage of about \$40,000.00 in the Client Trust-Security Deposit account. Crane admitted that in about January or February of 2012, she was informed by the bookkeeper that the deficit in the Client Trust-Security Deposit account had grown to over \$100,000.00. In the

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letter, Crane said she had learned that money had been regularly transferred from the Client Trust-Security Deposit account to the Client Trust-Property Management account to make up what was an ongoing shortfall due to operating expenses exceeding revenue. Crane also admitted that money was regularly transferred from the Client Trust-Property Management account to the business account to cover expenses.

- 4. On November 29, 2012, Crane was interviewed by OREA at her office, located at 256 Pioneer Street, Ashland, Oregon, regarding Crane's admission to the OREA that money was missing from her Client Trust-Security Deposit account. During the course of the interview Crane repeated the admissions from her November 27, 2012 letter.
- 5. On November 29, 2012, a trust account reconciliation was performed by the OREA on the CPM Client Trust-Security Deposit account ending in #1706 as of November 28, 2012. The reconciliation showed a shortage of \$264,555.00.
- 6.. A trust account reconciliation was also performed by the OREA on the CPM Client Trust-Property Management account ending in #6294 as of November 28, 2012. The reconciliation showed a shortage of \$27,144.83.

CONCLUSIONS OF LAW

- 1. Crane violated ORS 696.301(3) as it incorporates OAR 863-025-0025(20) and (21) (9/1/11 Edition), which states that a property manager must reconcile each clients' trust account within 30 calendar days of the date of the bank statement, and that a property manager must take corrective action to resolve all adjustments made in a reconciliation prior to the next reconciliation or document the good faith efforts the property manager has taken to resolve the adjustment;
- 2. Crane violated ORS 696,301(3) as it incorporates OAR 863-025-0030(1) (9/1/2011 Edition), which states that all tenants' security deposits received by a property manager must be deposited and maintained in a security deposit account until it is forwarded to the owner, or it is disbursed or refunded per the tenant's rental or lease agreement;
- 3. Crane violated ORS 696.301(12) (2011 Edition) which states that a real estate licensee may be disciplined if they demonstrate incompetence or untrustworthiness in performing any act for which the licensee is required to hold a license

4. Crane violated ORS 696.301(14) (2011 Edition), which states that a real estate licensee may be disciplined if they commit an act of fraud or engage in dishonest conduct substantially related to the fitness of the licensee to conduct professional real estate activity;

- 5. Crane violated ORS 696.890(3)(a), (c), (d), (e), and (f) (2011 Edition), which state that a real estate property manager owes the property owner the affirmative duties of dealing honestly and in good faith, exercising reasonable care and diligence, accounting in a timely manner for all funds received from or on behalf of the owner, acting in a fiduciary manner in all matters relating to trust funds, and being loyal to the owner by not taking action that is adverse or detrimental to the owner's interest.
- 6. Crane engaged in professional real estate activity without a license between April 30, 2012 and her renewal application to OREA on December 6, 2012 in violation of ORS 696.020(2).
- 7. Denial of renewal and revocation is an appropriate sanction under ORS 696.022(5)(a); Revocation is appropriate under ORS 696.775 and ORS 696.396(2)(c)(A), (B) and (C).

STIPULATION & WAIVER

I have read and reviewed the above findings of fact and conclusions of law which have been submitted to me by OREA and further, the order which follows hereafter. I understand that the findings of fact, conclusions of law and this stipulation and waiver embody the full and complete agreement and stipulation between OREA and myself. I further understand that if I do not agree with this stipulation I have the right to request a hearing on this matter and to be represented by legal counsel at such a hearing. Hearings are conducted in accordance with the procedures set forth in ORS Chapter 183 and in accordance with the Rules of Practice and Procedure adopted by the Attorney General of the State of Oregon. I freely and voluntarily waive my rights to a hearing, to representation by legal counsel at such a hearing, and to judicial review of this matter.

I hereby agree and stipulate to the above findings of fact and conclusions of law and understand that the order which follows hereafter may be completed and signed by the Real Estate Commissioner or may be rejected by the Real Estate Commissioner, in which case an

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1	amended notice of intent may be issued in this matter. I understand that, in accordance with
2	the provisions of ORS 696.445(3), notice of this order shall be published in the Oregon Real
3	Estate News Journal.
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5	ORDER
6	IT IS HEREBY ORDERED as follows:
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8	Jennifer Crane's license renewal application is denied and that property manager
9	license is revoked, with said revocation to be effective on the 17th day of
10	DECEMISER, 2013.
11	2. A civil penalty is imposed in the amount of \$3100. The civil penalty will be waived if
12	Crane signs and returns this stipulated order to the Commissioner on or before:
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15	IT IS SO STIPULATED: IT IS SO ORDERED:
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19	JENNIFFER CRANE GENE BENTLEY
20	Real Estate Commissioner
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23	DATE of service:
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