1 of 6 - Stipulated Final Order- Jack Beall

1 **REAL ESTATE AGENCY** 2 BEFORE THE REAL ESTATE COMMISSIONER 3 4 In the Matter of the Unlicensed Professional 5 Real Estate Activity of 6 STIPULATED FINAL ORDER AND ORDER 7 JACK BEALL TO CEASE AND DESIST 8 9 10 The Oregon Real Estate Agency (Agency) and Jack Beall (Beall) do hereby agree and 11 stipulate to the following: 12 FINDINGS OF FACT, STATEMENTS OF LAW 13 **AND** 14 **CONCLUSIONS OF LAW** 15 1. 16 In establishing the violations set forth herein, the Agency may rely on one or more of the 17 definitions contained in ORS 696.010. 18 **First Findings of Fact:** 19 1.1 At all times mentioned herein, Beall was not licensed to conduct professional real 20 estate activity in Oregon. 21 On December 1, 2020, Lester Friedman (Friedman) filed a complaint with the 1.2 22 Agency against fsboHandshake.com. The Agency opened an investigation. 23 Neither fsboHandshake (FSBOH) nor fsboHandshake.com were registered with 24 the Oregon Secretary of State Corporation. However, Handshake, LLC was registered with 25 Timothy Hix (Hix) listed as the Registered Agent. Tim Hix is the founder of FSBOH. 26 1.4 FSBOH is not a registered business name with the Agency and Hix does not hold 27 an Oregon real estate license. 28 Beall worked for FSBOH and part of his duties was running the company's 1.5 29 Facebook and Instagram pages. 30 ///

- 1.6 A search done on January 27, 2021, showed on FSBOH's Facebook page, "Real Estate Agent" listed underneath the name of the company. Additionally, in the "About" section it states, "We ensure For Sale By Owner transaction succeed. We provide professional and personal support, plus online negotiation, custom sales contracts, all required documents and closing task management. Sellers pay just \$2,000 with NO commission fees. Join us."
- 1.7 A search done on March 8, 2021 of FSBOH's website, www.fsbohandshake.com, states the company provides the following services:

"fsboHandshake provides the guidance and platform for sellers and buyers to complete real estate transactions on their own. All buyers and sellers receive personal guidance from our staff of For Sale By Owner experts. fsboHandshake lets you make or receive offers, negotiate, communicate quickly, and close the transaction. We'll guide you through the entire process from start to finish. You'll receive a personalized dashboard, online negotiations, offer management, a customized contract, the tracking of all tasks and deadlines, and the fsboHandshake team supporting you during the entire process."

- 1.8 At the Economic Development of Central Oregon's May 2019 Pub Talk, Hix explained that FSBOH offers all the legal paperwork necessary to complete the transaction and provided a step-by-step guide. Per Hix, FSBOH does not offer advice on sales price or assist with advertising the house for sale. However, once buyer and seller agree on the terms, FSBOH will send the executed contract to Escrow and the FSBOH fee is paid only when the transaction closes.
- 1.9 On November 16, 2020, Friedman received an email from Beall with the subject line "fsboHandshake Resources." The email was from jack@fsbohandshake.com and stated in part:

"You can make it easier for buyers to submit an offer in 3 easy steps:

- 1. Create your property profile at www.fsboHandshake.com in minutes
- 2. Receive your personalized weblink
- Share your link with potential buyers to receive offers
 fsboHandshake provides professional support to you and your buyer.
 We allow your buyers to feel confident purchasing a For Sale by Owner home without an agent.

 Once you receive the weblink, you can add the highlighted section below to your Zillow listing:

'Buyers without agents, will receive free support and service from fsboHandskake, an independent For Sale By Owner company. Visit fsboHandshake.com to learn more or click on the following link to make an offer on this home, *LINK GOES HERE*. If you do have a Buyer's Agent or would like to know more about this property, please contact me directly at (xxx) xxx-xxxx.'

Unlike real estate agents, we don't believe in real estate commissions or exclusivity agreements. When you successfully close with fsboHandshake, we'll collect a flat fee of \$2,000 through escrow. Nothing is due upfront. You only pay us if you close using fsboHandshake.

Get a quick glimpse of how it works here.

Let me know if you have any questions! I look forward to working with you and your buyer."

- 1.10 The signature block contained Beall's name and the fsboHandshake company name.
- 1.11 Further review of the links provided in Beall's November 16, 2020, email to Friedman indicate fsboHandshake was assisting in the closing of transactions.
- 1.12 On September 8, 2019, Sean and Christy Gmeiner (Gmeiners) listed their home for sale using Zillow to advertise. The following was noted in the remarks, "Welcome to Redmond, OR! This home is being sold by owner. Buyers may use fsbohandshake.com to make & complete the purchase. In an effort to pass savings on to a buyer no real estate agents please."
- 1.13 On September 27, 2019, the Gmeiners accepted an offer from Madison Munson. The purchase and sale agreement was prepared on a FSBOH sales agreement and both parties signed using DocuSign.
- 1.14 On September 28, 2019, Marissa Donnelly, a Project Manager with fsboHandshake sent a copy of the purchase and sales agreement for 3575 SW Pumice Ave. in Redmond, Oregon, to AmeiTitle. Noting that fsboHandshake was serving as the transaction coordinator for the sale of the property. Donnelly's email stated in part, "Providing you with

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the Purchase and Sales Agreement along with this email should serve as a request to provide the preliminary Title report to the buyers. The buyers will deliver earnest money by EOD 9/30/2019."

1.15 As a result of facilitating this closing, fsboHandshake received a fee of \$1,500 at closing for services rendered.

First Statement of Law: ORS 696.020(2) states an individual may not engage in, carry on, advertise or purport to engage in or carry on professional real estate activity, or act in the capacity of a real estate licensee, within this state unless the individual holds an active license as provided for in this chapter. ORS 696.010(17)(j)and (k) (2019 Edition) defines "Professional real estate activity" as: any of the following actions, when engaged in for another and for compensation or with the intention or in the expectation or upon the promise of receiving or collecting compensation, by any person who: (j) assists or directs in the procuring of prospects, calculated to result in the sale, exchange, leasing or rental of real estate; (k) assists or directs in the negotiation or closing of any transaction calculated or intended to result in the sale, exchange, leasing or rental of real estate. ORS 696.010(6) (2019 Edition) defines "compensation as: valuable consideration for services rendered or to be rendered, whether contingent or otherwise. ORS 696.010(19) (2019 Edition) defines "real estate" as: includes leaseholds and licenses to use including, but not limited to, timeshare estates and timeshare licenses as defined in ORS 94.803, as well as any and every interest or estate in real property, whether corporeal or incorporeal, whether freehold or nonfreehold, whether held separately or in common with others and whether the real property is situated in this state or elsewhere.

ORS 696.990(4)(a) and (b) states: (4) Any person that violates ORS 696.020(2) may be required by the Real Estate Commissioner to forfeit and pay to the General Fund of the State Treasury a civil penalty in an amount determined by the commissioner of:

(a) Not less than \$100 nor more than \$500 for the first offense of unlicensed professional real estate activity; and (b) Not less than \$500 nor more than \$1,000 for the second and subsequent offenses of unlicensed professional real estate activity.

ORS 696.397 states if the Agency has reason to believe that a person has engaged, is engaging or is about to engage in a violation of ORS 696.020(2) the Agency may, issue an order directing a person to cease and desist from the violation or threatened violation.

First Conclusion of Law: By sending the November 16, 2020 email, Beall assisted or directed in the procuring of prospects intended to result in the sale of real estate and by offering in the email to assist or direct in the negotiation or closing of a transaction intended to result in the sale of real estate Beall engaged in professional real estate activity as defined in ORS 696.010(17)(j) and (k) (2019 Edition), without an active real estate license, in violation of ORS 696.020(2) (2019 Edition),

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

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

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STIPULATION AND WAIVER

I, Jack Beall, have read and reviewed this Stipulated Final Order and its Findings of Fact, Statements of Law and Conclusions of Law. I understand that the Findings of Fact, Conclusions of Law and this Stipulation and Waiver of Hearing rights 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. I also understand that any Hearing would be 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. By signing this Stipulated Final Order I freely and voluntarily waive my rights to a

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29 30 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, which I have also read and understand, may be completed and signed by the Real Estate Commissioner or may be rejected by the Real Estate Commissioner. I further 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.

In addition to all of the above, I agree that once the Commissioner executes this Stipulated Final Order, I will accept service of the Stipulated Final Order by email, and hereby waive the right to challenge the validity of service.

ORDER

IT IS HEREBY ORDERED that, pursuant to ORS 696.397, Beall immediately cease and desist from engaging in any professional real estate activity as defined in ORS 696.010(17)(a) to (n) (2021 Edition) unless Beall first obtains a real estate license from the Agency. The Commissioner's authority for this order is under ORS 696.397.

IT IS FURTHER ORDERED that, pursuant to ORS 696.990 and based upon the violation set forth above, Beall pay a civil penalty in the sum of \$100, said penalty to be paid to the General Fund of the State Treasury by paying the same to the Agency.

IT IS SO STIPULATED:

CK BEALL

IT IS SO ORDERED:

Steven Strode

STEVEN STRODE

Real Estate Commissioner

Date 8/25/2022 | 8:11 AM PDT

Date of Service: 08/25/2022