

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of)
JOSE RUELAS) STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Jose Ruelas (Ruelas) do hereby agree and stipulate to the following:

FINDINGS OF FACT
AND
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Ruelas was licensed as a property manager with Secure Property Management, LLC (SPM).

1.2 On October 4, 2022, Ruelas was notified that his clients' trust account ending in 2173 (CTA #2173), which holds owner funds, had been selected for reconciliation review. Documents for July 2022 were provided to the Agency. An investigation was opened due to the outstanding issues found in the review.

1.3 On January 25, 2023, agency investigator John Moore (Moore) requested Ruelas provide the most recent completed three-way reconciliation for CTA #2173 and supporting documents, with a due date of February 3, 2023.

1.4 On February 7, 2023, an email was received from James Ruelas (J Ruelas) requesting an extension as their CPA was almost done with the reconciliation.

1.5 On February 10, 2023, J Ruelas emailed November and December 2022 AppFolio two-way reconciliation reports and bank statements. A part three reconciliation to the Owners Ledgers was not provided for either month. The reconciliations did not contain the

1 three components of a CTA reconciliation in a single document, nor were they signed and
2 dated.

3 1.6 On March 29, 2023, J Ruelas told Moore that they had not completed a
4 reconciliation to the Owners Ledgers for November or December 2022.

5 1.7 On April 17, 2023, J Ruelas stated that they had gotten behind on the
6 reconciliation and it was hard catching them up. Ruelas and J Ruelas told Moore that they had
7 not been doing their monthly CTA reconciliations.

8 **(1) Conclusion of Law:** By failing to reconcile the November and December 2022
9 reconciliations within 30 calendar days of the bank statement, Ruelas violated ORS 696.301(3)
10 as it incorporates ORS 696.890(4)(c)(d)(e) (2021 Edition) and its implementing rule OAR 863-
11 025-0028(2)(a)(A)(B)(C) (1/1/2022 Edition).

12 **(2) Conclusion of Law:** By failing to reconcile CTA #2173 to the Owners Ledgers Ruelas
13 violated ORS 696.301(3) as it incorporates ORS 696.890(4)(c)(d)(e) (2021 Edition) and its
14 implementing rule OAR 863-025-0028(2)(a)(C) (1/1/2022 Edition).

15 **(3) Conclusion of Law:** By failing to complete the reconciliation document and sign and
16 date the reconciliation document attesting to the accuracy and completeness of the
17 reconciliation, Ruelas violated ORS 696.301(3) as it incorporates ORS 696.890(4)(c)(d)(e)
18 (2021 Edition) and its implementing rule OAR 863-025-0028(2)(d)(A)(B) (1/1/2022 Edition).

19 1.8 The record of receipts and disbursements provided to Moore did not contain the
20 purpose of the disbursement for many of the entries.

21 **(4) Conclusion of Law:** By failing to include the purpose of the disbursements in the
22 record of receipts and disbursements, Ruelas violated ORS 696.301(3) as it incorporates ORS
23 696.890(4)(c)(d)(e) (2021 Edition) and its implementing rule OAR 863-025-0040(2)(b)(D)
24 (1/1/2022 Edition).

25 1.9 The record of receipts and disbursements did not contain the purpose of the
26 funds received.

27 **(5) Conclusion of Law:** By failing to include the purpose of the funds received in the
28 record of receipts and disbursements, Ruelas violated ORS 696.301(3) as it incorporates ORS
29 696.890(4)(c)(d)(e) (2021 Edition) and its implementing rule OAR 863-025-0040(2)(a)(C)
30 (1/1/2022 Edition).

1 1.10 The record of receipts and disbursements did not contain an identifying code for
2 each transaction.

3 **(6) Conclusion of Law:** By failing to include the identifying code for each transaction in the
4 record of receipts and disbursements, Ruelas violated ORS 696.301(3) as it incorporates ORS
5 696.890(4)(c)(d)(e) (2021 Edition) and its implementing rule OAR 863-025-0040(2)(c)
6 (1/1/2022 Edition).

7 1.11 There are entries on the record of receipts and disbursements for cash received
8 and no receipt numbers are recorded.

9 **(7) Conclusion of Law:** By failing to prepare a legible written receipt that is consecutively
10 pre-numbered, and printed in at least duplicate form, for any cash funds received under a
11 property management agreement, Ruelas violated ORS 696.301(3) as it incorporates ORS
12 696.890(4)(c)(d)(e) (2021 Edition) and its implementing rule OAR 863-025-0060(1)(3)
13 (1/1/2022 Edition).

14 1.12 For deposits and funds received, the AppFolio Deposit Register report shows an
15 aggregated deposit identified as #829 dated December 6, 2022, that was partially made up of
16 a receipt of funds dated November 23, 2022, and a receipt of funds dated November 1, 2022.

17 1.13 The Deposit Register detail has an aggregated deposit #831 made on December
18 14, 2022, that was partially made up of a receipt of funds dated November 16, 2022.

19 **(8) Conclusion of Law:** By failing to deposit funds into CTA #2173 before the close of
20 business on the fifth banking day following receipt, Ruelas violated ORS 696.301(3) as it
21 incorporates ORS 696.890(4)(c)(d)(e) (2021 Edition) and its implementing rule OAR 863-025-
22 0065(4) (1/1/2022 Edition).

23 1.14 A comparison of the December 2022 Check Register detail to the December
24 2022 Bank Statement found several checks clearing the bank that had different amounts for
25 the checks than what was shown on the Check Detail Register.

26 **(9) Conclusion of Law:** By failing to accurately record the amount of each disbursement
27 on the Check Register, Ruelas violated ORS 696.301(3) as it incorporates ORS
28 696.890(4)(a)(c)(e) (2021 Edition).

29 1.15 A comparison of the December 2022 Deposit Register detail to the December
30 2022 Bank Statement found deposits on the bank statement that could not be traced to the

1 Deposit Register detail and deposits on the Deposit Register detail that could not be traced to
2 the bank statement.

3 **(10) Conclusion of Law:** By failing to accurately record the amount of each deposit on the
4 Deposit Register, Ruelas violated ORS 696.301(3) as it incorporates ORS 696.890(4)(c)(e)
5 (2021 Edition).

6 1.16 The November 2022 reconciliation listed numerous outstanding disbursements to
7 SPM. J Ruelas confirmed to Moore that the checks had been made out to SPM for
8 management fees but had not been deposited in the bank.

9 **(11) Conclusion of Law:** By failing to disburse property management fees to SPM within 30
10 days, Ruelas violated ORS 696.301(3) as it incorporates ORS 696.241(5) (2021 Edition).

11 1.17 The name of CTA #2173 and CTA ending in 2181 (CTA #2181) are not identified
12 within the Agency's eLicense system as named with the bank.

13 1.18 A Notice of Clients' Trust Account & Authorization to Examine for CTA #2181
14 was not located in Agency records for SPM.

15 **(12) Conclusion of Law:** By not registering the name of CTA #2173 and CTA #2181 with
16 the Agency and not providing a Notice of Clients' Trust Account & Authorization to Examine for
17 CTA #2181, Ruelas violated ORS 696.301(3) as it incorporates ORS 696.245(2)(c)(e) (2019
18 and 2021 Editions).

19 1.19 All of the above demonstrates incompetence or untrustworthiness in performing
20 acts for which the real estate licensee is required to hold a license and conduct that is below
21 the standard of care for the practice of professional real estate activity in Oregon.

22 **(13) Conclusion of Law:** Based on the foregoing, Licensee is subject to discipline under
23 ORS 696.301(12) and (15) (2021 Edition)

24
25 2.

26 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.

27 2.2 The Agency reserves the right to investigate and pursue additional complaints
28 that may be received in the future regarding this licensee.

29 2.3 In establishing the violations alleged above, the Agency may rely on one or more
30 of the definitions contained in ORS 696.010.

3.

STIPULATION AND WAIVER

I, **Jose Ruelas**, 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 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.

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ORDER

IT IS HEREBY ORDERED that Jose Ruelas' license be, and hereby is reprimanded.

IT IS SO STIPULATED:

IT IS SO ORDERED:

DocuSigned by:

Jose Ruelas

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JOSE RUELAS

Date 8/10/2023 | 8:49 AM PDT

DocuSigned by:

Steve Strode

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STEVEN STRODE

Real Estate Commissioner

Date 8/15/2023 | 11:22 AM PDT

Date of Service: 8/15/23

