

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of)
MARGARET ANN BUSCHMANN) STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Margaret Ann Buschmann (Buschmann) do hereby agree and stipulate to the following:

FINDINGS OF FACT
&
CONCLUSIONS OF LAW
1.

1.1 Buschmann’s principal broker license was associated with Legacy Partners Residential Inc., from February 5, 2016 until June 10, 2016, when she became associated with Legacy Partners, Inc. A Corporation of Delaware, after a change of the registered business name.

1.2 Buschmann signed a Legacy Partners, Inc. Oregon Designated Broker Agreement dated February 5, 2016, in which she is noted as the Oregon Designated Broker. The agreement indicates Legacy Partners Residential L.P., a Delaware limited partnership is engaged in the business of managing real property and Legacy Partners, Inc. is the general partner, and as such will be responsible for providing real estate management services for residential properties in Oregon on Legacy Partners Residential L.P’s behalf. The agreement describes Buschmann’s responsibilities as an independent contractor of Legacy Partners., Inc. and she is to receive \$1,000.00 a month. The agreement is signed by Robert Calleja, CFO of Legacy Partners, Inc. a Delaware corporation.

1.3 On February 5, 2016, Buschmann signed Legacy Partners, Inc. Delegation of Authority forms (Oregon On-Site Employees) for Megan Brown and Christina Jones to perform

1 certain onsite property management activities. (Neither Megan Brown nor Christina Jones
2 were employees of the registered business name, Legacy Partners Residential Inc.)

3 1.4 Buschmann did not update the Delegation of Authority forms for the Oregon On-
4 Site Employees when she associated her license with Legacy Partners, Inc. A Corporation of
5 Delaware on June 10, 2016.

6 1.5 On June 19, 2018, the Agency sent Buschmann a letter, via email, to Legacy
7 Partners, Inc. A Corporation of Delaware (registered business name that Buschmann's license
8 was associated with), notifying her the clients' trust account ending in #9227 had been
9 selected for a Mandatory Clients' Trust Account Review for May 2018 and requested her to
10 provide and submit documents to the Agency in 30 days. Buschmann did not respond to the
11 Agency's request and the case was forwarded to the Regulation Division.

12 1.6 On July 30, 2018, Buschmann was sent a second notice of the Mandatory Mail-In
13 Clients' Trust Account review by and notified her that she had five days to respond.

14 1.7 Buschmann responded to the second notice explaining she didn't get the first
15 request and wanted an extension. She was given until August 14, 2018.

16 1.8 The email address for the registered business name, Legacy Partners, Inc A
17 Corporation of Delaware in the Agency's licensing system was: davery@legacypartners.com.
18 The first notice of the Mail-In Review went to this email address on file, and Buschmann did
19 not receive it.

20 **(1) Violation:** Buschmann failed to maintain her current email address on file with the
21 Agency in violation of ORS 696.301(3) as it incorporates OAR 863-014-0062(1), (5-15-2014,
22 11-15-2016 and 1-1-2018 Editions) which states each active, inactive and expired real estate
23 licensee must maintain on file with the Agency a current mailing address and email address
24 and notify the Agency within 10 calendar days of a change to a mailing or email address.

25 1.9 Buschmann emailed the Agency the clients' trust account ending in #9277, BIT
26 Investments Sixty- Nine LLC (property owner), documents for May 2018 on August 9, 2018,
27 November 11, 2018 and November 20, 2018. The reconciliation documents for clients' trust
28 account ending in #9227 indicate the clients' trust account is for Bit Investment Sixty-Nine LLC,
29 a single owner and the complex is "The Union."

30 1.10 A review of the May 20, 2018, clients' trust account ending in #9227 Bank

1 Reconciliation Report indicates the adjusted bank balance is \$3,550.76 and the general ledger
2 balance is \$9,188.52, a -\$3550.76 difference. The Bank Reconciliation Report showed a
3 heading of "Book Reconciling Items" with the following entries under the heading:

- 4 • 5/20/2018 ACH #1175 posted in 06/18 \$50.57
- 5 • 5/20/2018 Dept#335 posted in 6/18 -\$600.00
- 6 • 5/20/2018 08/18 SD True Up -\$3001.33

7 1.11 The Book Reconciling Items is shown as -\$549.43, with a Reconciled Balance
8 Per G/L of \$8,639.09, and a difference (reconciled bank balance and reconciled balance per
9 the general ledger) of \$0.00.

10 1.12 The documents submitted did not support the reconciled items noted on the Bank
11 Reconciliation Report and the account appears to have a negative balance. Additionally, by
12 using June 2018 postings to balance the May 2018 reconciliation, it appears the clients' trust
13 account was not reconciled within the required thirty days. Lastly, the reconciliation report was
14 not signed and dated by Buschmann.

15 **(2) Violation:** A review of the May 20, 2018 reconciliation for clients' trust account ending
16 in #9227 indicates the adjusted bank balance was \$3,550.76 less than the general ledger and
17 it appears the clients' trust account #9227 was not reconciled within the required 30 days.
18 Buschmann also failed to sign and date the bank reconciliation. Buschmann violated ORS
19 696.301(3) as it incorporates OAR 863-025-0028(2)(b)(d)(A)(B) (1-1-2018 Edition) which
20 states: (2) A property manager must reconcile each clients' trust account within 30 calendar
21 days of the date of the bank statement pursuant to the requirements contained in this section.
22 (b) the balances of each component in section (2)(a) of this rule must be equal to and
23 reconciled with each other. If any adjustment is needed, the adjustment must be clearly
24 identified and explained on the reconciliation document. (d) Within 30 calendar days from the
25 date of the bank statement, the property manager must: (A) Complete the reconciliation
26 document; and (B) Sign and date the reconciliation document, attesting to the accuracy and
27 completeness of the reconciliation.

28 1.13 The entry "05/18 SD True Up" for -\$3,001.33, noted in the explanation of the
29 difference for the May 2018 clients' trust account reconciliation, does not clearly identify or
30 explain the adjustment.

1 **(3) Violation:** By failing to clearly identify and explain the bank adjustment noted as SD
2 True UP -\$3001.33 on the May 2018 reconciliation Buschmann violated ORS 696.301(3) as it
3 incorporates OAR 863-025-0028(2)(b) (1-1-2018 Edition) which states (2) a property manager
4 must reconcile each clients' trust account within 30 calendar days of the date of the bank
5 statement pursuant to the requirements contained in this section: (b) the balances of each
6 component in section (2)(a) of this rule must be equal to and reconciled with each other. If any
7 adjustment is needed, the adjustment must be clearly identified and explained on the
8 reconciliation document.

9 1.14 The Deposit Summary- With Net Deposit document submitted appears to be
10 aggregated deposits, which notes the date and the amount of the aggregated deposits, but
11 there is no separate report detailing the deposits being aggregated daily or detailing individual
12 deposits as of the date the funds were received, the purpose of the funds, the person who
13 tendered the funds and the date the funds were deposited. This separate report detailing the
14 individual deposits had been requested by Agency staff.

15 **(4) Violation:** By failing to have the required supporting documentation with the required
16 detail for the aggregated deposits Buschmann violated ORS 696.301(3) as it incorporates
17 OAR 863-025-0040(6) and OAR 863-025-0040(2)(a)(A)(B)(C)(D) (1-1-2018 Edition). OAR
18 863-025-0040(6) states a property manager may aggregate individual deposits or individual
19 disbursements and record the aggregated total in the record of receipts and disbursements or
20 check register only if the property manager: (a) aggregates the deposits or disbursements on a
21 daily basis; (b) maintains a separate report that details the individual deposits or
22 disbursements, which states the information for each deposit and disbursement as required in
23 section (2) of this rule; and (c) preserves and maintains the detailed report as a required
24 record. OAR 863-025-0040(2)(a)(A)(B)(C)(D), states: (2) a record of receipts and
25 disbursements or a check register must contain at least the following information: (a) for each
26 receipt of funds: (A) the date the funds were received, unless the date is recorded in a
27 separate document as provided in section (3) of this rule; (B) the amount of funds received; (C)
28 the purpose of the funds and identity of the person who tendered the funds; and (D) the date
29 the funds were deposited.

30 1.15 The Payment Register, indicates management fees were paid to Legacy

1 Partners Residential, Inc. on April 27, 2018, in the amount of \$8,054.82 and on May 4, 2018, in
2 the amount of \$6,853.78.

3 1.16 On May 9, 2018, Legacy Partners, Inc. received \$7,981.78 of which \$4,516.72
4 was for management fees.

5 1.17 On page 112, the general ledger notes a heading of "Mgmt Fees- Residential" an
6 entry description for 5-15-2018 of "Management Fees Accrual" with an ending balance of
7 \$41,181.69, which is not noted in the Payment Register.

8 **(5) Violation:** By permitting a non-licensed individual to engage in professional real estate
9 activity, with or on her behalf and not supervising the property management activity conducted
10 under her principal broker license, Buschmann violated ORS 696.301(3) as it incorporates
11 ORS 696.315(1) and ORS 696.026(7)(10) (2017 Edition) and OAR 863-015-0140(1) (1-1-2018
12 Editions). ORS 696.315(1) states (1) except as provided in subsection (2) of this section, a
13 real estate licensee may not knowingly permit a nonlicensed individual to engage in
14 professional real estate activity, with or on behalf of the licensee. ORS 696.026(7),(10) states:
15 (7) only a principal real estate broker or licensed real estate property manager may control and
16 supervise the professional real estate activity conducted under the registered business name.
17 (10) a principal real estate broker or licensed real estate property manager who registers a
18 business name need not be an owner or officer of entity lawfully entitled to use or have an
19 ownership interest in the registered business name. However, only a principal real estate
20 broker or licensed real estate property manager may control and supervise the professional
21 real estate activity conducted under the registered business name. OAR 863-015-00140(1)
22 states no principal broker may allow any individual to use the principal broker's license for the
23 sole purpose of allowing other real estate licensees to engage in professional real estate
24 activity when the principal broker's only interest is receiving a fee for the use of the principal
25 broker's license by others or when the principal broker only nominally supervises the
26 professional real estate activity conducted under the principal broker's license.

27 1.18 The general ledger for May 2018, submitted on November 11, 2018, is 114
28 pages of debits and credits that are not reflected on the bank statement and the ending
29 balance is \$7,674.71. The required information for the receipt and disbursements of funds is
30 not noted on the general ledger. Specifically, the ledger lacked the following identifying

1 information:

- 2 • For receipt of funds: purpose of the funds and identity of the person who tendered
- 3 the funds
- 4 • For disbursement of funds: purpose of the disbursement.

5 **(6) Violation:** By failing to have the required detail noted for the receipts and
6 disbursements of funds on the general ledger for May 2018 Buschmann violated ORS
7 696.301(3) as it incorporates OAR 863-025-0040(2)(a)(C)(b)(D) (1-1-2018 Edition) which
8 states: (2) a record of receipts and disbursements or a check register must contain at least the
9 following information: (a) for each receipt of funds: (C) the purpose of the funds and identity of
10 the person who tendered the funds. (b) for each disbursement of funds: (D) the purpose of the
11 disbursement.

12 1.19 On November 11, 2018, documents for security deposits account ending in #
13 9230 for May 2018 were received by the Agency. Included were the security deposits account
14 ending in # 9230 reconciliation form (noted incorrectly as being for clients' trust account ending
15 in # 9227), April 21 – May 20, 2018 bank statement and security deposit activity, and what
16 appeared to be the tenants' ledger. There was no record of receipts and disbursement /check
17 register submitted. The reconciliation document for Part IV (Amount of Difference in Totals)
18 only noted "Deposit #335 posted in 06/18 books," indicating the reconciliation had not been
19 completed within 30 calendar days of the date of the bank statement.

20 **(7) Violation:** By failing to have a record of receipts and disbursements and failing
21 complete the reconciliation for security deposits account ending in #9230 within 30 calendar
22 days of the date of the bank statement Buschmann violated ORS 696.301(3) as it incorporates
23 OAR 863-025-0028(3)(a)(B)(d)(A) and OAR 863-025-0035(1)(d) (1-1-2018 Edition). OAR 863-
24 025-0028(3)(a)(B),(d)(A) states: (3) A property manager must reconcile each security deposits
25 account within 30 calendar days of the bank statement pursuant to the requirements contained
26 in this section. (a) the reconciliation must have three components that are contained in a single
27 reconciliation document: (B) the balance in the records of receipts and disbursements or the
28 check register as of the date of the bank statement. (d) Within 30 calendar days of the date of
29 the bank statement the property manager must: (A) complete the reconciliation document.
30 OAR 863-025-0035(1)(d) states the property manager's records of the

1 management of rental real estate are “complete and adequate” as required under ORS
2 696.280 if the records contain at least, the following: (d) a record of receipts and
3 disbursements or check register maintained for each clients’ trust account or security deposits
4 account.

5 1.20 The May 2018 reconciliation document for security deposits account ending in #
6 9230 indicates the three components do not balance. The reconciled bank balance is
7 \$145,371.39, receipts and disbursement journal balance is \$76,734.39, which is \$68,637.00
8 less than the bank balance. The tenants’ ledger balance is noted as \$69,237.00, which is
9 \$76,134.39 less than the bank statement.

10 1.21 The tenants’ ledger document indicates the security deposits being held total
11 \$68,418.15, not \$69,237.00 as noted on the reconciliation form, which is a difference of
12 \$818.00.

13 **(8) Violation:** By having inconsistent records relating to the amount of security deposits
14 held, where the tenants’ ledger indicates the security deposits being held totaled \$68,418.15,
15 not \$69,237.00 as noted on the reconciliation form (an \$818.85 difference), Buschmann failed
16 to have complete and adequate records in violation of ORS 696.301(3) as it incorporates ORS
17 696.280(1) (2017 Edition) Per ORS 696.280(1) a licensed real estate property manager or
18 principal real estate broker shall maintain within this state, except as provided in subsection (6)
19 of this section, complete and adequate records of all professional real estate activity conducted
20 by or through the licensed real estate property manager or principal real estate broker.

21 1.22 On the May 2018 reconciliation form for account ending in #9230, Part IV is to
22 account for and explain any differences between the required three parts there is only one
23 entry of \$600.00 with the corresponding notes of “Deposit #335 posted in 06/18 books.” There
24 is no explanation why the reconciled bank account balance is showing more than the balances
25 posted for the receipts and disbursement journal and the tenants’ ledger.

26 **(9) Violation:** The three components in the reconciliation for security deposits account
27 ending in #9230 for May 2018 did not balance and the tenants ledger balance did not match
28 the corresponding balance on the reconciliation form, in violation of ORS 696.301(3) as it
29 incorporates OAR 863-025-0028(3)(b) (1-1-2018 Edition). OAR 863-025-0028(3)(b) states a
30 property manager must reconcile each security deposits account within 30 calendar days of

1 the bank statement date pursuant to the requirements contained in this section: (b) the
2 balances of each component in section (3)(a) of this rule must be equal to and reconciled with
3 each other. If any adjustment is needed, the adjustment must be clearly identified and
4 explained on the reconciliation document.

5 **(10) Violation:** By failing to explain in Part IV on the reconciliation document for security
6 deposits account ending in #9230 why the reconciled bank account balance is more than
7 posted in the receipts and disbursement journal and the tenants' ledger Buschmann violated
8 ORS 696.301(3) as it incorporates OAR 863-025-0028(3)(b) (1-1-2018 Edition) and ORS
9 696.280(1) (2017 Edition). OAR 863-025-0028(3)(b) states a property manager must reconcile
10 each security deposits account within 30 calendar days of the bank statement date pursuant to
11 the requirements contained in this section: (b) the balances of each component in section
12 (3)(a) of this rule must be equal to and reconciled with each other. If any adjustment is
13 needed, the adjustment must be clearly identified and explained on the reconciliation
14 document. Per ORS 696.280(1) a licensed real estate property manager or principal real
15 estate broker shall maintain within this state, except as provided in subsection (6) of this
16 section, complete and adequate records of all professional real estate activity conducted by or
17 through the licensed real estate property manager or principal real estate broker.

18 1.23 The Bank Reconciliation Report for security deposits account ending in # 9230
19 under the heading "Book Reconciling Items," for May 20, 2018, notes show "05/18 SD Tune
20 Up," in the amount of \$3,001.33, as a bank adjustment for May 2018 reconciliation. The same
21 amount (\$3,001.33) is also noted in the clients' trust account ending in # 9227 May 2018
22 reconciliation documents as a negative. These funds were not clearly identified and explained.

23 **(11) Violation:** By failing to identify and explain the adjustments of \$3001.33 and -\$3011.33
24 in the May 2018 reconciliation documents for security deposits account ending in #9230 and
25 clients' trust account ending in #9227 Buschmann violated ORS 696.301(3) as it incorporates
26 OAR 863-025-0028(2)(b)(3)(b) (1-1-2018 Edition). Per OAR 863-025-0028(2)(b) a property
27 manager must reconcile each clients' trust account within 30 calendar days of the date of the
28 bank statement pursuant to the requirements contained in this section. (b) the balances of
29 each component in section (2)(a) of this rule must be equal to and reconciled with each other.
30 If any adjustment is needed, the adjustment must be clearly identified and explained on the

1 reconciliation document. Per OAR 863-025-0028(3)(b) a property manager must reconcile
2 each security deposits account with in 30 calendar days of the bank statement date pursuant
3 to the requirements contained in this section. (b) the balances of each component in section
4 (3)(a) of this rule must be equal to and reconciled with each other. If any adjustment is
5 needed, the adjustment must be clearly identified and explained in the reconciliation
6 document.

7 1.24 Documents were submitted to the Agency for clients' trust account ending in
8 #4245, including a bank statement dated April 21, 2018 to May 20, 2018. The name on the
9 account is Bit Investment Sixty-Nine, AFL-CIO Building Investment Trust, Lloyd District
10 Disbursements. This clients' trust account was not reported to the Agency.

11 **(12) Violation:** By failing to notify the Agency within ten days of opening clients' trust
12 account ending in #4245 Buschmann violated ORS 696.301(3) as it incorporates ORS
13 696.245(2)(a)(b)(c)(d)(e)(4) (2017 Edition), and OAR 863-025-0025(3) (1-1-2018 Edition).
14 ORS 696.245(2)(a)(b)(c)(d)(e)(4) (2017 Edition) states: (2) within 10 business days from the
15 date a clients' trust account is opened, the property manager or principal real estate broker
16 shall notify the Real Estate Agency that the account has been opened. The notice must
17 include information about the clients' trust account, including but not limited to: (a) the name of
18 the bank where the account is located; (b) the account number; (c) the name of the account;
19 (d) the date the account was opened; and (e) an acknowledged copy of the notice described in
20 subsection (1) of this section. (4) notification to the agency under subsections (2) and (3) of
21 this section must be made in the manner established by the Agency by rule. OAR 863-025-
22 0025(3) (1-1-2018) states within 10 business days from the date a clients' trust account is
23 opened, the property manager must notify the Agency using an online process established by
24 the Agency. The notification will include the information required in ORS 696.245, including a
25 copy of the completed and signed "Notice of Clients' Trust Account and Authorization to
26 Examine."

27 1.25 During the March 21, 2019, interview with Buschmann, clients' trust account
28 ending in #4245 was discussed and Buschmann did not know what the account was for. Also
29 present at the interview was Megan Brown Kruger, employee of Legacy Partners, Inc., and the
30 Business Manager/Onsite Manager of The Union, Heidi Daniel, Regional Portfolio

1 Manager/Regional Property Manager with Legacy Partners, Inc. out of Seattle. It was
2 explained to Agency staff there were three different clients' trust accounts: clients' trust
3 account ending in #9227 was used to account for deposits, clients' trust accounts ending in
4 #4245 was for disbursements of the funds deposited into clients' trust account ending in #9227
5 each month, and security deposits account ending in #9320 for security deposits.

6 1.26 Agency staff was told Bit Investments (Bit) had complete control of clients' trust
7 account #4245 and was a signer on the account (Buschmann was also a signer on clients'
8 trust account ending in #4245). It was explained the owner feeds the clients' trust account and
9 Legacy paid the bills directly out of the clients' trust account ending in #4245.

10 1.27 Buschman was asked who the other signers are for the clients' trust accounts
11 reported to the Agency and she didn't know. Heidi Daniel said she was a signer and thinks the
12 principals for Legacy are signers, but didn't know exactly who that would be.

13 **(13) Violation:** By allowing a principal of Bit to be a signer on clients' trust account ending in
14 #4245 Buschmann violated ORS 696.301(3) as it incorporates OAR 863-025-0025(9) (5-15-
15 2014, 11-15-2016 and 1-1-2018 Editions). OAR 863-025-0025(9) states a property manager
16 may not allow an owner to be an authorized signer on a clients' trust account or security
17 deposits account and may not allow an owner to deposit, hold or disburse funds in a clients'
18 trust account or a security deposit account.

19 1.28 Buschmann was also a signer on clients' trust account ending in #9227 and the
20 account was opened as a clients' trust account. Funds from clients' trust account #9227 were
21 disbursed to the owner each month because, according to Annabelle from Legacy Partners,
22 Inc (who was brought into the interview by conference call), " the operating account needs to
23 be under the owner's control."

24 1.29 Buschmann was asked who the property owner was for The Union, and Heidi
25 Daniel and Megan Kruger responded explaining that PNC Bank was the owner. When told the
26 bank was not the owner noted on Multnomah County Oregon property records, that Bit
27 Investment Sixty-Nine LLC (Bit) was the owner on record, Heidi Daniel explained, "PNC is the
28 owner of the property and doing business as Bit and Legacy is the manager."

29 1.30 During the interview it was discovered that Buschmann did not have control over
30 the clients' trust accounts or property management of The Union since she had associated her

1 principal broker license with Legacy Partners Residential, Inc. on February 16, 2016, then
2 associating her license with Legacy Partners, Inc. A Corporation of Delaware on June 10,
3 2016. Megan Brown Kruger negotiated and signed rental agreements, which note Legacy
4 Partners, Inc. as the property manager, and collected funds and forwarded them to the Legacy
5 Partners, Inc. corporate office in California where all the accounting is performed.

6 1.31 Buschmann stated she was not involved in the management of The Union. She
7 did not do any of the clients' trust account reconciliations, she reviewed them each month but
8 didn't understand them. Buschmann did not sign or review the tenant agreements and all the
9 onsite management was done by Megan Kruger.

10 **(14) Violation:** Tenant agreements were not written under Legacy Partners, Inc. A
11 Corporation of Delaware with Buschmann as the principal broker, in violation of ORS
12 696.301(3) as it incorporates OAR 863-025-0045(1)(d) (1-1-2018 Editions) which states (1)
13 Residential Property. The property manager must file and maintain legible copies of all tenant
14 rental or lease agreements for the time period required under OAR 863-025-0035. Each
15 tenant rental or lease agreement prepared by a property manager for residential real estate
16 must contain, in addition to and not in lieu of any applicable requirements of the Residential
17 Landlord and Tenant Act, the following: (d) signatures of the property manager, or person
18 authorized under OAR 863-025-0015, and the tenant.

19 1.32 Buschmann did not have a signed property management agreement between Bit
20 Investment Sixty-Nine LLC (Bit) and Legacy Partners, Inc. A Corporation of Delaware.

21 **(15) Violation:** By not having a signed property management agreement in place with Bit
22 Buschmann violated ORS 696.301(3) as it incorporates of OAR 863-025-0020(1) (5-15-2014,
23 11-15-2016 and 1-1-2018 Editions) which states a property manager must not engage in the
24 management of rental real estate without a written, unexpired property management
25 agreement between the owner and the property manager.

26 1.33 Agency representatives were told a property management agreement between
27 Legacy Partners and Bit existed, however Buschmann was not a signer on that property
28 management agreement (this property management agreement was never provided to the
29 Agency).

30 **(16) Violation:** By failing to supervise the property management activity conducted under

1 her principal broker license Buschmann violated ORS 696.301(3) as it incorporates ORS
2 696.315(1) (2015 and 2017 Editions) and OAR 863-015-0140(1) (5-15-2014, 11-15-2016 &
3 1-1-2018 Editions). ORS 696.315(1) states except as provided in subsection (2) of this
4 section, a real estate licensee may not knowingly permit a nonlicensed individual to engage in
5 professional real estate activity, with or on behalf of the licensee. OAR 863-015-0140(1) states
6 no principal real estate broker may allow any individual to use the principal broker's license for
7 the sole purpose of allowing other real estate licensees to engage in professional real estate
8 activity when the principal broker's only interest is receiving a fee for the use of the principal
9 broker's license by others or when the principal broker only nominally supervises the
10 professional real estate activity conducted under the principal broker's license.

11 **(17) Violation:** By allowing individuals who were not employees of Legacy Partners, Inc. A
12 Corporation of Delaware, and were nonlicensed, to negotiate rental or lease agreements,
13 check tenant references, physically maintain the real estate of an owner, conduct tenant
14 relations, collect rent and other payments, supervise premise managers or discuss financial
15 matters with the owner, Buschmann violated ORS 696.301(3) as it incorporates OAR 863-025-
16 0015(3)(c), OAR 863-015-0140(1) (5-15-2014, 11-15-2016 and 1-1-2018 Editions), and ORS
17 696.315(1) (2015 & 2017 Editions). OAR 863-025-0015(3)(c) states: (3) Policies must specify
18 the duties, responsibilities, supervision and authority, including any authority to handle funds in
19 a clients' trust account or security deposits account, for the following persons: (c) an employee
20 of the property manager, including any authority to: (A) negotiate tenant rental or lease
21 agreements under OAR 863-025-0045(2); (B) check applicant or tenant references, including
22 credit references; (C) physically maintain the real estate of an owner; (D) conduct tenant
23 relations; (E) collect rent and other payments; (F) supervise premise managers; or (G) discuss
24 financial matters relating to management of the real estate with the owner. OAR 863-015-
25 0140(1) states no principal real estate broker may allow any individual to use the principal
26 broker's license for the sole purpose of allowing other real estate licensees to engage in
27 professional real estate activity when the principal broker's only interest is receiving a fee for
28 the use of the principal broker's license by others or when the principal broker only nominally
29 supervises the professional real estate activity conducted under the principal broker's license.
30 ORS 696.315(1) states except as provided in subsection (2) of this section, a real estate

1 licensee may not knowingly permit a nonlicensed individual to engage in professional real
2 estate activity, with or on behalf of the licensee.

3 **(18) Violation:** By allowing nonlicensed individuals, associated with Legacy Partners, Inc.
4 and/or Legacy Partners Residential, Inc., to control clients' trust account ending in # 9227 and
5 #4245 and security deposits account ending in #9320 with the receiving and disbursing of
6 funds, Buschmann violated ORS 696.301(3) as it incorporates ORS 696.315(1) (2015 & 2017
7 Edition), ORS 696.026(4) (2015 Edition), ORS 696.026(7)(10) (2017 Edition) and OAR 863-
8 015-0140(1) (5-15-2014, 11-15-2016 and 1-1-2018 Editions). ORS 696.315(1) states except
9 as provided in subsection (2) of this section, a real estate licensee may not knowingly permit a
10 nonlicensed individual to engage in professional real estate activity, with or on behalf of the
11 licensee. ORS 696.026(4) (2015 Edition) states only a principal real estate broker or licensed
12 real estate property manager may control and supervise the professional real estate activity
13 conducted under the registered business name. ORS 696.026(7)(10) (2017 Edition) states:
14 (7) only a principal real estate broker or licensed real estate property manager may control and
15 supervise the professional real estate activity conducted under the registered business name.
16 (10) a principal real estate broker or licensed real estate property manager who registers a
17 business name need not be an owner or officer of any entity lawfully entitled to use or have an
18 ownership interest in the registered business name. However, only a principal real estate
19 broker or licensed real estate property manager may control and supervise the professional
20 real estate activity conducted under the registered business name. OAR 863-015-0140(1)
21 states no principal real estate broker may allow any individual to use the principal broker's
22 license for the sole purpose of allowing other real estate licensees to engage in professional
23 real estate activity when the principal broker's only interest is receiving a fee for the use of the
24 principal broker's license by others or when the principal broker only nominally supervises the
25 professional real estate activity conducted under the principal broker's license.

26 1.34 The advertising for The Union was not being done under Legacy Partners, Inc. A
27 Corporation of Delaware (the registered business name that Buschmann's license was
28 associated with). The advertising either noted The Union or Legacy Partners, The Union.
29 There was no sign designating the main office for Legacy Partners, Inc. A Corporation of
30 Delaware.

1 **(19) Violation:** The internet advertising for The Union did not note Legacy Partners,
2 Residential, Inc. A Corporation of Delaware, in violation of ORS 696.301(3) as it incorporates
3 ORS 696.026(9) (2017 Edition) and OAR 863-015-0125(4), (1-1-2018 Edition). ORS
4 696.026(9) (2017 Edition) states (9) all professional real estate activity conducted by the
5 principal real estate broker, licensed real estate property manager or real estate licensees
6 associated with a principal real estate broker or licensed real estate property manager must be
7 conducted under an active registered business name. OAR 863-015-0125(4) states the
8 licensed name or registered business name of the principal real estate broker, sole practitioner
9 real estate broker, or property manager must be prominently displayed, immediately
10 noticeable, and conspicuous in all advertising.

11 **(20) Violation:** By failing to designate the main office location of Legacy Partners,
12 Residential, Inc. A Corporation of Delaware with a sign Buschmann violated ORS 696.301(3)
13 as it incorporates ORS 696.200(1)(c) (2017 Edition) which states: (1) a licensed real estate
14 property manager or principal real estate broker shall: (c) designate the main office by a sign
15 that contains the name under which the real estate licensee conducts professional real estate
16 activity as provided in ORS 696.026.

17 1.35 All of the above demonstrate incompetence or untrustworthiness in performing
18 acts for which Buschmann is required to hold a license.

19 **(21) Violation:** ORS 696.301(12) (2015 & 2017 Editions), which state a licensee's real
20 estate license may be disciplined if they have demonstrated incompetence or
21 untrustworthiness in performing any act for the licensee is required to hold a license.

22 1.36 Buschmann has, in response to the violations, taken corrective action and now
23 fully complies with the law regarding each of the issues.

24
25 2.

26 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.
27 Based on these violations a reprimand is appropriate for violations of ORS 696.301(3) and
28 (12).

29 2.2 The Agency reserves the right to investigate and pursue additional complaints
30 that may be received in the future regarding this licensee.

1 2.3 In establishing the violations alleged above, OREA may rely on one or more of
2 the definitions contained in ORS 696.010.

3 2.4 According to ORS 696.775, the lapsing, expiration, revocation or suspension of a
4 real estate license, whether by operation of law, order of the Real Estate Commissioner or
5 decision of a court of law, or the inactive status of the license, or voluntary surrender of the
6 license by the real estate licensee does not deprive the commissioner of jurisdiction to: (1)
7 proceed with an investigation of the licensee; (2) conduct disciplinary proceedings relating to
8 the licensee; (3) Take action against a licensee, including assessment of a civil penalty against
9 the licensee for a violation of ORS 696.020(2); or (4) revise or render null and void an order
10 suspending or revoking a license.

11

12

STIPULATION & WAIVER

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

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

28 I agree once the Commissioner executes this stipulated order, I will accept service of
29 the final order by email, and hereby waive the right to challenge the validity of service.

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ORDER

IT IS HEREBY ORDERED that Margaret Ann Buschmann's principal broker license be, and hereby is reprimanded.

IT IS SO STIPULATED:

IT IS SO ORDERED:



DocuSigned by:
Margaret Buschmann
9A8AF63A9CD14B4...

DocuSigned by:
Steven Strobe
D141D267DDE14A0...

MARGARET ANN BUSCHMANN

STEVEN STRODE

Real Estate Commissioner

Date 12/12/2020 | 7:33 PM PST

Date 12/14/2020 | 8:49 AM PST

Date of Service: 12/14/2020