

1 REAL ESTATE AGENCY
2 BEFORE THE REAL ESTATE COMMISSIONER
3

4 In the Matter of the Real Estate License of)
5)
6 MARY L. VAUGHAN) STIPULATED FINAL ORDER
7)
8)
9

10 The Oregon Real Estate Agency (OREA) and Mary L. Vaughan (Vaughan) do hereby
11 agree and stipulate to the following:

12 FINDINGS OF FACT
13 &
14 CONCLUSIONS OF LAW

15 1.

16 1.1 At all times mentioned herein, Vaughan was licensed as a broker with
17 Windermere/Van Vleet & Associates, Inc.

18 1.2 On September 6, 2012, OREA received a complaint from Barbara Cliff (Cliff)
19 alleging when she purchased the subject property located at 217 Eastwood Dr., Medford,
20 Oregon (Eastwood), owned by Vaughan and her husband Wally, Vaughan did not provide a
21 copy of the sales agreement. Cliff alleges when she did eventually received a copy of the
22 sales agreement from Vaughan's principal broker, John Zupan (Zupan), that it was not a real
23 estate sale agreement but instead a residential lease with a purchase option agreement
24 (Lease/Option).

25 1.3 Vaughan and her husband Wally purchased the Eastwood property on May 25,
26 2009 from Olaf Landanowsky for \$129,000.00 and invested over \$45,000.00 on improvements.
27 Vaughan estimated the market value on the property to be \$200,000.00.

28 1.4 Cliff was dating Vaughan's son, Logan, when Vaughans purchased and
29 remodeled the Eastwood home and Cliff voiced an interest in the property.

30 ///

1 1.5 Vaughan was not interested in selling the property and wanted to rent it until the
2 market was better. Eventually the Vaughans decided to sell the property to Cliff to try to help
3 Cliff.

4 1.6 Vaughan allowed Cliff to move into the Eastwood house prior to documents
5 being signed. Due to the relationship with Cliff, Vaughan was not concerned that Cliff would
6 not honor her word.

7 1.7 Vaughan explained that Cliff could not qualify for a mortgage loan at that time so
8 they discussed a Lease/Option. Vaughan said that she and Cliff discussed the terms of the
9 agreement and made decisions together about the terms.

10 1.8 On October 7, 2009, Cliff and Vaughan signed the Lease/Option on the
11 Eastwood property. The residential real estate sale agreement noted in the Lease/Option was
12 not completed or signed by Vaughan or Cliff. Vaughan explained that Cliff never did sign the
13 rest of the documents and every time Vaughan set a date and time to meet with Cliff, Cliff
14 would not show up.

15 1.9 The Lease/Option notes Cliff may wish to purchase the property in the future and
16 wishes to lease the property during an option period.

17 1.10 Vaughan was asked by OREA investigator Deanna Hewitt (Hewitt) if she gave
18 copies of the documents to Zupan for review and she said no, that since the residential sale
19 agreement was not complete she didn't think she needed to give him copies.

20 **Violation:** By not submitting the real estate documents on the Lease/Option of
21 Eastwood to Zupan, Vaughan's principal broker, Vaughan violated OAR 863-015-0145(3) (1-1-
22 2009 Edition), which requires that any broker who is involved in a real estate transaction where
23 the broker is a principal to the transaction, must be conducted under the supervision of the
24 broker's principal real estate broker and all documents and funds must be transmitted through
25 the licensee's principal real estate broker.

26 1.11 Cliff gave Vaughan \$50,000.00 per the Lease/Option agreement over a six
27 month period and kept current on the monthly lease payments. Vaughan did not give the
28 funds she received from Cliff to Zupan for him to deposit into a clients' trust account. She said
29 she didn't think she needed to turn the funds over to Zupan because it was a Lease/Option
30 agreement.

1 **Violation:** By not submitting the \$50,000.00 option funds received from Cliff, for the
2 purchase of the property, to Zupan, Vaughan violated OAR 863-015-0145(3) & OAR 863-015-
3 0255(10) (1-1-2009 Edition), which requires that any broker who is involved in a real estate
4 transaction where the broker is a principal to the transaction, must be conducted under the
5 supervision of the broker's principal real estate broker and all documents and funds, including
6 earnest money and other deposits, must be transmitted through the licensee's principal real
7 estate broker.

8 1.12 Vaughan did not disclose in writing that she had a real estate license.

9 **Violation:** By not disclosing in writing, on the sales agreement, that Vaughan holds an
10 Oregon real estate license, Vaughan is in violation of OAR 863-015-0145(1) (1-1-2009
11 Edition), which requires if a real estate licensee is involved in a real estate transaction where
12 the licensee is a principal to the transaction, the licensee must disclose to the other party to the
13 offer or transaction that the licensee is a real estate licensee. The disclosure must appear in
14 writing on at least the first written document of agreement concerning the offer or transaction
15 and must state that the real estate licensee is representing himself or herself as either the
16 buyer or seller in the transaction.

17 1.13 Vaughan spent two days helping Cliff clean her house located in Eagle Point to
18 prepare it to rent out. Vaughan also paid for a replacement carpet because Cliff could not
19 afford to buy one. Vaughan assisted Cliff with finding a tenant for Cliff's Eagle Point house by
20 advertising the property for rent through Craigslist. Shortly after advertising and cleaning the
21 property, Cliff moved out of the Eastwood house and back into her Eagle Point house.

22 1.14 Vaughan's advertisement for Eagle Point listed on Craigslist on December 22,
23 2010, contained the following information: "\$1350 / 5br- DREAM HOME for you (Eagle Point)."

24 **Violation:** By submitting the rental advertisement containing only the above information,
25 for the Eagle Point property on Craigslist, Vaughan violated OAR 863-015-0125(2)(a), (e), and
26 (4) (6-15-2010 Edition), which requires all advertising by a licensee be identifiable as
27 advertising of a real estate licensee, be done only with the written permission of the property
28 owner or owner's authorized agent and the licensed name or registered business name of the
29 principal real estate broker, must be prominently displayed, immediately noticeable, and
30 conspicuous in all advertising.

1 1.15 The violations noted above demonstrate incompetence in performing acts for
2 which Vaughan is required to hold a license.

3 **Violation:** ORS 696.301(12) (2009 Edition), which states a licensee's real estate
4 license can be disciplined if they have demonstrated incompetence in performing any act for
5 which the licensee is required to hold a license.

6 2.

7 2.1 OREA reserves the right to investigate and pursue additional complaints that
8 may be received in the future regarding this licensee.

9 2.2 The above violations are grounds for discipline pursuant to ORS 696.301.

10 STIPULATION & WAIVER

11 I have read and reviewed the above findings of fact and conclusions of law which have
12 been submitted to me by OREA and further, the order which follows hereafter. I understand
13 that the findings of fact, conclusions of law and this stipulation and waiver embody the full and
14 complete agreement and stipulation between OREA and me. I further understand that if I do
15 not agree with this stipulation I have the right to request a hearing on this matter and to be
16 represented by legal counsel at such a hearing. Hearings are conducted in accordance with
17 the procedures set forth in ORS Chapter 183 and in accordance with the Rules of Practice and
18 Procedure adopted by the Attorney General of the State of Oregon. I freely and voluntarily
19 waive my rights to a hearing, to representation by legal counsel at such a hearing, and to
20 judicial review of this matter. I hereby agree and stipulate to the above findings of fact and
21 conclusions of law and understand that the order which follows hereafter may be completed
22 and signed by the Real Estate Commissioner or may be rejected by the Real Estate
23 Commissioner, in which case an amended notice of intent may be issued in this matter. I
24 understand that, in accordance with the provisions of ORS 696.445(3), notice of this order
25 shall be published in the Oregon Real Estate News Journal.

26 ///

27 ///

28 ///

29 ///

30 ///

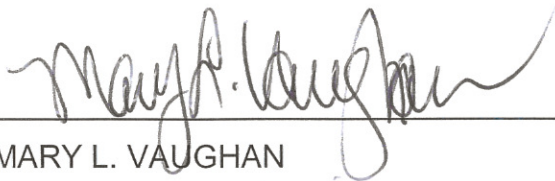
ORDER

IT IS HEREBY ORDERED that Vaughan's real estate license be, and hereby is, reprimanded.

IT IS FURTHER ORDERED that Vaughan must complete the following portions of the 150- hour Broker Pre-Licensing course: a) OAR 863-022-0010(2)(a), 30 hours of Real Estate Law, and b) OAR 863-022-0010(2)(d), 15 hours of Contracts. A certificate of completion must be presented to OREA within 4 months of this order showing completion of the course sections listed above. The education must be completed from an Agency approved pre-license school with an approved 150-hour Broker Pre-License course.

IT IS SO STIPULATED:

IT IS SO ORDERED:



MARY L. VAUGHAN

Date 4/18/14



GENE BENTLEY

Real Estate Commissioner

Date 4.22.14

DATE of service: 4-23-2014