

1 REAL ESTATE AGENCY
2 BEFORE THE REAL ESTATE COMMISSIONER
3

4 In the Matter of the Real Estate License of)
5)
6 BRAYDEN MICHAEL MOORE) STIPULATED FINAL ORDER
7)
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10 The Real Estate Agency (OREA) and Brayden Michael Moore (Moore) do hereby agree
11 and stipulate to the following:

12 FINDINGS OF FACT
13 &
14 CONCLUSIONS OF LAW

15 1.

16 1.1 Brayden obtained his property manager license on May 23, 2013. On August 14,
17 2014, Moore registered Chateau Management, LLC (Chateau) with OREA and associated his
18 license with Chateau.

19 1.2 Moore received a clients' trust account audit letter dated July 17, 2014, informing
20 him that his clients' trust account ending in #0000 (CTA #0000) had been chosen for a mail in
21 audit. The letter requested Moore submit to OREA, within 30 days of the date of the letter, a
22 trust account reconciliation for March 2014 and provide supporting documentation.

23 1.3 On September 17, 2014, Moore submitted a spreadsheet with inconsistent owner
24 ledger balances to OREA Compliance Specialist, Lindsey Nunes (Nunes). In his first
25 submission Moore failed to submit bank statements or a single reconciliation form showing the
26 three required components. Moore made several incomplete submissions of reconciliation
27 documents to Nunes.

28 1.4 Nunes scheduled an onsite inspection for September 30, 2014. Nunes asked
29 Moore to prepare for her visit by providing an owners' ledger and check register.

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1 1.5 When Nunes arrived Moore was unable to provide the records Nunes requested.
2 Moore told Nunes his property management records were incomplete and inaccurate because
3 he did not have all his transactions entered, and owner and tenant ledgers were not up to date.

4 **Violation:** By failing to update and maintain required records and ledgers, Moore
5 violated OAR 863-025-0035(1)(b), (c), (d), (f) and (j) (4-1-13, 5-15-14 Editions), which requires
6 a property manager to keep complete and adequate records which must include, (b) clients'
7 trust account and security deposit account records, (c) an owner's ledger for each property
8 management agreement, (d) a record of receipts and disbursements or check register
9 maintained for each clients' trust account or security deposits account, (f) a tenant's ledger for
10 each tenant, and (j) records of the reconciliation of each clients' trust account and security
11 deposits account, including the reconciliation document.

12 1.6 Nunes learned from Moore he had never taken his earned management fees
13 since becoming licensed in April 2013. Moore claimed he intended to take his compensation
14 when his property management records were complete. Nunes requested a copy of Moore's
15 property management agreement, but Moore said he could not provide one for her. During a
16 subsequent interview with OREA Investigator/Auditor Meghan Lewis (Lewis), Moore provided
17 a copy of a property management agreement dated July 1, 2013, between Chateau
18 Management and Mike Moore. The agreement was for property located at 6421 NW Oak
19 Creek Dr. Studio, Corvallis, OR 97330. The agreement stated the following, "In the month in
20 which rents are collected, Manager shall take management fees in the amount of 6% of the
21 monthly gross receipts from the operation of the property during the period this Agreement
22 remains in full force and effect."

23 1.7 Moore admitted to Nunes he did not collect his management fees in the month
24 which rents are collected. The copy of the property management agreement is signed and
25 dated July 1, 2013, by Mike Moore, but is not signed and dated by Moore.

26 **Violation:** By failing to collect earned management fees, Moore violated OAR 863-025-
27 0025(15) (4-1-13, 5-15-14 Editions), which requires a property manager to disburse earned
28 management fees from the clients' trust account at least once each month unless a different
29 schedule of disbursement is specified in the property management agreement.

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1 **Violation:** By failing to sign the property management agreement dated July 1, 2013, as
2 the property manager, Moore violated OAR 863-025-0020(2)(I) (4-1-13 and 5-15-14 Editions),
3 which states, a property management agreement must include signatures of the property
4 manager, or a person authorized in section (6) of this rule, and the owner.

5 **Violation:** By using the name "Chateau Management" for the management of rental
6 real estate, when the name was not registered with OREA (the name registered with OREA is
7 Chateau Management, LLC), Moore violated, ORS 696.026(6) (2013 Edition) which states, a
8 principal real estate broker or licensed real estate property manager may conduct professional
9 real estate activity only under the name which the principal broker or property manager was
10 issued, or a registered business name.

11 1.8 On October 13, 2014, Moore called Nunes and told her his computer had
12 crashed and he had to re-create his property management records. Moore told Nunes what
13 she was asking of him was "impossible."

14 **Violation:** By failing to properly maintain his electronic records, Moore violated OAR
15 863-025-0035(3)(a), and (b) (4-1-13, 5-15-14 Editions), which states, if a property manager
16 uses a computerized system for creating, maintaining, and producing required records and
17 reports; (a) the property manager must back up any data that is stored in the computerized
18 system at least once each month, and (b) posting of owners ledgers, records of receipts and
19 disbursements, tenants ledgers and manipulation of information must be maintained in a
20 format that will readily enable tracing and reconciliation.

21 1.9 On November 18, 2014, Nunes requested an update from Moore. Moore replied
22 and explained he was almost complete with his 2013 entries. In an email dated November 24,
23 2014, Moore wrote to Nunes he was almost complete with his 2014 entries. Nunes did not
24 receive further communication or a completed reconciliation with Moore.

25 1.10 On January 5, 2015, OREA opened an investigation.

26 1.11 On March 4, 2015, Lewis interviewed Moore.

27 1.12 In the March 4, 2015, interview Moore told Lewis that he used a computerized
28 software program for his records maintenance and production. Moore used an electronic
29 payment feature in the program for receiving into CTA #0000 tenants rent income and security
30 deposits into CTA #0000. Moore thought owner and tenant ledgers associated with the

1 payment would be automatically updated. Moore admitted he did not always remember to
2 correct or update receipts of funds in the owner and tenant ledgers.

3 1.13 Moore told Lewis he could not provide any monthly reconciliations for either CTA
4 #0000 or security deposit account ending in #0018 (CTA #0018). Moore explained he was not
5 caught up on his property management records for 2014, or 2015, but that he had completed
6 the banking and ledger entries into his computerized system for 2013.

7 1.14 Moore further stated once he had completed the data entry for the owner and
8 tenant ledgers he could possibly have a clients' trust account reconciliation finished within
9 thirty days.

10 **Violation:** By failing to complete the required reconciliation for CTA #0000, Moore
11 violated OAR 863-025-0025(20) (4-1-13, 5-15-14 Edition), which requires a property manager
12 to reconcile each clients' trust account containing the three required components, within 30
13 calendar days from the bank statement.

14 **Violation:** By failing to complete the required reconciliations for CTA #0018, Moore
15 violated OAR 863-025-0025(21) (4-1-13, 5-15-14 Edition), which requires a property manager
16 to reconcile each security deposits account containing the three required components within
17 30 calendar days of the bank statement.

18 1.15 Throughout the course of the investigation Lewis requested and reviewed a
19 number of Moore's financial documents as he continued to work on his records and
20 reconciliations. Lewis found inconsistencies in the CTA #0018(security deposit account),
21 where Moore had provided spreadsheets containing tenant security deposits information.
22 Each spreadsheet contained a different ending balance, and the bank statement had an
23 entirely different ending balance.

24 1.16 Moore acknowledge the balance inconsistencies were likely due to the last and
25 first month's rent deposited in to CTA #0018. He explained that online deposits made by the
26 tenant or single check often contained rental income and tenant security deposit funds. Moore
27 admitted he did not always remember to transfer the funds constituting the tenant security
28 deposit to CTA #0018, or the funds constituting rental income into CTA #0000.

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1 **Violation:** By failing to deposit tenant security deposits into the security deposits
2 account within five banking days, Moore violated OAR 863-025-0025(5) (4-1-13, 5-15-14
3 Editions) which states, a property manager who receives a security deposit on behalf of an
4 owner must deposit the security deposit into the property manager's security deposit account
5 within five banking days after receipt.

6 **Violation:** By failing to separate rental income from tenant security deposits when a
7 tenant deposited a larger check containing both types of funds, Moore violated OAR 863-025-
8 0030(2) (4-1-13, 5-15-14 Editions), which state, if a property manager receives a security
9 deposit as part of a larger check containing funds other than security deposits, the property
10 manager may deposit the check into a clients' trust account of the property manager, however,
11 the portion of funds constituting the security deposits must be deposited into the security
12 deposits account within three banking days after deposit of the check into the clients' trust
13 account.

14 1.17 As previously discussed, Moore had not properly been recording security
15 deposits that he received from tenants. Moore told Lewis, he would work on creating an
16 accurate spreadsheet for an accounting of tenants security deposits held in CTA #0018.
17 Moore said he then would transfer out funds determined to be rental income to be transferred
18 into CTA #0000.

19 1.18 A review of Moore's tenant agreements and corresponding tenant ledgers
20 showed that Moore failed to specify the amount of and the reason for all funds paid by the
21 tenant to the property manager including, but not limited to, funds for rent, refundable security
22 deposits, and any fees or other charges.

23 1.19 A review of the tenant agreement for 223 NW 28th Street, Corvallis, Oregon
24 specified the first month's rent of \$950.00, with first and last month's rent due at the beginning
25 of the lease period effective June 1, 2014; and specified a security deposit of \$1,500.00 due at
26 the time of signing the lease agreement,.

27 1.20 According to the tenant ledger for the 223 NW 28th Street property, an entry for
28 \$950.00 July 1, 2014, was described as "Rent Income." On June 1, 2014, an entry for
29 \$1,500.00, was described as "Security Deposits." An entry for July 10, 2014 for \$995.00 was
30 recorded as, "Mgmt. Held- Last Month's Rent." The \$45.00 difference between the rent of

1 \$950.00 and \$995.00 is not specified with a reason on the tenant agreement or ledger.

2 1.21 During the investigation Moore created a spreadsheet, "January 2015 Closing
3 Balance SD Calculations," to identify tenant funds held for the different properties he managed.
4 On this spreadsheet, Moore identified \$4,975.00 as pre-paid rent collected for tenants in the
5 223 NW 28th property on his spreadsheet. The \$4,975.00 pre-paid rent was not reflected on
6 the tenant ledger for the property as paid or received.

7 1.22 Tenant agreements for 2161 Janssen Street #102, Corvallis, Oregon, indicated
8 that security deposits were to be charged and held by the Landlord. A review of the 2161 #102
9 tenant ledger did not show the \$2,000 tenant security deposit charged or received.

10 **Violation:** By failing to record deposits and detailed information for the deposits
11 received, Moore violated OAR 863-025-0050(4)(d)(A) and (B) (4-1-13 and 5-15-14 Editions),
12 which requires a tenant's ledger to contain the following for each deposits of funds: (A) amount
13 of funds received, and (B) the purpose of the funds and identity of the person who tendered
14 the funds.

15 1.23 All of the above demonstrate incompetent in performing acts for which Moore is
16 required to hold a license.

17 **Violation:** ORS 696.301(12) (2013 and 2015 Editions), which states a real estate
18 licensee's real estate license can be disciplined if they have demonstrated incompetence in
19 performing any act for which the licensee is required to hold a license.

20 1.24 On December 22, 2015, Moore attended a settlement conference. While at the
21 conference he stated he corrected multiple of the violations noted above. He explained he had
22 recently hired a bookkeeper to complete the required monthly reconciliations for CTA #0000
23 and CTA #0018. At the time of the conference Moore was working to correct entry errors from
24 2014, but was confident once this was done he could provide October 2015 and November
25 2015 monthly reconciliations no later than January 15, 2016.

26 1.25 Moore met the deadline of January 15, 2016 and included December 2015
27 reconciliations. A review of the reconciliations showed multiple outstanding transactions from
28 2014, including checks written to Chateau Management, past tenant and service providers,
29 and electronic banking transfers remained on the reconciliation document. Moore and his
30 bookkeeper explained the bank statements did not show these transactions, which indicated

1 the transactions did not occur at the banking level and were likely computer entry errors.

2 1.26 A second deadline of February 10, 2016, was given to Moore to show "significant
3 improvement" with his January 2016 reconciliations. Moore met the deadline and provided
4 the required reconciliation documents. Supporting documentation indicated the majority of
5 outstanding transactions appeared to be resolved, but a few checks to Chateau Management
6 and electronic banking transactions from 2014 remained on the reconciliation.

7 1.27 On February 26, 2016, Moore had a conference call with OREA Regulations
8 Manager, Selina Barnes and Lewis. Prior to the call, corrected January 2016 reconciliations
9 were submitted by Moore, these reconciliations appeared to be in compliance.

10 2.

11 2.1 OREA reserves the right to investigate and pursue additional complaints that
12 may be received in the future regarding this licensee.

13 STIPULATION & WAIVER

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

24 I hereby agree and stipulate to the above findings of fact and conclusions of law and
25 understand that the order which follows hereafter may be completed and signed by the Real
26 Estate Commissioner or may be rejected by the Real Estate Commissioner. I understand that,
27 in accordance with the provisions of ORS 696.445(3), notice of this order shall be published in
28 the Oregon Real Estate News Journal.

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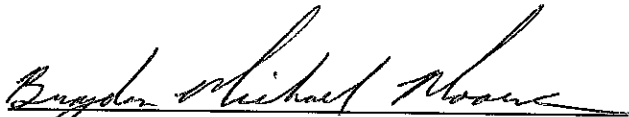
ORDER

IT IS HEREBY ORDERED that Moore's property manager license be, and hereby is, reprimanded.

IT IS FURTHER ORDERED that Moore complete the 27-hour Property Manager Advanced Practices course, (detailed in OAR 863-022-0022) within six months from the effective date of this order. Moore must submit documentation, such as certificate to OREA showing completion of the 27-hour Property Manager Advanced Practices course. This documentation must be submitted to OREA no later than 10 days after the education has been completed. The 27-hour Property Manager Advanced Practices course used to comply with this order may not be used as continuing education by Moore toward a license renewal.

IT IS SO STIPULATED:

IT IS SO ORDERED:



BRAYDEN MICHAEL MOORE

Date June 6th, 2016



GENE BENTLEY

Real Estate Commissioner

Date 6.14.16

Date of service: 6-16-2016