

1 REAL ESTATE AGENCY
2 BEFORE THE REAL ESTATE COMMISSIONER
3

4 In the Matter of the Real Estate License of)
5)
6 JEFFREY EDMONDSON) STIPULATED FINAL ORDER
7)
8)
9

10 The Oregon Real Estate Agency (Agency) and Jeffrey Edmondson (Edmondson) do
11 hereby 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, Edmondson was licensed as a principal broker
17 with 24/7 Properties, LLC.

18 1.2 On March 20, 2017, the Agency received a complaint from Eve Anderson
19 (Anderson) alleging her property manager charged an illegal transfer fee.

20 1.3 Anderson and two others signed a rental agreement with 24/Properties, LLC on
21 September 1, 2014, and renewed the agreement on September 1, 2015.

22 1.4 Prior to the renewal, on June 25, 2015, a \$50.00 "Set-Up Fee- Tenant Transfer
23 Charge" was charged to Anderson for adding Emma/Kelsey as a new tenant.

24 1.5 Full time 24/7 Properties employee Brandy Faist (Faist) communicated to
25 Anderson that 24/7 Properties started charging the fee in January 2015, and the fee had been
26 charged to Anderson's account on June 25, 2015, and August 23, 2016.

27 1.6 Neither the rental agreement signed on September 1, 2014, nor the renewed
28 rental agreement signed on September 1, 2015, addressed the transfer fee.

29 ///

30 ///

1 1.7 After Anderson complained to Faist regarding the transfer fee, and after
2 researching the issue, Faist reached out to their attorney and realized the fee should not have
3 been charged.

4 1.8 On March 17, 2017, a \$125.00 credit was credited to Anderson's tenant ledger.

5 1.9 In August 2017, Edmondson told OREA Investigator/Auditor Lindsey Nunes
6 (Nunes) that he had an accountant and full time employee who handled all the property
7 management activity, and he didn't know anything about the transfer fee.

8 1.10 Initially, when Nunes requested Edmondson's delegation of authority for
9 employees, Edmondson asked what a delegation of authority was and did not have them in
10 place for his employees.

11 1.11 Later, in August 2017, Edmondson provided newly implemented delegations of
12 authority to Nunes for his accountant, Tracy Pasco (Pasco), and office manager Faist which
13 appeared to be signed in August 2017.

14 **(1) Violation:** By failing to supervise a non-licensed employee engaging in property
15 management activity, who charged a fee not addressed in the tenant agreement, Edmondson
16 violated ORS 696.301(3) as it incorporates OAR 863-015-0140(3) and OAR 863-025-
17 0045(1)(c) (5-15-2014 Edition). OAR 863-015-0140(3) requires a principal broker to supervise
18 and control the professional real estate activity at any main or branch office registered by the
19 principal broker. Per OAR 863-025-0045(1): The property manager must file and maintain
20 legible copies of all tenant rental or lease agreements for the time period required under OAR
21 863-025-0035. Each tenant rental or lease agreement prepared by a property manager for
22 residential real estate must contain, in addition to and not in lieu of any applicable
23 requirements of the Residential Landlord and Tenant Act, the following: (c) the amount of and
24 the reason for all funds paid by the tenant to the property manager including, but not limited to,
25 funds for rent, conditionally refundable security deposits, and any fees or other charges.

26 ///

27 ///

28 ///

29 ///

30 ///

1 **(2) Violation:** By failing to have written delegations of authority in place for Pasco and
2 Faist, Edmonson violated ORS 696.301(3) as it incorporates OAR 863-025-0015 and OAR
3 863-015-0140(3) (11-15-2016 Edition). OAR 863-025-0015 requires each property manager
4 to develop, maintain and follow written policies for persons and activities listed in the rule. In
5 general, the policies must specify the duties, responsibilities, supervision and authority for
6 employees, including any authority to handle funds in a clients' trust account or security
7 deposits account of the property manager. Delegations must be in writing, dated and signed
8 by the property manager, and must be kept with written policies. OAR 863-015-0140(3)
9 requires a principal broker to supervise and control the professional real estate activity at any
10 main or branch office registered by the principal broker.

11 1.12 During the course of the investigation, it was found that 24/7 Properties did not
12 have any clients' trust accounts or security deposit accounts entered in the Agency licensing
13 database.

14 1.13 The clients' trust account ending in #3195 and security deposits ending in #1150
15 were entered into the Agency's license database on or around August 3, 2017.

16 **(3) Violation:** By failing to notify the Agency of the clients' trust accounts Edmondson
17 violated ORS 696.301(3) as it incorporates ORS 696.241(4) (2013 and 2015 Editions) which
18 requires a principal broker to notify the Agency within 10 business days after the date a clients'
19 trust account is opened.

20 1.14 Nunes requested reconciliations for clients' trust account ending in #3195, and
21 security deposits account ending in #1150.

22 1.15 On August 3, 2017, Pasco provided the following information for clients' trust
23 account ending in #3195: a bank statement, check register, and a bank reconciliation report.
24 The bank reconciliation document provided did not contain the three required components, and
25 was not signed and dated by the property manager.

26 1.16 For the reconciliation relating to security deposits account ending #1150, Pasco
27 provided a bank statement and tenant ledgers for July 2017. No reconciliation document was
28 provided.

29 ///

30 ///

1 **(4) Violation:** By failing to properly reconcile the clients' trust account and security deposits
2 account, Edmonson violated ORS 696.301(3) as it incorporates OAR 863-025-0025(20) and
3 (21) (9-1-11, 9-14-2012, 4-1-2013, 5-15-2014, and 11-15-2016 Editions), which requires a
4 property manager to reconcile each clients' trust account and security deposits account within
5 30 calendar days of the date of the bank statement, with the three required components, which
6 must be equal to and reconciled with each other. The reconciliation document must be signed
7 and dated by the property manager.

8 1.17 A review of the reconciliation documents submitted for July 2017 and August
9 2017 indicated several HOA/Condo associations' funds were being held in the clients' trust
10 account ending in #3195.

11 1.18 The reconciliation documents also showed that Edmondson was holding funds
12 pertaining to his personally owned rental properties and funds pertaining to property located in
13 Washington in his clients' trust account ending in #3195.

14 **(5) Violation:** By commingling HOA/Condo Association fees in the clients' trust account
15 Edmondson violated ORS 696.301(3) as it incorporates OAR 863-025-0025(3) (11-15-16
16 Edition) and ORS 696.241(7) (2015 Edition). OAR 863-025-0025(3) states that only the
17 following funds may be held in a clients' trust account: (a) funds received by the property
18 manager on behalf of an owner; and (b) interest earned. ORS 696.241 (7) states excepted for
19 earned interest on a clients' trust account as provided in subsections (9) and (10) of this
20 section, a licensed principal broker may not commingle any other funds with the trust funds
21 held in a clients' trust account.

22 **(6) Violation:** By having funds from Edmondson's personal rental properties and out of
23 state property funds included in the clients' trust account, Edmondson violated ORS
24 696.301(3) as it incorporates OAR 863-025-0065(3) (11-15-16 Edition) and ORS 696.241(6)
25 (2015 Edition). OAR 863-025-0065(3) states a property manager may not deposit any funds
26 received on behalf of an owner in the property manager's personal account or commingle any
27 such funds received with personal funds of the property manager. ORS 696.241 (7) states
28 excepted for earned interest on a clients' trust account as provided in subsections (9) and (10)
29 of this section, a licensed principal broker may not commingle any other funds with the trust
30 funds held in a clients' trust account.

2.

2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.

2.3 The Agency reserves the right to investigate and pursue additional complaints that may be received in the future regarding this licensee.

2.4 In establishing the violations alleged above, OREA may rely on one or more of the definitions contained in ORS 696.010.

STIPULATION & WAIVER

I have read and reviewed the above findings of fact and conclusions of law which have been submitted to me by the Agency 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 the Agency 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. 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.

///

///

///

///

///

///

///

///

///

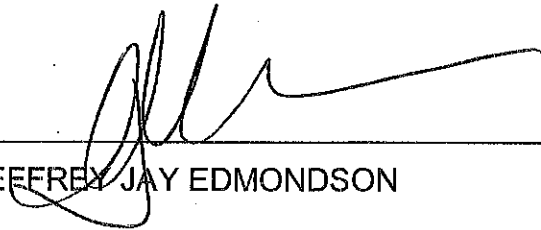
ORDER

IT IS HEREBY ORDERED that the principal broker license of Edmondson be, and hereby is reprimanded.

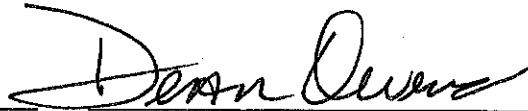
IT IS FURTHER ORDERED that Edmondson complete the 27- hour Property Manager Advanced Practices course, (detailed in OAR 863-022-0022, 1-1-2018 Edition) within four months from the effective date of this order. Edmondson must submit a certificate to the Agency showing completion of the 27-hour Property Manager Advanced Practices Course. This certificate must be submitted to the Agency no later than 10 days after the education has been completed.

IT IS SO STIPULATED:

IT IS SO ORDERED:



JEFFREY JAY EDMONDSON



DEAN OWENS

Acting Real Estate Commissioner

Date 9/14/18

Date 9-25-2018

Date of Service: 9-25-2018