

REAL ESTATE AGENCY  
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of )  
JON M. HORTER ) STIPULATED FINAL ORDER

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

FINDINGS OF FACT  
AND  
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Horter was licensed as a property manager acting in the capacity of a sole practitioner and doing business under the registered business name of 3H Management Group LLC (3H).

1.2 On April 11, 2023, Horter was notified that his clients' trust account ending in 3885 (CTA #3885), which holds owner funds had been selected for reconciliation review. Horter provided documents for February 2023. An investigation was opened due to the outstanding issues found in the review.

1.3 A review of the February 2023 single reconciliation document for CTA #3885, showed a difference between Parts I, II, and III in the amount of \$12,832.23,

1.4 Horter provided an explanation for the difference, writing that a tenant had paid several-months' rent in December 2022. The tenant currently has \$11,200.00 in pre-paid rent.

1.5 Once the pre-paid tenant rent was subtracted from the total difference, the remaining difference between Parts I, II, and III was \$1,632.63.

1           1.6    On October 4, 2023, in a phone call with Agency Investigator Lindsey Nunes  
2 (Nunes), Horter stated that he believed the additional funds in CTA #3885 are business funds  
3 and should be transferred to his business account.

4 **(1) Conclusion of Law:** By maintaining pre-paid rental income in CTA #3885, Horter  
5 violated ORS 696.301(3) and its implementing rule OAR 863-025-0025(5)(a) 1/1/2023 Edition.

6 **(2) Conclusion of Law:** By failing to place pre-paid rental income into a Clients' Trust  
7 Account-Security Deposit account, Horter violated ORS 696.301(3) and its implementing rule  
8 OAR 863-025-0025(7) 1/1/2023 Edition.

9 **(3) Conclusion of Law:** By commingling his funds in CTA #3885, Horter violated ORS  
10 696.301(3) as it incorporates ORS 696.241(5)(a)(b) 2023 Edition. This action also violates  
11 ORS 696.301(3) and its implementing rule OAR863-025-0025(5)(a)(b) 1/1/2023 Edition.

12           1.7    On August 23, 2023, the Agency requested the June 2023 reconciliation  
13 documents for CTA #3885, including the bank statement, check register, and owner ledger.

14           1.8    A review of the documents provided showed a difference in the totals of Parts I,  
15 II, and III of \$22,380.83.

16           1.9    Horter provided an explanation for the difference, writing that there were  
17 outstanding checks totaling \$24,336.25. When the outstanding check balance was subtracted  
18 from the ending bank balance, the remaining difference between Parts I, II, and III was  
19 \$1,973.44.

20           1.10   The reconciliation documents provided by Horter were not signed or dated.

21 **(4) Conclusion of Law:** By failing to complete, sign, and date the June 2023 single  
22 reconciliations documents for CTA #3885, Horter violated ORS 696.301(3) and its  
23 implementing rule OAR 863-025-0028(2)(b)(d)(B) 1/1/2023 Edition.

24           1.11   On October 13, 2023, Horter provided the Agency with a corrected June 2023  
25 CTA reconciliation for CTA #3885.

26           1.12   A review of the owner ledger report shows three owner ledgers with negative  
27 account balances.

28           1.13   Negative account balances were due to Horter paying repair bills on the property,  
29 before rent had been collected to cover the costs.

30

1 **(5) Conclusion of Law:** By allowing a negative balance for owner ledgers in CTA #3885,  
2 Horter violated ORS 696.301(3) and its implementing rule OAR 863-025-0027(3) 1/1/2023  
3 Edition.

4 1.14 Horter provided the Agency with the October 2023 reconciliation documents for  
5 CTA #3885 including the bank statement, check register, and owner ledger report.

6 1.15 The check register and owner ledgers did not reconcile with the bank balance.

7 1.16 The three-way reconciliation document was not signed or dated.

8 1.17 A review of the documents provided showed a difference in the totals of Parts I,  
9 II, and III of \$2,726.21.

10 1.18 During a phone call with Nunes on January 5, 2024, when asked about the  
11 difference and who the funds belonged to, Horter stated that he “has no idea” at this time.

12 **(6) Conclusion of Law:** By failing to identify and provide an explanation for the difference  
13 for the October 2023 reconciliation for CTA #3885, Horter violated ORS 696.301(3) and its  
14 implementing rule OAR 863-025-0028(2)(b)(d)(B) 1/1/2023 Edition.

15 1.19 Horter provided the Agency with the October 2023 reconciliation documents for  
16 clients trust account-security deposit 3893 (CTA-SD #3893), including the bank statement,  
17 check register, and owner ledger report.

18 1.20 The check register did not balance with the owner ledgers.

19 1.21 The three-way reconciliation document was unsigned.

20 1.22 A review of the documents provided showed a difference in the totals of Parts I,  
21 II, and III of \$2,374.00.

22 1.23 Horter provided an explanation for the difference stating the surplus in the  
23 account was to be refunded in November 2023.

24 **(7) Conclusion of Law:** By failing to reconcile CTA-SD #3893 for October 2023, and failing  
25 to sign and date the reconciliation document, Horter violated ORS 696.301(3) and its  
26 implementing rule OAR 863-025-0028(3)(a)(b)(d)(B) 1/1/2023 Edition.

27 1.24 Nunes requested Horter provide owner ledgers for two properties identified from  
28 the owner ledger report provided for CTA-SD #3893.

1           1.25 A review of the October 2023 individual owner ledger for a property in Silverton,  
2 Oregon, shows \$3,570.00 in rent collected, and \$1,400.00 identified as a “Transfer from  
3 Tenant Deposits”.

4           1.26 The aggregate owner’s ledger report does not identify the \$1,400.00 transfer  
5 from tenant security deposits.

6           1.27 CTA-SD #3893 does not show the \$1,400.00 transfer.

7           1.28 The October 2023 bank statement for CTA #3885 shows a \$500.00 transfer from  
8 CTA-SD #3893 to CTA #3885 on October 16, 2023, referencing an overpayment.

9           1.29 The October 2023 bank statement for CTA #3885 shows a transfer to CTA-SD  
10 #3893 for \$1,000.00 on October 18, 2023, referencing an overpayment. This transaction is not  
11 accounted for on the owner ledger.

12           1.30 Horter explained to Nunes that when the tenants moved out of the property, he  
13 transferred the security deposit to the CTA to pay for cleaning. Horter said he transferred  
14 \$1,900.00 on September 18, 2023. The amount he was supposed to transfer was \$1,400.00.  
15 Horter said he then transferred \$500.00 from the CTA-SD back to the CTA in error. Horter then  
16 transferred \$1,000.00 from the CTA back to the CTA-SD to correct the mistake.

17           1.31 A review of the October 2023 individual owner ledger for a property in Mt. Angel,  
18 Oregon, shows \$2,214.00 rent collected, \$3,400.00 described as a “Transfer from Tenant  
19 Deposits” and “Tenant SD,” and \$3,771.29 paid by 3H with the description “repayment @  
20 \$500/month starting in oct.”

21           1.32 Horter told Nunes that he has been managing the Mt. Angel property for years.  
22 The property owner told Horter that he did not know how he was going to pay for renovations  
23 on the property. Horter said he had a verbal agreement with the property owner to loan him  
24 \$3,771.29, and then Horter would withhold \$500.00 out of the rental income each month, until  
25 the loan is paid.

26           1.33 The individual owner ledger does not show a receipt for \$3,400.00 from the CTA-  
27 SD.

28           1.34 The owner ledger report shows \$2,215.00 rent collect, and an owner contribution  
29 of \$3,771.29 for a total of \$5,986.29.

30



1 Oregon. By signing this Stipulated Final Order, I freely and voluntarily waive my rights to a  
2 Hearing, to representation by legal counsel at such a Hearing, and to judicial review of this  
3 matter.

4 I hereby agree and stipulate to the above Findings of Fact and Conclusions of Law and  
5 understand that the Order which follows hereafter, which I have also read and understand,  
6 may be completed and signed by the Real Estate Commissioner or may be rejected by the  
7 Real Estate Commissioner. I further understand that, in accordance with the provisions of  
8 ORS 696.445(3), notice of this Order shall be published in the Oregon Real Estate News  
9 Journal.

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

13 ///  
14 ///  
15 ///  
16 ///  
17 ///  
18 ///  
19 ///  
20 ///  
21 ///  
22 ///  
23 ///  
24 ///  
25 ///  
26 ///  
27 ///  
28 ///  
29 ///  
30 ///

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30

ORDER

IT IS HEREBY ORDERED that Jon Horter's property manager license be, and hereby is reprimanded.

IT IS SO STIPULATED:

IT IS SO ORDERED:



DocuSigned by:

*[Handwritten signature of Jon Horter]*

3D2D12BEDBB1431...

JON HORTER

DocuSigned by:

*[Handwritten signature of Steve Strode]*

E2C2D0097AD8471...

STEVEN STRODE

Real Estate Commissioner

Date 3/22/2024 | 1:18 PM PDT

Date 3/22/2024 | 2:27 PM PDT

Date of Service: 3/22/2024