

1 REAL ESTATE AGENCY  
2 BEFORE THE REAL ESTATE COMMISSIONER  
3

4 In the Matter of the Real Estate License of )

5  
6 DENISE A MCCRAVEY )

STIPULATED FINAL ORDER  
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10 The Oregon Real Estate Agency (OREA) and Denise A. McCravey (McCravey) do  
11 hereby agree and stipulate to the following:

12 FINDINGS OF FACT  
13 &  
14 CONCLUSIONS OF LAW

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16 1.1 McCravey was licensed as a principal broker with Gorge Property Real Estate  
17 Team, and Gorge Rentals Property Management.

18 1.2 On July 17, 2014, OREA sent Gorge Rentals Property Management (GRPM) a  
19 Mandatory Mail-In Clients' Trust Account Audit.

20 1.3 The audit requested reconciliation and supporting documents for GRPM clients'  
21 trust account- security deposit (CTA-SD) ending in #0999 for the month of March 2014.

22 1.4 On August 15, 2014, OREA received GRPM's response to the audit with  
23 supporting documentation. Review of the documentation by OREA compliance specialist,  
24 Lindsey Nunes (Nunes) determined the account was not in balance and the records submitted  
25 were incomplete.

26 1.5 Nunes worked with Macy Quintanilla (Quintanilla), an administrator at GRPM to  
27 resolve the CTA-SD non-compliance issues. Nunes identified what appeared to be a shortage  
28 of \$5829.42 in the account.

29 1.6 On October 27, 2014, OREA opened an investigation.

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1           1.7    On November 12, 2014, McCravey was interviewed, by OREA investigator Philip  
2 Johnson (Johnson). Also present at the interview was Quintanilla, who was introduced as an  
3 employee of GRPM as an administrator. Her duties included managing all facets of GRPM  
4 property management activity, except for signing the property management agreements.  
5 McCravey has been conducting property management activity since 2001, and Quintanilla has  
6 been conducting property management duties since 2001.

7           1.8    McCravey said she did not have written policies and delegation of authority in  
8 place that delegated the property management duties assigned to Quintanilla.

9           **Violation:** By failing to have written policies and a delegation of authority outlining the  
10 duties and functions that would be performed by Quintanilla, McCravey violated OAR 863-025-  
11 0015 (8-15-07, 11-15-07, 11-14-08, 6-15-10, 4-15-11, 9-1-11, 9-14-12, 4-1-13 and 5-15-14  
12 Editions), which requires property managers to develop, maintain, and follow written policies  
13 addressing any employees who are engaging in property management duties on behalf of the  
14 property manager. Additionally, OAR 863-025-0015 requires property managers to have in  
15 place, written delegations of authority, dated and signed, and kept with the written policies  
16 addressing the following duties: (a) Negotiate and sign property management agreements  
17 under OAR 863-025-0020(6); (b) Review and approve reconciliations and receive and disburse  
18 funds; and (c) Review, approve and accept tenant rentals and lease agreements. For activity  
19 occurring prior to August 15, 2007, McCravey violated OAR 863-025-0015 (2)(a),(b),(c),(d),  
20 and (e) (11-15-02, 8-15-03, 2-13-04, 7-15-05 and 4-15-06 Editions), which states, each  
21 property manager shall develop and maintain a written company policy. The written company  
22 policy shall include: (a) Provisions regarding the duties and responsibilities of the property  
23 managers, licensees of the property manager and any employees of the property manager; (b)  
24 Any provisions regarding the written authorizations as allowed under OAR 863-025-0020 or  
25 863-025-0045; (c) Procedures to ensure the protection and confidentiality of the owner's  
26 financial information; (d) Provisions regarding the supervision of the property manager's  
27 employees and contractors; (e) Provisions regarding the production and maintenance of all  
28 reports, records and documents required under this subsection.

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1           1.9     At the time of the interview with Johnson on November 12, 2014, GRPM was still  
2 unable to produce the records required for the mail in clients' trust account audit. Quintanilla  
3 said she was unaware that she was required to complete and have McCravey sign a Trust  
4 Account Reconciliation for each month. McCravey was unaware of the requirements for a  
5 three way reconciliation.

6           **Violation:** By failing to complete the required monthly reconciliation for the security  
7 deposit account ending in #0999 with the required three components, McCravey violated OAR  
8 863-025-0025(21) (11-14-08, 1-1-09, 6-15-10, 4-15-11, 9-14-12, 4-1-13, and 5-15-14 Editions),  
9 which requires that within 30 calendar days of the date of the bank statement the property  
10 manager must complete the required reconciliation made up of three components. For activity  
11 prior to November 8, 2011, McCravey violated, OAR 863-025-0025(20) (11-15-07, 8-15-07  
12 Editions). For activity prior to November 15, 2007, McCravey violated OAR 863-025-0025(6)  
13 (11-15-02, 8-15-03, 7-15-05, 4-15-06 Editions), which states a property manager shall  
14 reconcile all tenant security deposit client trust accounts at least once each month. The total of  
15 the balances of the individual tenant security deposit liabilities shall equal the balance as  
16 shown in the check register or record of receipts and disbursement and shall also equal the  
17 reconciled bank balance of the security deposit client trust account. The property manager  
18 must date and sign the reconciliation upon its' completion.

19           1.10    All of the above demonstrate incompetence in performing acts for which  
20 McCravey is required to hold a license.

21           **Violation:** ORS 696.301(12) (2005, 2007, 2009, 2011 and 2013 Editions), which states  
22 a licensee may be subject for discipline if they have demonstrated incompetence in performing  
23 any act for which the licensee is required to hold a license. For activity prior to 2005, McCravey  
24 violated ORS 696.301(28) (2001 and 2003 Editions), which states a licensee may be subject to  
25 discipline if they have demonstrated incompetence or in performing any act for which the  
26 licensee is required to hold a license.

27           1.11    Eventually, through working with their software program and Johnson, McCravey  
28 and Quintanilla were able to balance the security deposit account and submit three-way  
29 reconciliations for multiple months, along with supporting documentation showing the account  
30 balanced and no money was missing.

2.

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

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 me. 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 amended notice of intent may be issued in this matter. I understand that, in accordance with the provisions of ORS 696.445(3), notice of this order shall be published in the Oregon Real Estate News Journal.

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ORDER

IT IS HEREBY ORDERED, pursuant to ORS 696.301 and based on the violations above, that McCravey's principal broker license be, and hereby is, reprimanded.

IT IS FURTHER ORDERED that McCravey must complete the 27-hour Property Manager Advanced Practices course and provide documentation, such as a certificate of completion to OREA within four months from the date of this order.

IT IS SO STIPULATED:

IT IS SO ORDERED:

*Denise McCrauey*  
DENISE MCCRAVEY

*Gene Bentley*  
GENE BENTLEY  
Real Estate Commissioner

Date 11/17/15

Date 11-23-15

DATE of service: 11-23-2015