

1 REAL ESTATE AGENCY
2 BEFORE THE REAL ESTATE COMMISSIONER
3

4 In the Matter of the Real Estate License of)

5
6 PAMELA DAWN LEBSOCK)

FINAL ORDER BY DEFAULT

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9 1.

10 1.1 On June 14, 2019, the Real Estate Commissioner issued, by certified mail, a
11 Notice of Intent to Revoke the property manager license of Pamela Dawn Lebsock (Lebsock).
12 The Oregon Real Estate Agency (Agency) sent the Notice of Intent to Lebsock's last known
13 address of record with the Agency. The Notice of Intent was also mailed the same day to
14 Lebsock by regular first class mail in a handwritten envelope. These mailings have not been
15 returned to the Agency.

16 1.2 Lebsock's last known address of record with the Agency was 813 NW 5th St.,
17 Pendleton, OR 97801.

18 1.3 The same day, June 14, 2019, the Notice of Intent was also mailed by certified
19 and regular first class mail to Lebsock's attorney, Jack Graham, at 3265 Liberty Rd S., Salem
20 OR 97302. These mailings have not been returned to the Agency.

21 1.4 Over twenty (20) days have elapsed since the mailing of the notice issued in this
22 matter and no written request for hearing has been received.

23 1.5 Copies of the entire investigation file are designated as the record for purposes
24 of default, including any submission from respondent and all information in the administrative
25 file relating to the mailing of notices and any responses received.

26 2.

27 Based upon the foregoing and upon a review of the above described investigation
28 reports, documents and files, the Real Estate Commissioner finds:

29 2.1 Oregon Administrative Rule 863-001-0006 states, in part, that a notice of intent is
30 properly served when deposited in the United States mail, registered or certified mail,

1 addressed to the real estate licensee or to any other person having an interest in a proceeding
2 before the Commissioner at the licensee's or other person's last known address of record with
3 the Agency.

4 2.2 Lebsock's last known address of record with the Agency was 813 NW 5th St.,
5 Pendleton, OR 97801.

6 2.3 A certified mailing of the Notice of Intent was mailed to Lebsock at her last known
7 address of record on June 14, 2019. The return receipt for the certified mailing showed a
8 delivery date of June 16, 2019 and was signed by Lebsock.

9 2.4 The Notice of Intent was also mailed the same day to Lebsock by regular first
10 class mail in a handwritten envelope.

11 2.5 The mailing in the handwritten envelope has not been returned to the Agency. In
12 accordance with ORS 40.135(1)(q), there is a presumption that the mailing properly addressed
13 and placed with the U.S. Postal Service was delivered. That presumption has not been
14 overcome by any evidence.

15 2.6 The Notice of Intent was mailed certified to Lebsock's attorney, Jack Graham, on
16 June 14, 2019 to 3265 Liberty Rd S., Salem, OR 97302. The return receipt for the certified
17 mailing was signed for by Dana Jones, date of delivery was blank. The Notice of Intent was
18 also mailed regular first class mail to Jack Graham and has not been returned to the Agency.

19 2.7 Over twenty (20) days have elapsed since the mailing of the notice and no
20 written request for a hearing has been received.

21 FINDINGS OF FACT

22 &

23 CONCLUSIONS OF LAW

24 3.

25 3.1 At all times mentioned herein, Lebsock was licensed as a property manager
26 doing business under the registered business name of Home Run Property Management.

27 3.2 On December 26, 2017, the Agency received a complaint from property owner
28 Damon Hess (Hess) concerning Lebsock.

29 3.3 Hess's business relationship with Lebsock started in the summer of 2016, when
30 Hess' mother and aunt transferred ownership of their Pendleton rental property named Keiser

1 Court to an LLC (Keiser Court LLC) consisting of Hess, his siblings and his cousins. Hess was
2 selected to represent the group of owners to oversee the property.

3 3.4 Prior to the transfer of ownership regarding the Keiser Court property, Lebsock
4 managed the property for Hess' mother and aunt. Lebsock was unable to provide a copy of
5 the property agreement she had with Hess' mother but stated she thought one existed at one
6 point.

7 3.5 In 2016 when Lebsock began managing the Keiser Court property for Keiser
8 Court LLC she failed to create a property management agreement. During the investigation,
9 Lebsock denied knowing ownership of the property had changed.

10 **(1) Violation:** By failing to create a property management agreement between Keiser Court
11 LLC and Home Run Property Management Lebsock violated ORS 696.301(3) as it
12 incorporates OAR 863-025-0020(1) (5-15-14, 11-15-16 Editions) which states a property
13 manager may not engage in the management of rental real estate without a written unexpired
14 property management agreement between the owner and the property manager.

15 3.6 Keiser Court consisted of multiple addresses: 518 SW 15th and 518.5 SW 15th
16 which is a duplex, 514 SW 15th, 521 SW 14th, 519 SW 14th, 517 SW 14th, and 515 SW 14th
17 which were all mobile homes. At the time ownership was transferred, three of the mobile
18 homes located on it were owned by third parties (Lebsock managed the rental of the lots these
19 mobile homes were on).

20 3.7 A few months after ownership of Keiser Court was transferred to the LLC, Hess
21 requested an update on the status of the property, both its occupancy and its financial reports.
22 Hess stated prior to this request he would receive rental checks with "net balances, without
23 any detail." Hess wanted to understand if all tenants were paying their full rent on time, as he
24 had been unable to discern that from the documentation Lebsock had provided.

25 3.8 The document that was provided to Hess, dated April 25, 2017, was titled
26 "Transaction Detail by Account, January through December 2016." It appeared to function as
27 an owner ledger, but lacked the required detail. Items such as the identity of who remitted
28 payment, check and receipt numbers for all deposits, purpose of disbursements, and running
29 balances were not present or inconsistently reported.

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1 3.9 Lebsock's bookkeeper, Mark Stansbury (Stansbury), explained that "owner
2 reports" were generated by him at the beginning of each month and then distributed to owners
3 by Lebsock along with their rental income checks. The document's internal title was
4 "Transaction Detail by Account," and Stansbury said it served as the owners' ledger.

5 **(2) Violation:** By failing to include all the required detail on the owners' ledgers, Lebsock
6 violated ORS 696.301(3) as it incorporates OAR 863-025-0055(3)(b)(B)(C)(c)(E)(d) (5-15-14
7 and 11-15-16 Editions), which states all owner ledgers must contain: (b) for each deposit of
8 funds: (B) the purpose of the funds and identity of the person who tendered the funds;(C) the
9 check number, cash receipt number or a unique series of letters and/or numbers that
10 established an audit trail to the receipt of funds;(c) for each disbursement of funds: (E) the
11 purpose of the disbursement and (d) the balance after each recorded entry.

12 518 SW 15th Duplex:

13 3.10 On December 1, 2016, tenants Aimee Gibson and Tanner Gonzalez signed a
14 lease agreement for 518 SW 15th. The lease agreement indicated the tenants would pay
15 \$400.00 for monthly rent. The tenants almost immediately fell behind in their rent payments.
16 They made incremental payments but remained past due. Lebsock said she felt keeping them
17 in the property, even with past due rent payments, was better than having a vacancy. After
18 February 2017 the tenants stopped paying entirely yet still remained in the property. Lebsock
19 admitted she never discussed the situation with Hess or asked him how he would like the
20 tenants' delinquency handled.

21 3.11 Lebsock stated she did not directly communicate to Hess the issues she was
22 having with getting payments from the tenants. She said the information about their partial
23 payments was available to him on his owner statements. The Excel Spreadsheet Lebsock
24 provided to Hess for May 2017 indicated that rent had not been received since January 2017.

25 3.12 On April 10, 2017, Lebsock created a 72 hour notice that indicated Gibson and
26 Gonzalez were past due on rent and owed \$900. The notice demanded \$400 be paid by April
27 13, 2017 or the tenancy would be terminated. There is no record of this payment having been
28 made by the deadline.

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1 3.13 On May 21, 2017, Lebsock issued another eviction notice to Gibson and
2 Gonzalez. The 72-hour notice form indicated the tenants owed \$1,800.00 at that time. This
3 notice resulted in a court ordered stipulated agreement between Lebsock and the tenants.
4 The order indicated that the tenants paid \$400.00 on June 24, 2017, and agreed to pay \$300,
5 twice a month until the \$1,800 past due balance was resolved.

6 **(3) Violation:** By failing to timely inform Hess of the tenants' extreme delinquency Lebsock
7 violated ORS 696.301(12), and (14) (2015 Edition). ORS 696.301 states a licensee's real
8 estate license may be disciplined if they have: (12) demonstrated incompetence or
9 untrustworthiness in performing any act for which the real estate licensee is required to hold a
10 license, Additionally this violated ORS 696.890 (4)(a),(b),and (c) (2015 Edition) which states a
11 property manager owes the property owner the following affirmative duties: (a) to deal honestly
12 and in good faith; (b) to disclose material facts known by the property manager and not
13 apparent or readily ascertainable to the owner; (c) to exercise reasonable care and diligence.
14 Lebsock's conduct is grounds for discipline under ORS 696.301(12), and (14).

15 3.14 According to Hess, when he questioned Lebsock about the occupancy of 518
16 SW 15th, she told him there had been a tenant in one side of the unit, but they had left and it
17 was vacant. Hess was informed by others that both sides of the duplex had tenants in them.
18 Hess became concerned about the conflicting information and scheduled to visit the property
19 himself.

20 3.15 On June 30, 2017, when Hess arrived at the property Lebsock took him through
21 the unit and it appeared vacant. According to Lebsock she told him the tenants "were in the
22 process of moving out," but did not elaborate on it. She did not tell Hess the tenants were
23 staying in a hotel room that she paid for, while he was viewing the unit.

24 3.16 After the walk through, Hess was told by an acquaintance that the tenants
25 inhabiting the unit had been moved into a motel during Hess' visit to the property. Hess then
26 hired a private investigator who drove out to the property and immediately determined the unit
27 was occupied.

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1 3.17 On the afternoon of June 29, 2017, text messages between Gibson and Lebsock
2 showed Gibson asking Lebsock about the plan for moving into a hotel room and asked if they
3 would need to move their belongings out of the duplex that day. Lebsock replied, "Yes. Well
4 [sic] out [sic] the bags of clothes in the shed out back. I'm making hotel arrangements now."
5 In another message Lebsock wrote in part, "I hope this all works and you can get caught up
6 because I'm putting a lot of trust and money out."

7 3.18 In another text message Gibson wrote in part, "...so we bagged everything up
8 and put it all in the backroom along with all the big furniture and stuff and made it look like
9 nobody was living here."

10 3.19 The entire text message transcript does not contain any mention of plans for
11 Gibson and Gonzalez to move out of the property. This contradicted Lebsock's statement that
12 the tenants were "in the process of moving out," which is what she claimed to have told Hess.

13 3.20 In one message, Lebsock wrote in part, "Perfect. Thanks for being willing to
14 have a "holiday weekend."" The next day, July 1, 2017, Lebsock text Gibson a message
15 stating, "Owner is gone and seen what he has to say [sic] so you are free to come back at any
16 time."

17 3.21 Home Run's financial records for Gibson and Gonzalez show that they became
18 past due in January, on their first full months' rent. A \$400 payment for February's rent was
19 posted on June 4, 2017, this payment came from a local social service Agency in response to
20 the first eviction notice.

21 3.22 The tenants were finally evicted in August 2017 from the unit.

22 **(4) Violation:** By concealing Gibson and Gonzalezs' tenancy in the unit, Lebsock violated
23 ORS 696.301(1), (12), and (14) (2015 Edition). ORS 696.301 states a licensee's real estate
24 license may be disciplined if they have: (1) created a reasonable probability of danger or injury
25 to a person by making a material misrepresentation in a matter related to professional real
26 estate activity, (12) demonstrated incompetence or untrustworthiness in performing any act for
27 which the real estate licensee is required to hold a license, (14) committed an act of fraud or
28 engaged in dishonest conduct substantially related to the fitness of the licensee to conduct
29 professional real estate activity without regard to whether the conduct occurred in the course of
30 professional real estate activity. Additionally this violated ORS 696.890(4)(a)(2015 Edition)

1 which states a property manager owes the property owner the following affirmative duties: (a)
2 to deal honestly and in good faith. Lebsock's conduct is grounds for discipline under ORS
3 696.301 (1), (12), and (14).

4 3.23 The tenant lease agreement for Gibson and Gonzalez indicated they paid a
5 security deposit of \$600 at the time of moving in. Home Run's financial records for the tenants
6 report they had not paid a deposit.

7 **(5) Violation:** By failing to resolve discrepancies in her records Lebsock demonstrated
8 incompetence in violation of ORS 696.301(12) (2015 Edition) which states a licensee's real
9 estate license may be disciplined if they have demonstrated incompetence or
10 untrustworthiness in performing any act for which the real estate licensee is required to hold a
11 license.

12 518.5 SW 15th Duplex:

13 3.24 518.5 SW 15th was occupied by Tara Fox for approximately four years. For the
14 first two years, a local social service agency CAPECO subsidized the majority of her rent and
15 remitted payment to Home Run on a monthly basis. Fox's monthly contribution was \$10.00.
16 Lebsock allowed Fox to "watch and care for" the property in lieu of making the \$10.00 monthly
17 payments. Lebsock admitted this arrangement was not cleared with Hess.

18 3.25 When the CAPECO subsidy expired, Lebsock allowed Fox to remain in the unit
19 for approximately two years (the final two years of the total four years Fox resided there) in
20 exchange for doing yard work and general upkeep of the property without any rental payments
21 being made.

22 3.26 The Excel spreadsheet Home Run provided to Hess for May 2017 indicated this
23 unit was vacant.

24 **(6) Violation:** By concealing Fox's tenancy and allowing her to occupy the unit without
25 paying rent Lebsock violated ORS 696.301(1), (12), and (14) (2013 and 2015 Editions). ORS
26 696.301 states a licensee's real estate license may be disciplined if they have: (1) created a
27 reasonable probability of danger or injury to a person by making a material misrepresentation
28 in a matter related to professional real estate activity, (12) demonstrated incompetence or
29 untrustworthiness in performing any act for which the real estate licensee is required to hold a
30 license, (14) committed an act of fraud or engaged in dishonest conduct substantially related to

1 the fitness of the licensee to conduct professional real estate activity without regard to whether
2 the conduct occurred in the course of professional real estate activity. Additionally this violated
3 ORS 696.890 (4)(a)(2013 and 2015 Editions) which states a property manager owes the
4 property owner the following affirmative duties: (a) to deal honestly and in good faith.
5 Lebsock's conduct is grounds for discipline under ORS 696.301(1), (12), and (14).

6 2203 SW Nye:

7 3.27 On August 28, 2017, Charles Naegli (C Naegli) and his mother Theresa Naegli (T
8 Naegli), moved into a unit at 2203 SW Nye. No lease agreement was created at that time.

9 3.28 2203 SW Nye is part of an apartment complex owned by 366 Development, who
10 hired a property management company from Portland, Criteria Properties (Criteria) to manage
11 their investment. Criteria served as an asset manager for the property and hired Lebsock as
12 the local property manager.

13 3.29 C.Naegli received a rental subsidy from the local service agency, CAPECO. On
14 December 6, 2017, Mindy Long (Long), a case worker from CAPECO reached out to the
15 President of Criteria, James Schaff (Schaff), requesting a copy of the tenant's lease
16 agreement. Long explained she needed documentation before she could issue rental
17 assistant payments on behalf of the tenant. Schaff told the caseworker that he had no
18 knowledge of the tenant and had no record of the lease agreement for 2203 SW Nye.

19 3.30 Long had phoned Lebsock on August 28, 2017, to request a copy of the lease
20 agreement. Lebsock assured Long a lease agreement would be signed before September 1.
21 CAPECO made several more additional requests for the lease agreements in September,
22 October and November. On all occasions Lebsock told CAPECO caseworker that she did not
23 have a lease agreement but would create one. This caused the unit to be occupied by the
24 Naeglis for three months without any rental income paid by CAPECO.

25 **(7) Violation:** By failing to create a lease agreement, allowing tenants to move into a
26 property without a lease agreement, and continuing to allow them to reside in the property for
27 three months without any rent being paid by CAPECO, Lebsock violated ORS 696.301(1) and
28 (12) (2015 Edition). ORS 696.301 states a licensee's real estate license may be disciplined if
29 they have: (1) created a reasonable probability of danger or injury to a person by making a
30 material misrepresentation in a matter related to professional real estate activity, (12)

1 demonstrated incompetence or untrustworthiness in performing any act for which the real
2 estate licensee is required to hold a license. Additionally, Lebsock violated ORS 696.890(4)(f)
3 (2015 Edition) which states a property manager owes the property owner the duty of being
4 loyal to the owner by not taking action that is adverse to the owner's interest. Lebsock's
5 conduct is grounds for discipline under ORS 696.301(1) and (12).

6 3.31 Lebsock created a lease agreement for C Naeglis and T Naeglis (Naeglis) and
7 presented it to them to sign in December 2017. According to C. Naegli, Lebsock instructed
8 him to use September 1, 2017, as the date of execution.

9 **(8) Violation:** By falsifying the date of execution on the Naeglis' tenant lease agreement,
10 Lebsock violated ORS 696.301(12) and (14) (2015 Edition). ORS 696.301 states a licensee's
11 real estate license may be disciplined if they have: (12) demonstrated incompetence or
12 untrustworthiness in performing any act for which the real estate licensee is required to hold a
13 license, (14) committed an act of fraud or engaged in dishonest conduct substantially related to
14 the fitness of the licensee to conduct professional real estate activity without regard to whether
15 the conduct occurred in the course of professional real estate activity.

16 325 SW Court:

17 3.32 In April 2017, a CAPECO client that Lebsock placed in 325 SW Court was facing
18 eviction and contacted CAPECO for assistance. When CAPECO staff requested a copy of the
19 lease agreement and receipts for rent paid previously the tenant indicated she had never
20 signed a lease agreement with Lebsock nor had Lebsock provided receipts for the cash rent
21 payments made by the tenant.

22 **(9) Violation:** By failing to have a tenant lease agreement in place for the CAPECO client
23 residing at 325 SW Court Street Lebsock violated ORS 696.301(12) (2015 Edition). ORS
24 696.301 states a licensee's real estate license may be disciplined if they have: (12)
25 demonstrated incompetence or untrustworthiness in performing any act for which the real
26 estate licensee is required to hold a license.

27 **(10) Violation:** By failing to provide receipts for the cash rents received for the tenant at 325
28 SW Court, Lebsock violated ORS 696.301(3) as it incorporates OAR 863-025-0060(1) (11-15-
29 16 Edition) which states a property manager must prepare a legible written receipt for any cash
30 funds received under a property management agreement.

1 3.33 The tenant later returned to CAPECO with a copy of a signed lease agreement.
2 When asked for an explanation, the tenant explained that Lebsock helped her by driving her
3 back to the CAPECO office and executed a lease agreement in the parking lot. The lease was
4 backdated. CAPECO staff informed the tenant they could not accept the backdated lease
5 agreement.

6 **(11) Violation:** By falsifying the date of execution on the tenant lease agreement for the
7 CAPECO client residing at 325 SW Court Street, Lebsock violated ORS 696.301(12) and (14)
8 (2015 Edition) ORS 696.301 states a licensee's real estate license may be disciplined if they
9 have: (12) demonstrated incompetence or untrustworthiness in performing any act for which
10 the real estate licensee is required to hold a license, (14) committed an act of fraud or engaged
11 in dishonest conduct substantially related to the fitness of the licensee to conduct professional
12 real estate activity without regard to whether the conduct occurred in the course of professional
13 real estate activity.

14 3.34 The main office location for Home Run listed in the Agency's licensing database
15 was at 813 NW 5th St, Lebsock's home office. As of June 21, 2018, Lebsock's property
16 management records were located in separate locations. Records were in her home office,
17 some were held by her bookkeeper (at a different location), and others were at a storage
18 facility. Lebsock had not notified the Agency of a change of location for her records.

19 3.35 During Lebsock's interview with Agency Investigator/Auditor Francis Hlawatsch
20 on June 21, 2018, Lebsock was unable to provide details relating to specific dates, timeframes,
21 past due balances, or specific transaction dates and amounts because she was incapable of
22 accessing her computerized financial records. Lebsock stated her bookkeeper, Mark
23 Stansbury, maintained all of these records and she did not have access to the electronic
24 records he kept.

25 **(12) Violation:** By failing to notify the Agency of the location of your financial records
26 Lebsock violated ORS 696.301(3) as it incorporates OAR 863-025-0035(5) (11-15-16 and 1-1-
27 18 Editions) which states a property manager may maintain required records at a location
28 other than the main business office if the property manager notifies the Commissioner in
29 writing five banking days prior to establishing the new location.

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1 **(13) Violation:** During the interview, Lebsock was unable to provide details for specific
2 transactions due to her inability to access her computerized financial records without the
3 assistance of her bookkeeper, this violated ORS 696.301(3) as it incorporates OAR 863-025-
4 0035(3)(b)(1-1-18 Edition) which states if a property manager uses a computerized system for
5 creating, maintaining, and producing required records and reports: (b) posting of owners
6 ledgers, record of receipts and disbursements, tenant ledgers and manipulation of information
7 and documents must be maintained in a format that will readily enable tracking and
8 reconciliation.

9 3.36 During Lebsock's interview on June 21, 2018, she indicated that she did not
10 review or sign the monthly reconciliations prepared by her bookkeeper. She explained this
11 was handled entirely by her bookkeeper Stansbury. During Stansbury's interview he stated he
12 was responsible for reconciling the company's trust accounts and preparing financial
13 documents and reports for Lebsock and her clients.

14 3.37 Stansbury said that Lebsock recorded all transactions in a deposit book and a
15 checkbook. Several times a month she would drop off these books so Stansbury could enter
16 the data into Excel spreadsheets or QuickBooks. Stansbury said Lebsock reviews his work
17 and the reports he creates.

18 **(14) Violation:** By failing to review and sign the monthly clients' trust account reconciliation
19 that were prepared by her bookkeeper, Lebsock violated ORS 696.301(3) as it incorporates
20 OAR 863-025-0028(2)(d)(B) (1-1-18 Edition) which requires a property manager to within 30
21 calendar days from the date of the bank statement sign and date the reconciliation document
22 attesting to the accuracy and completeness of the reconciliation.

23 3.38 The report 2017 Rents Received Report created by Stansbury and used by
24 Lebsock as a record of receipts and disbursements did not include information about who
25 remitted payments.

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1 **(15) Violation:** The report Lebsock used as a record of receipts and disbursements did not
2 include the source of payments which violated ORS 696.301(3) as it incorporates OAR 863-
3 025-0040(2)(a)(C) (11-15-16 Edition) which requires (2) a record of receipts and
4 disbursements or a check register must contain at least the following information: (a) for each
5 receipt of funds: (C) the purpose of funds and identity of the person who tendered them, for
6 each receipt of funds.

7 3.39 A document used as a security deposit ledger was titled "C Security Account
8 Detail," and dated May 31, 2018 listed four occupied units with security deposits on file that did
9 not include the tenant name. The security deposit balances ranged from \$80.00 to \$1,500.00.

10 **(16) Violation:** The document Lebsock used as a security deposit ledger failed to include all
11 the tenant names for submitted deposits, this violated ORS 696.301(3) as it incorporates OAR
12 863-025-0050(1) (11-15-16 Edition) which requires a property manager to prepare and
13 maintain at least one tenant's ledger for each individual tenant from whom the property
14 manager has received funds.

15 3.40 In regards to the monthly reconciliations, Stansbury would use the checkbook
16 and deposit book (dropped off by Lebsock) to reconcile against the bank account, in effect
17 reconciling two ways. During his June 2018 interview, Stansbury said Lebsock had no
18 involvement in the reconciliation process apart from when he had questions about transaction
19 details or client and tenant names.

20 **(17) Violation:** By allowing her bookkeeper to reconcile without using the sum of all positive
21 owners' ledgers as the third required component Lebsock failed to complete the required three
22 way reconciliations in violation of ORS 696.301(3) as it incorporates OAR 863-025-0028(2) 1-
23 1-2018 Edition) which requires a property manager to reconcile each clients' trust account
24 within 30 calendar days of the date of the bank statement and the reconciliation must have the
25 required three components contained in a single reconciliation document, including the sum of
26 all positive owners' ledgers as of the date of the bank statement.

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1 3.41 Stansbury explained during his interview that checks for owner's rental income
2 were cut prior to all rents being posted and payments for utilities being cleared. Stansbury
3 said this occurred because some tenants paid later in the month. According to Stansbury, this
4 method often caused owners to have negative balances temporarily, but their balances were
5 eventually restored once all rents had been posted. Lebsock admitted that negative balances
6 often appear on the owners' ledgers but explained that they were temporary.

7 **(18) Violation:** By allowing owner checks to be issued prior to all payments clearing which
8 caused negative balances on the owner ledgers Lebsock violated ORS 696.301(3) as it
9 incorporates OAR 863-025-0025 (12) (11-15-16 Edition), OAR 863-025-0027(3) (1-1-2018
10 Edition) which states a property manager must not disburse funds from a clients' trust account
11 or security deposits account unless there are sufficient funds, as defined in OAR 863-025-0010
12 in the ledger account against which the disbursement is made. OAR 863-025-0010(21)
13 defines sufficient funds as an amount of funds on an owner's ledger or a tenant's ledger that is
14 equal to or greater than the amount of a planned disbursement from a clients' trust account.
15 Only funds belonging to the owner on whose behalf the disbursement is planned may be
16 considered in determining if there are sufficient funds.

17 121 ½ SE 10th Court and 929 SE Court Place:

18 3.42 Property owner Grant Peterson (Peterson) owned rental property located at 121
19 ½ SE 10th Court and 929 SE Court Place in Pendleton. Lebsock was the property manager for
20 the property when he purchased it in September 2016. Peterson decided to continue using
21 Lebsock and Home Run to manage the rental. Peterson said he consistently received rental
22 income from Lebsock but he was unsure what the funds were for since the checks simply said
23 "rent" in the memo section and did not have any accompanying documentation. Peterson said
24 Lebsock, "could never tell me what the rents were." Peterson said he communicated to
25 Lebsock that he would like timely reports and accounting. He said Lebsock made excuses and
26 blamed the accountant. He said she would promise to get documents to him but usually didn't
27 and provided more excuses. This frustration led Peterson to terminate Lebsock's services and
28 he changed property managers around January 2018.

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1 **(19) Violation:** By failing to provide owner Grant Peterson with monthly owner statements
2 Lebsock violated ORS 696.301(3) as it incorporates OAR 863-025-0055(4) (11-15-16 Edition)
3 which states a property manager must report in writing to each owner any change in the
4 owner's ledger. A monthly report showing all receipts and disbursements for the account of
5 the owner during the prior monthly period is sufficient.

6 4.

7 4.1 The above violations are grounds for discipline pursuant to ORS 696.301.

8 4.2 Based on these violations, the Agency is revoking Lebsock's property manager
9 license. A revocation is appropriate for violations of ORS 696.301(12) and (14).

10 4.3 A revocation of Lebsock's property manager license is appropriate under ORS
11 696.396(2)(c)(A),(B), and (C). According to ORS 696.396(2)(c)(A),(B), and (C) the Agency
12 may revoke a real estate license if the material facts establish a violation of a ground for
13 discipline under ORS 696.301 that: (A) results in significant damage or injury; (B) exhibits
14 incompetence in the performance of professional real estate activity; (C) exhibits dishonesty or
15 fraudulent conduct.

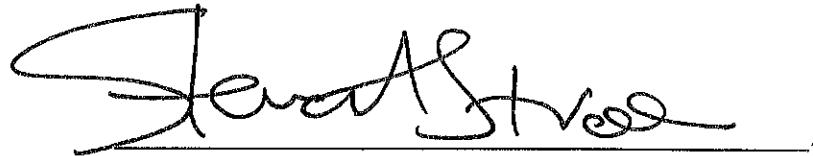
16 4.4 The Agency reserves the rights to investigate or pursue additional complaints
17 that may be received in the future regarding this licensee.

18 ORDER

19 IT IS HEREBY ORDERED that Lebsock's property manager license is revoked.

20 Dated this 9th day of July, 2019.

23 OREGON REAL ESTATE AGENCY

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27 Steven Strode

28 Real Estate Commissioner

29 Date of Service: 7/9/2019

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NOTICE: You are entitled to judicial review of this order. Judicial review may be obtained by filing a petition for review within 60 days from the date of service of this order. Judicial review is pursuant to the provisions of ORS 183.482.