

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of)
KAREN WU) STIPULATED FINAL ORDER

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

FINDINGS OF FACT
AND
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Wu was licensed as a principal broker with Habitat Resource Properties (HRP).

1.2 On March 23, 2023, Wu was notified that her client's trust account ending in - 4333 (CTA #4333), which holds owner funds, had been selected for reconciliation review. Documents for January 2023 were provided to the Agency. An investigation was opened due to the outstanding issues found in the review.

1.3 A review of the owner statements showed negative balances for three owner ledgers, which were identified as 3601 SW River Prkwy Unit 712 (River), 6855 North Campbell Avenue (Campbell), and 8913 Northeast Wygant Street (Wygant).

1.4 The total negative balance between the three ledgers was -\$9,135.21.

1.5 The owner for the Campbell property is identified as Christine Weilhoefer (Weilhoefer) on the owner statement. In a statement to the Agency, Wu stated she sent owner draws on this account to Patrick Hentges (Hentges) on July 10, 2020, and September 9, 2020, causing negative balances.

1 **(1) Conclusion of Law:** By allowing three properties to indicate a negative balance on the
2 owner ledger, Wu violated ORS 696.301(3) and its implementing rule OAR 863-025-0027(3)
3 (1/1/2023 Edition). In addition. Wu violated ORS 696.301(3) as it incorporates ORS
4 696.890(4)(c) (2021 Edition).

5 1.6 On the owner statement for Campbell, HRP disbursed management fees on
6 January 9, 2023, while having a negative ledger balance.

7 1.7 On the owner statement for Wygant, HRP disbursed management fees on
8 January 9, 2023, while having a negative ledger balance.

9 **(2) Conclusion of Law:** By disbursing management fees from owner accounts of Campbell
10 and Wygant while the accounts had negative ledger balances, Wu violated ORS 696.301(3)
11 and its implementing rule OAR 863-025-0027(6) (1/1/2023 Edition). Wu also violated ORS
12 696.301(3) as it incorporates ORS 696.890(4)(c)(e) (2021 Edition).

13 1.8 In an interview with Agency Investigator Dylan Ray (Ray), Wu stated she used
14 the software Buildium. Wu stated she paid owners by checks, rather than electronic transfers,
15 which caused payments to not be recorded.

16 1.9 Wu confirmed that she did not know if she had accounting errors, as she has not
17 been able to reconcile her accounts through Buildium.

18 1.10 Wu told Ray that the property owners would tell her if they were missing money,
19 and she has not had any complaints.

20 **(3) Conclusion of Law:** By relying on property owners to notify Wu if there was money
21 missing from their respective owner accounts, Wu violated ORS 696.301(3) as it incorporates
22 ORS 696.890(4)(a)(c)(e) (1/1/2023 Edition).

23 1.11 When asked by Ray, Wu explained that Diana Hoonhout (Hoonhout) is her
24 assistant and created statements in Buildium. Hoonhout started working with Wu in March
25 2023.

26 1.12 Wu stated that Zhen Wu (Zhen) is her husband, and a licensed realtor. Zhen has
27 access to everything but does not work for the business. Wu added that Zhen is there in case
28 anything happens to her.

29 1.13 Wu explained that Heather Sanchez-Gibson (Heather) is her daughter, and a
30 licensed broker. Heather has been working for the business for a couple of years. Wu stated

1 that Heather's duties include managing tenant relations, repair issues, tenant questions, and
2 past-due rent issues.

3 1.14 Wu told Ray that the delegations of authority had been drafted after speaking to
4 her attorney Jack Graham (Graham), as she did not know they were required prior.

5 1.15 Wu submitted written delegations of authority to the Agency on May 23, 2023.

6 **(4) Conclusion of Law:** By not having written delegations of authority for persons working
7 for her, Wu violated ORS 696.301(3) and its implementing rule OAR 863-025-0015(1)(3)(b)
8 (1/1/2023 Edition).

9 1.16 Ray asked Wu who is performing HRP's reconciliations. Wu stated that Brenda
10 Kirby assisted with reconciliations in January 2023 to help catch her up.

11 1.17 Wu stated that she had not reconciled her accounts since January 2023,
12 because she needs help.

13 **(5) Conclusion of Law:** By failing to complete client trust account reconciliations since
14 January 2023, Wu violated ORS 696.301(3) and its implementing rule OAR 863-025-0028(2)
15 (1/1/2023 Edition). Wu also violated ORS 696.301(3) and its implementing rule OAR 863-025-
16 0035(1)(j) (1/1/2023 Edition).

17 1.18 On September 14, and 21, 2023, Ray requested Wu, through her attorney
18 Graham, provide the latest reconciliation and the evidence Wu said she could provide that
19 proved the owner accounts did not truly have a negative balance.

20 1.19 On September 26, 2023, Ray requested an update from Graham, and included
21 an additional request for a copy of an owner ledger.

22 1.20 On October 5, 2023, Graham submitted the August 2023 reconciliation. The
23 documents received were the reconciliation document, check register, and schedule A. The
24 check register matches the reconciliation document. The owner ledgers and bank statement
25 were not provided.

26 **(6) Conclusion of Law:** By failing to provide the required owner ledger or bank statement
27 as part of the client trust account reconciliation documents, Wu violated ORS 696.301(3) and
28 its implementing rule OAR 863-025-0028(2)(d)(A)(B)(e) (1/1/2023 Edition). Wu also violated
29 ORS 696.301(3) and its implementing rule OAR 863-025-0035(2)(a)(c) (1/1/2023 Edition).

1 **(7) Conclusion of Law:** By failing to provide property management records upon request
2 by the Agency, Wu violated ORS 696.301(3) and its implementing rule OAR 863-025-
3 0035(2)(a)(c) (1/1/2023 Edition). Wu is subject to civil penalty under ORS 696.990(4)(a)(b)
4 (2021 Edition)

5 1.21 All of the above demonstrates incompetence or untrustworthiness in performing
6 acts for which the real estate licensee is required to hold a license and conduct that is below
7 the standard of care for the practice of professional real estate activity in Oregon.

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

10
11 2.

12 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.

13 2.2 The Agency reserves the right to investigate and pursue additional complaints
14 that may be received in the future regarding this licensee.

15 2.3 In establishing the violations alleged above, the Agency may rely on one or more
16 of the definitions contained in ORS 696.010.

17
18 3.

19 **STIPULATION AND WAIVER**

20 I, Karen Wu, have read and reviewed this Stipulated Final Order and its Findings of
21 Fact, Statements of Law and Conclusions of Law. I understand that the Findings of Fact,
22 Conclusions of Law and this Stipulation and Waiver of Hearing rights embody the full and
23 complete agreement and stipulation between the Agency and me. I further understand that if I
24 do not agree with this stipulation, I have the right to request a Hearing on this matter and to be
25 represented by legal counsel at such a Hearing. I also understand that any Hearing would be
26 conducted in accordance with the procedures set forth in ORS Chapter 183 and in accordance
27 with the Rules of Practice and Procedure adopted by the Attorney General of the State of
28 Oregon. By signing this Stipulated Final Order, I freely and voluntarily waive my rights to a
29 Hearing, to representation by legal counsel at such a Hearing, and to judicial review of this
30 matter.

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

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

10 ORDER

11 IT IS HEREBY ORDERED that Karen Wu's principal broker license be, and hereby is
12 reprimanded.

13 IT IS FURTHER ORDERED that, pursuant to ORS 696.990 and based upon the
14 violations set forth above, Wu pay a civil penalty in the sum of \$10,000.00, said penalty to be
15 paid to the General Fund of the State Treasury by paying the same to the Agency.

16
17
18 IT IS SO STIPULATED:

IT IS SO ORDERED:

19
20 DocuSigned by:
21 *Karen Wu* REALTOR

22 5E6BD24BD26F416...
KAREN WU

23
24 Date 2/14/2024 | 10:55 AM PST

DocuSigned by:
Steve Strode

25 E2C2D0097AD8471...
STEVEN STRODE

Real Estate Commissioner

26 Date 2/27/2024 | 8:26 AM PST

27 Date of Service: 2/27/2024

