

REAL ESTATE AGENCY  
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of  
SHERRY PATRICIA KOPP ) STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Sherry Patricia Kopp (Kopp) do hereby agree and stipulate to all of the following, with the exception of the precise dollar figures listed by the Agency:

PROCEDURAL HISTORY:

On March 13, 2020, the Agency issued a Notice of Intent to Revoke Respondent Sherry Patricia Kopp’s (Kopp’s) principal broker license (which authorized Respondent to act as a principal broker and as a property manager). On March 25, 2020, Respondent Kopp requested a hearing. The hearing is scheduled for July 14, 2020 through July 15, 2020. Prior to the date of hearing Respondent Kopp did on July 9, 2020, enter into settlement discussions with the Agency. Pursuant to those discussions Respondent Kopp agreed to stipulate to the commission of the listed violations, and to the revocation of her real estate broker license, upon the condition that she not have to stipulate to the precise dollar discrepancies determined by the Agency in the course of its investigation. In the interests of settlement, the Commissioner agreed to the stated condition and with the understanding that Respondent Kopp is not agreeing to the dollar figures listed herein the Commissioner and Respondent Kopp now state as follows:

FINDINGS OF FACT

&

CONCLUSIONS OF LAW

1.

1.1 Kopp holds a principal broker license and worked under the registered business name Quinella Realty P.C. Kopp’s license expired on February 1, 2020.

1.2 Between May and June 2019 the Agency received 3 different complaints against Kopp.

1 The Agency opened an investigation.

2 1.3 On October 30, 2018, the Agency selected Kopp for a Reconciliation Mail-In  
3 Review on her security deposits account ending in #9131. The reconciliation form provided  
4 showed all three components in balance, with \$5,168.11 in the account along with the required  
5 supporting documentation. The reconciliation form was dated November 26, 2018, and was  
6 for August 2018.

7 1.4 On June 14, 2019, Kopp told OREA Financial Investigator/Auditor Lisa  
8 Montellano (Montellano) that until the Agency selected her for the Reconciliation Mail- In  
9 Review in October 2018, she had not completed a single three way reconciliation for any  
10 account since she had opened her business in September 2014.

11 **(1) Violation:** By failing to reconcile clients' trust account ending in #9123 and security  
12 deposits ending in #9131 for a period of over forty-eight months Kopp violated ORS  
13 696.890(4)(c)(d)(e) (2013 and 2015 Editions), and ORS 696.301(3) as it incorporates ORS  
14 696.890(4)(c)(d)(e) (2017 Edition). ORS 696.890(4) states a real estate property manager  
15 owes the property owner the following affirmative duties: (c) to exercise reasonable care and  
16 diligence; (d) to account in a timely manner for all funds received from or on behalf of the  
17 owner; (e) to act in a fiduciary manner in all matters relating to trust funds. Kopp's conduct is  
18 grounds for discipline under ORS 696.301(12) and (15) for violations occurring from 2014  
19 through 2018. Additionally, Kopp violated ORS 696.301(3) as it incorporates OAR 863-025-  
20 0025(20)(21) (5-15-14 and 11-15-16 Editions), and OAR 863-025-0028(2)(3) (1-1-2018  
21 Edition). OAR 863-025-0025(21)(22), and OAR 863-025-0028(2)(3) require a property  
22 manager to reconcile each clients' trust account and security deposits account within 30  
23 calendar days of the bank statements. The reconciliation must have the required three  
24 components and be equal and reconciled with each other.

25 1.5 Between January 2019 and August 2019, Kopp collected rents but did not  
26 disburse funds owed to the owners in the following amounts:

- 27 • Joseph Berger \$9,929.90
- 28 • Deborah Green \$3,132.25
- 29 • Israel Posner \$12,288.51
- 30 • Marion Dye \$3,648.23

1 **(2) Violation:** By failing to disburse the funds listed above to the corresponding property  
2 owner Kopp violated ORS 696.301(3) as it incorporates ORS 696.890(4)(c)(d)(e)(f) (2019  
3 Edition). ORS 696.890(4) states a real estate property manager owes the property owner the  
4 following affirmative duties: (c) to exercise reasonable care and diligence; (d) to account in a  
5 timely manner for all funds received from or on behalf of the owner; (e) to act in a fiduciary  
6 manner in all matters relating to trust funds; (f) to be loyal to the owner by not taking action that  
7 is adverse or detrimental to the owner's interest.

8 1.6 Kopp collected and/or was responsible to collect and hold the following tenant  
9 security deposits on behalf of the different owners listed below:

- 10 • Joseph Berger \$9,281.66
- 11 • Deborah Green \$1,895.00
- 12 • Marion Dye \$2,395.00
- 13 • Israel Posner \$3,895.00
- 14 • Gary Clark \$16,791.00

15 1.7 On June 14, 2019, Kopp's security deposit account ending in #9131 had a zero  
16 balance. Kopp admitted transferring all tenant security deposits to her clients' trust account  
17 ending in #9123 and paying them out to the owners as owner disbursements because there  
18 were insufficient funds in the clients' trust account ending in #9123.

19 **(3) Violation:** By failing to collect and/or hold the tenant security deposits Kopp violated  
20 ORS 696.890(4)(c)(d)(e)(f) (2013 and 2015 Editions), and ORS 696.301(3) as it incorporates  
21 ORS 696.890(4)(c)(d)(e)(f) (2017 and 2019 Editions). ORS 696.890(4) states a real estate  
22 property manager owes the property owner the following affirmative duties: (c) to exercise  
23 reasonable care and diligence; (d) to account in a timely manner for all funds received from or  
24 on behalf of the owner; (e) to act in a fiduciary manner in all matters relating to trust funds; (f)  
25 to be loyal to the owner by not taking action that is adverse or detrimental to the owner's  
26 interest. Kopp's conduct is grounds for discipline under ORS 696.301(12) and (15) for  
27 violations occurring from 2013 through 2019. Additionally, by failing to hold and maintain the  
28 tenant security deposits received by Kopp she violated OAR 863-025-0030(1) (5-15-2014, 11-  
29 15-2016, 1-1-2018 Editions). OAR 863-025-0030(1) states except as provided in section (3) of  
30 this rule, all tenants' security deposits received by a property manager must be deposited and

1 maintained in a security deposits account until: (a) the property manager forwards the tenant's  
2 security deposits to the owner of the property according to the terms of the tenant's rental or  
3 lease agreement and the property management agreement; (b) the property manager  
4 disburses the tenant's security deposit for purposes authorized by the tenant's rental or lease  
5 agreement and the property management agreement; (c) the property manager refunds a  
6 deposit to the tenant according to the terms of the tenant's rental or lease agreement and the  
7 property management agreement; or (d) the property management agreement is terminated  
8 and the property manager transfers the tenant's security deposit to the owner unless the owner  
9 directs the property manager, in writing, to transfer the security deposits and fees to another  
10 property manager, escrow agent or person.

11 1.8 The following property owners terminated their property management  
12 agreements with Kopp and did not receive any final accounts or funds.

- 13 • Gary Clark terminated on July 23, 2019.
- 14 • Deborah Green terminated on June 2, 2019
- 15 • Marion Dye, terminated on August 31, 2019

16 **(4) Violation:** By failing to disburse obligated funds and provide final accountings to the  
17 owners listed above, Kopp violated ORS 696.301(3) as it incorporates OAR 863-025-  
18 0070(2)(a),(b)(A) (1-1-2018 Edition). OAR 863-025-0070(2) Not later than 60 days after the  
19 effective date of the termination, the property manager must: (a) disburse all obligated funds to  
20 the party or parties entitled to the funds; and (b) provide the owner with the following: (A) a  
21 final accounting of the owner's ledger account.

22 1.9 Tenant Desirae Duvall leased unit #561 of 503 Knott Street Canby Oregon  
23 (property was owned by Joseph Berger). On Joseph Berger's owner statement there is an  
24 entry dated October 27, 2017, showing Kopp transferring Duvall's \$1,400.00 security deposit  
25 from clients' trust account ending in #9123 to her business operating account ending in #0601.  
26 Kopp's security deposit ledger for August 2018 shows no security deposits held for Joseph  
27 Berger's property. Duvall was still occupying unit #561, and as of June 14, 2019, Kopp's  
28 security deposit account ending in #9131 balance was zero, and Kopp's business operating  
29 account ending in #0601 had a balance of -\$3236.43.

30 **(5) Violation:** By depositing the \$1,400.00 tenant security deposit into the business

1 operating bank account ending in #0601 Kopp violated ORS 696.301(3) as it incorporates  
2 OAR 863-025-0065(3) (11-15-2016 Edition) which states a property manager may not deposit  
3 any funds received on behalf of an owner in the property manager's personal account or  
4 commingle any such funds received with personal funds of the property manager.

5 1.10 In April 2019, Kopp made twenty-five separate transfers of funds from her clients'  
6 trust account ending in #9123 to her business operating account ending in 0601. The transfers  
7 totaled \$18,472.43. Kopp was unable to explain or provide accounting documentation to  
8 support the transfers.

9 **(6) Violation:** By transferring a total of \$18,472.43 from clients' trust account ending in  
10 #9123 into business operating account ending in #0601 Kopp violated ORS 696.301(14) (2019  
11 Edition) and ORS 696.301(3) as it incorporates OAR 863-025-0027(9) (1-1-2018 Edition). Per  
12 ORS 696.301(14) a licensee's real estate license may be disciplined if they have committed an  
13 act of fraud or engaged in dishonest conduct substantially related to the fitness of the applicant  
14 or real estate licensee to conduct professional real estate activity without regard to whether the  
15 act or conduct occurred in the course of professional real estate activity. OAR 863-025-  
16 0027(9) requires a property manager to record the transfer of any funds from a clients' trust  
17 account or security deposits account by a check, by written proof of transmittal or receipt  
18 retained in the property manager's record. The property manager must record the transfer of  
19 other documents by written proof of transmittal or receipt retained in the property manager's  
20 records. A property manager may transfer funds electronically via the Internet or Automated  
21 Clearing House (ACH) software from a clients' trust account to a bank account maintained by  
22 the owner and a property manager may make payments electronically to a vendor's account  
23 for expenses relating to the owner's property. If the software program used for the transfer  
24 does not automatically update the owner's ledger, the property manager must manually record  
25 the transfer in the owner's ledger. At the time the transfer is made, the property manager must  
26 print and preserve a hard copy of the electronic record of the transfer.

27 1.11 Between approximately February 2016 and May 2019, Kopp performed property  
28 management activity for property owner Joseph Berger's 10-plex property located at 503 Knott  
29 Street in Canby without a written property management agreement.

30 **(7) Violation:** By conducting property management activity for property owner Joseph

1 Berger without a written property management agreement, Kopp violated ORS 696.301(3) as it  
2 incorporates OAR 863-025-0020(1) (5-5-2014, 11-15-2016, 1-1-2018 Editions) which states a  
3 property manager must not engage in the management of rental real estate without a written,  
4 unexpired property management agreement between the owner and the property manager.

5 1.12 On or about March 3, 2019, Kopp submitted an Agent Authorization form to the  
6 Housing Authority of Clackamas County regarding property located at 16345 Brockway Road  
7 in Oregon City. The form appeared to have been signed by the property owner, Marion Dye.  
8 On August 16, 2019, the form was reviewed by property owner, Marion Dye, and she  
9 confirmed the signature on the form was not her own.

10 **(8) Violation:** By submitting a form to the housing authority with the knowledge that the  
11 form was signed by someone other than Marion Dye, Kopp violated ORS 696.301(14) (2019  
12 Edition) and ORS 696.301(3) as it incorporates ORS 696.890(4)(f) (2019 Edition). Per ORS  
13 696.301(14) a licensee's real estate license may be disciplined if they have committed an act  
14 of fraud or engaged in dishonest conduct substantially related to the fitness of the applicant or  
15 real estate licensee to conduct professional real estate activity without regard to whether the  
16 act or conduct occurred in the course of professional real estate activity. ORS 696.890(4)  
17 states a real estate property manager owes the property owner the following affirmative duties:  
18 (f) to be loyal to the owner by not taking action that is adverse or detrimental to the owner's  
19 interest.

20 1.13 From January 26, 2018, through January 18, 2019, Kopp allowed her brother,  
21 Chuck Kopp, to sign Kopp's name on checks issued from the clients' trust account ending #  
22 9123.

23 **(9) Violation:** By allowing another person to sign her name on the checks, Kopp violated  
24 ORS 696.301(14) (2017 Edition) and ORS 696.301(3) as it incorporates ORS  
25 696.890(4)(c)(e)(f) (1-1-2018 Edition). Per ORS 696.301(14) a licensee's real estate license  
26 may be disciplined if they have committed an act of fraud or engaged in dishonest conduct  
27 substantially related to the fitness of the applicant or real estate licensee to conduct  
28 professional real estate activity without regard to whether the act or conduct occurred in the  
29 course of professional real estate activity. ORS 696.890(4) states a real estate property  
30 manager owes the property owner the following affirmative duties: (c) to exercise reasonable

1 care and diligence; (e) to act in a fiduciary manner in all matters relating to trust funds; and (f)  
2 to be loyal to the owner by not taking action that is adverse or detrimental to the owner's  
3 interest.

4 1.14 All of the above demonstrate incompetence in performing acts for which Kopp is  
5 required to hold a license and show that Kopp engaged in conduct that is below the standard  
6 of care for the practice of professional real estate activity.

7 **(10) Violation:** ORS 696.301(12) and (15) (2013, 2015, and 2017 Editions). ORS 696.301  
8 states a licensee's real estate license can be disciplined if they have: (12) demonstrated  
9 incompetence in performing any act for which the licensee is required to hold a license. (15)  
10 engaged in any conduct that is below the standard of care for the practice of professional real  
11 estate activity in Oregon as established by the community of individuals engaged in the  
12 practice of professional real estate activity in Oregon.

13 2.

14 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.  
15 Based on these violations a revocation is appropriate for violations of ORS 696.301(3), (12),  
16 (14), (15).

17 2.2 A revocation of Kopp's principal broker license is appropriate under ORS  
18 696.396(2)(c)(A),(B) and (C). According to ORS 696.396(2)(c)(A), (B), and (C), the Agency  
19 may revoke a real estate license if the material facts establish a violation of a ground for  
20 discipline under ORS 696.301 that: (A) results in significant damage or injury, (B) exhibits  
21 incompetence in the performance of professional real estate activity, or (C) exhibits dishonesty  
22 or fraudulent conduct.

23 2.3 The Agency reserves the right to investigate and pursue additional complaints  
24 that may be received in the future regarding this licensee.

25 2.4 In establishing the violations alleged above, OREA may rely on one or more of  
26 the definitions contained in ORS 696.010.

27 2.5 According to ORS 696.775, the lapsing, expiration, revocation or suspension of a  
28 real estate license, whether by operation of law, order of the Real Estate Commissioner or  
29 decision of a court of law, or the inactive status of the license, or voluntary surrender of the  
30 license by the real estate licensee does not deprive the commissioner of jurisdiction to: (1)

1 proceed with an investigation of the licensee; (2) conduct disciplinary proceedings relating to  
2 the licensee; (3) Take action against a licensee, including assessment of a civil penalty against  
3 the licensee for a violation of ORS 696.020(2); or (4) revise or render null and void an order  
4 suspending or revoking a license.

5  
6 **STIPULATION & WAIVER**

7 I have read and reviewed the above findings of fact and conclusions of law which have  
8 been submitted to me by the Agency and further, the order which follows hereafter. I  
9 understand that the findings of fact, conclusions of law and this stipulation and waiver embody  
10 the full and complete agreement and stipulation between the Agency and me. I further  
11 understand that if I do not agree with this stipulation I have the right continue on with the  
12 hearing as scheduled on this matter and to be represented by legal counsel at such a hearing.  
13 Hearings are conducted in accordance with the procedures set forth in ORS Chapter 183 and  
14 in accordance with the Rules of Practice and Procedure adopted by the Attorney General of  
15 the State of Oregon. While I do not agree with all the dollar figures arrived at as a result of the  
16 Agency's investigation of this matter, I do agree that I did violate the Agency's statutes and  
17 rules in the manner set forth herein. I also agree that because of my methods of accounting it  
18 is likely impossible for me, my prior clients, or the Agency, to arrive at the exact dollar  
19 discrepancies which resulted from my accounting methods. I, therefore, freely and voluntarily  
20 waive my rights to a hearing, to representation by legal counsel at such a hearing, and to  
21 judicial review of this matter.

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

30 I understand that this order revokes my real estate principal broker license which  
previously permitted me to act as a real estate principal broker/broker and property manager



1 and that I may not hold myself out to anyone as a real estate principal broker/broker/property  
2 manager upon the execution of this Stipulated Order by the Commissioner.

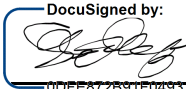
3 ORDER

4 IT IS HEREBY ORDERED that Kopp's principal broker license is revoked.

5  
6 IT IS SO STIPULATED:

IT IS SO ORDERED:

8 DocuSigned by:

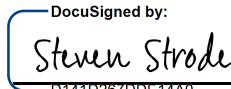
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10 SHERRY PATRICIA KOPP

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12 Date 7/10/2020 | 1:36 PM PDT

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14 STEVEN STRODE

15 Real Estate Commissioner

16 Date 7/10/2020 | 3:05 PM PDT

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18 Date of Service: 07/10/2020



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