

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of

SAGE WOOD COLEMAN

FINAL ORDER BY DEFAULT

PROCEDURAL HISTORY AND PROCEDURAL LAW

1.

1.1 On March 27, 2025, the Real Estate Commissioner issued, by certified mail, a *Notice of Intent to Revoke* the real estate broker license of Sage Coleman (Coleman). The Oregon Real Estate Agency (Agency) sent the Notice of Intent to Coleman's last two known addresses of record with the Agency (66818 Franson Rd., North Bend, OR 97459 and PO Box 116, North Bend, OR 97459). The *Notice of Intent* was also mailed to Coleman by regular first-class mail to both of the above addresses in a handwritten envelope. And *The Notice of Intent* was emailed to Coleman at his email address of record.

1.2 The email was not returned as undeliverable.

1.3 On April 21, 2025, the certified mailings sent to 66818 Franson Rd., North Bend, OR 97459 and PO Box 116, North Bend, OR 97459, were returned to the Agency as Return to Sender, Unclaimed, Unable to Forward. The first-class mailings to both addresses have not been returned to the Agency. Over twenty days (20 days) have elapsed since the mailing of the notice issued in this matter and no written request for hearing has been received by the Agency.

2.

Based upon the foregoing, and upon the Agency's investigation reports, documents and files that, pursuant to Section 9 of the *Notice of Intent*, automatically become part of the

evidentiary record of this disciplinary action upon default (for the purpose of proving a prima facie case (ORS 183.417(4)), the Real Estate Commissioner finds:

2.1 A notice of intent is properly served when deposited in the United States mail, registered or certified mail, and addressed to the real estate licensee at the licensee's last known address of record with OREA. (ORS 183.415(2); OAR 137-003-0505; OAR 863-001-0006. If correctly addressed, such a notice is effective even though it is not received by the person to be notified. *Stroh v. SAIF*, 261 OR 117, 492 P2d 472 (1972) (footnote 3 in this case misquotes the cited treatise and contradicts the text of the opinion; treatise and cited case law support the proposition stated in the text.) Also, notice is effective even though the addressee fails or refuses to respond to a postal service "mail arrival notice" that indicates that certified or registered mail is being held at the post office. See *State v. DeMello*, 300 Or App 590, 716 P2d 732 (1986) (discussing use of certified mail to effectuate notice of driver's license suspension under ORS 482.570). See also *El Rio Nilo, LLC v. OLCC*, 240 Or App 362, 246 P3d 508 (2011) (Notice by certified mail effective even though addressee did not pick up in time to file request for hearing timely).(Oregon Attorney General's Administrative Law Manual and Uniform Model Rules Of Procedure Under the Administrative Procedures 2019 Edition at pages 97-98.

2.2 Coleman's last known addresses of record with the Agency were 66818 Franson Rd., North Bend, OR 97459 and PO Box 116, North Bend, OR 97459.

2.3 A certified mailing of the *Notice of Intent* was mailed to Coleman at his last known addresses of record on March 27, 2025. The certified mailings were returned to the Agency as Return to Sender, Unclaimed, Unable to Forward.

2.4 The notice was also mailed regular first-class mail in a handwritten envelope to both of the above possible addresses for Coleman. The mailings in the handwritten envelope have not been returned to OREA. The OAH Rules contain a rebuttable presumption that documents sent by regular mail are received by the addressee. ORS 137-003-0520(10). If the regularly mailed notice is actually received, it is effective on the date received, rather than the date of mailing.

2.5 Over twenty (20) days have elapsed since the mailing of the notice and no written request for a hearing has been received.

2.6 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.

2.7 As noted in section 9 of the *Notice of Intent to Revoke*, and section 2 above, the Agency's entire investigation file was designated as the record for purposes of presenting a prima facie case upon default, including submissions from Coleman and all information in the administrative file relating to the mailing of notices and any responses received.

FINDINGS OF FACT

3.

3.1 Coleman was licensed as a broker since June 2017. Coleman's license was previously associated with Pacific Properties. On July 6, 2022, Coleman's license was associated with eXp Realty, LLC. As of October 1, 2024, Coleman's license status is expired.

3.2 On May 24, 2024, the Agency received a complaint from Catherine O'Callaghan against Coleman. The Agency opened an investigation.

3.3 O'Callaghan alleged in her complaint that she gave notice to vacate a property she had rented at 1301 Anderson Ave., 2, Coos Bay, Oregon (Anderson Property) on February 12, 2024. O'Callaghan wrote that on March 14, 2024, she completed a walk-through of the property with Coleman, and was told by Coleman that he will request her security deposit be returned.

3.4 O'Callaghan further wrote in her complaint that she was not returned her security deposit, and she did not receive a response when she followed up with Coleman.

3.5 On May 24, 2024, Agency staff sent an email to Coleman's email address of record requesting a response to the complaint received. Agency staff followed up with Coleman via email and phone call on May 31, 2024. No response was received from Coleman.

3.6 Agency Investigator Frank Leonard Jr. (Leonard) left Coleman a voicemail on June 17, 2024, and sent a follow up email on June 24, 2024, requesting Coleman respond to the complaint and to schedule an interview. No response was received from Coleman.

3.7 On September 11, 2024, Agency Investigator Amanda Moser (Moser) sent Coleman an email requesting he schedule an interview. Moser followed up with Coleman via text message on September 17, 2024, and via email on September 20, 2024. No response was received from Coleman.

3.8 Moser interviewed O'Callaghan via phone on October 2, 2024. O'Callaghan explained that she had lived at the Anderson Property for 11 years, and Coleman was the third landlord during that time. O'Callaghan stated she paid rent to the owner of the property via Wells Fargo Bank.

3.9 O'Callaghan explained she did the final walk through of the property before moving out with Coleman and that Coleman told her he would request the security deposit be returned to her from the owner. O'Callaghan stated she sent two emails to Coleman after the walk through to follow up on the security deposit, but did not receive a response.

3.10 On October 15, 2024, Moser sent a records request to Coleman, requesting he provide professional real estate records, including the property management agreement for the Anderson Property, as well as the tenant ledger and final accounting for O'Callaghan. No response was received from Coleman.

(1) Violation: By failing to provide professional real estate records, as requested by the Agency, Coleman violated ORS 696.301(3) as it incorporates ORS 696.280(3)(4) (c)(d) 2023 Edition, which states: (3) records maintained under this section must at all times be open for inspection by the Real Estate Commissioner or the commissioner's authorized representatives; (4) except as provided in subsection (2) of this section, records under this section must be maintained by the real estate licensee for a period of not less than six years after the following date: (c) for management of rental real estate, the date on which the record expired, was

superseded or terminated, or otherwise ceased to be in effect; and (d) for all other records, the date the record was created or received, whichever is later.

In addition, Coleman violated ORS 696.301(3) and its implementing rule OAR 863-025-0035(2)(a)(c) 1/1/2024 Edition, which states: (2) a property manager must produce records required under section (1) of this rule for inspection by the Agency as follows: (a) when the Agency makes a request for production of property management records, the property manager must provide such records within no less than five banking days; and (c) failure to produce such records within the timelines state in subsection (a) or (b) of this section is a violation of ORS 696.301.

3.11 Moser sent an email to eXp Realty's (eXp) managing principal broker Brian Benjamin (Benjamin) and inquired if Coleman was performing property management for eXp.

3.12 Benjamin responded to the inquiry and wrote "Property Management is listed as Unauthorized Activities in the eXp Realty Policy and Procedures. [Coleman] has not been and is not currently authorized to practice property management while licensed at eXp Realty." Benjamin further wrote, "I have not been made aware of any property management activity by [Coleman]."

(2) Violation: By engaging in property management activity without approval from a supervising principal broker or obtaining a property manager license, Coleman violated ORS 696.301(3) as it incorporates ORS 696.022(2)(a) 2023 Edition, which states: (2)(a) a real estate broker may engage in professional real estate activity only if the broker is associated with and supervised by a principal real estate broker. Except as provided in paragraph (c) of this subsection, a real estate broker may not employ, engage or supervise the professional real estate activity of another real estate licensee.

3.13 All of the above demonstrate Coleman exhibited incompetence or untrustworthiness in performing acts for which the real estate licensee is required to hold a license.

3.14 All of the above demonstrate Coleman engaged in conduct that is below the standard of care for the practice of professional real estate activity in Oregon.

(3) Violation: Based on the foregoing, Licensee is subject to discipline under ORS 696.301(12)(15) 2023 Edition, which states a licensee's real estate license may be discipline

who has (12) demonstrated incompetence or untrustworthiness in performing any act for which the real estate licensee is required to hold a license; and (15) engaged in any conduct that is below the standard of care for the practice of professional real estate activity in Oregon as established by the community of individuals engaged in the practice of professional real estate activity in Oregon.

STATEMENT OF LAW APPLICABLE TO FINDINGS OF FACT

4.

4.1 ORS 696.301(3) states a real estate licensee's real estate license may be disciplined if they have: ORS 696.301(3) which states a real estate licensee's real estate license may be disciplined if they have: (3) disregarded or violated any provision of ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any rule of the Real Estate Agency

4.2 ORS 696.301(12) states a licensee's real estate license can be disciplined if they have demonstrated incompetence or untrustworthiness in performing any act for which the licensee is required to hold a license.

4.3 ORS 696.301(15) states a licensee's real estate license can be disciplined if they have engaged in any conduct that is below the standard of care for the practice of professional real estate activity in Oregon.

4.4 ORS 696.396(2)(c)(B) states the Real Estate Commissioner may revoke a real estate license if material facts establish a violation of a ground of discipline that (B) exhibits incompetence in the performance of professional real estate activity.

4.5 OAR 863-027-0020(1) defines the goal of progressive discipline and OAR 863-027-0020(2) sets out all factors the Real Estate Commissioner will consider when determining the level of discipline for licensees.

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

4.7 In accordance with 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.

ULTIMATE FINDINGS OF FACT

5.

5.1 Coleman failed to provide professional real estate records, as requested by the Agency.

5.2 Coleman engaged in property management activity without approval from a supervising principal broker or obtaining a property manager license.

5.3 Coleman demonstrated incompetence or untrustworthiness in performing any act for which the real estate licensee is required to have.

5.4 In summary, the facts above establish grounds to revoke Coleman's broker license.

CONCLUSIONS OF LAW

6.

6.1 Pursuant to ORS 183.417(4) and OAR 137-003-0670 Coleman is in default.

6.2 The material facts establish a violation of a ground for discipline, by preponderance of the evidence, under ORS 696.301 as set forth in the *Notice of Intent to Revoke*. ORS 696.396(1),(2)(c)(B).

6.3 Based on these violations, the Agency may revoke Coleman's broker license.

6.4 Specifically, Coleman is subject to discipline pursuant to ORS 696.301(3), (12) and (15) for (3) disregarding or violating any provision of ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any rule of the Real Estate Agency; (12) demonstrating incompetence or untrustworthiness in performing any act for which the licensee is required to hold a license; and (15) engaging in any conduct that is below the standard of care for the practice of professional real estate activity in Oregon as established by

the community of individuals engaged in the practice of professional real estate activity in Oregon.

6.5 A revocation of Coleman's broker license is appropriate for violations of ORS 696.301(3), (12) and (15).

6.6 A revocation of Coleman's broker license is appropriate under ORS 696.396(2)(c)(B). According to ORS 696.396(2)(c)(B) the Agency may revoke a real estate license if the material facts establish a violation of a ground of discipline under ORS 696.301 that (B) exhibits incompetence in the performance of professional real estate activity.

6.7 Based on the evidence in the record, the preponderance of the evidence supports the revocation of Coleman's broker license.

6.8 The Agency may therefore, revoke Coleman's broker license.

6.9 Pursuant to ORS 696.775 the expiration of Coleman's license does not prohibit the Commissioner from proceeding with this, or further action.

6.10 The specific violations are repeated here below:

(1) Violation: By failing to provide professional real estate records, as requested by the Agency, Coleman violated ORS 696.301(3) as it incorporates ORS 696.280(3)(4) (c)(d) 2023 Edition, which states: (3) records maintained under this section must at all times be open for inspection by the Real Estate Commissioner or the commissioner's authorized representatives; (4) except as provided in subsection (2) of this section, records under this section must be maintained by the real estate licensee for a period of not less than six years after the following date: (c) for management of rental real estate, the date on which the record expired, was superseded or terminated, or otherwise ceased to be in effect; and (d) for all other records, the date the record was created or received, whichever is later.

In addition, Coleman violated ORS 696.301(3) and its implementing rule OAR 863-025-0035(2)(a)(c) 1/1/2024 Edition, which states: (2) a property manager must produce records required under section (1) of this rule for inspection by the Agency as follows: (a) when the Agency makes a request for production of property management records, the property manager must provide such records within no less than five banking days; and (c) failure to produce such records within the timelines state in subsection (a) or (b) of this section is a violation of ORS 696.301.

(2) Violation: By engaging in property management activity without approval from a supervising principal broker or obtaining a property manager license, Coleman violated ORS 696.301(3) as it incorporates ORS 696.022(2)(a) 2023 Edition, which states: (2)(a) a real estate broker may engage in professional real estate activity only if the broker is associated with and supervised by a principal real estate broker. Except as provided in paragraph (c) of this subsection, a real estate broker may not employ, engage or supervise the professional real estate activity of another real estate licensee.

6.11 Each of the above demonstrates incompetence or untrustworthiness in violation of ORS 696.301(12)(15) (2023 Edition). Revocation of Coleman's broker license is appropriate under ORS 696.396(2)(c)(B).

ORDER

IT IS HEREBY ORDERED that Sage Coleman's broker license is revoked.

Dated this 1st day of May, 2025.

OREGON REAL ESTATE AGENCY

Signed by:

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Steven Strode
Real Estate Commissioner

NOTICE OF RIGHT TO APPEAL: You are entitled to judicial review of this Order. Judicial review may be obtained by filing a petition for review within 60 days from the date of service of this order. Judicial review is to the Oregon Court of Appeals, pursuant to the provisions of ORS 183.482.