

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of
HARRY GRASS

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STIPULATED FINAL ORDER

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

FINDINGS OF FACT
AND
CONCLUSIONS OF LAW

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1.1 At all times mentioned herein, Grass was licensed as a property manager with River & Sea Property Management LLC (RSPM).

1.2 On March 8, 2024, RSPM was notified that clients' trust account ending in 1917 (CTA #1917), which holds owner funds, had been selected for reconciliation review. An investigation was opened due to the outstanding issues found in the review.

1.3 The January 2024 reconciliation of CTA #1917 did not balance, and a journal of receipts and disbursements was not provided to the Agency.

1.4 Part IV of the Trust Account Reconciliation document included an explanation that they were unable to "pinpoint" the difference of approximately \$2,000.00 in the totals but were looking to take corrective action and plan to engage a bookkeeper or accounting company.

1.5 Ken Ulbricht (Ulbricht), a certified public accountant hired by Grass, explained to Agency Compliance Specialist Jenifer Wetherbee (Wetherbee) that Grass had not been reconciling monthly, and had not maintained a record of receipts and disbursements.

1 **(1) Conclusion of Law:** By failing to reconcile clients' trust accounts within 30 days of the
2 bank statement ensuring that each part of the reconciliation equaled to and reconciled to each
3 other, and failing to clearly identify any needed adjustments on the reconciliation document,
4 Grass violated ORS 696.301(3) and its implementing rule OAR 863-025-
5 0028(2)(a)(A)(B)(C)(b)(d)(A)(B)(e) 1/1/2024 Edition.

6 **(2) Conclusion of Law:** By failing to maintain a record of receipts and disbursements
7 journal, as required, Grass violated ORS 696.301(3) and its implementing rule OAR 863-025-
8 00401(1) 1/1/2024 Edition. In addition, Grass violated ORS 696.301(3) and its implementing
9 rule OAR 863-025-0035(1)(d) 1/1/2024 Edition.

10 1.6 A review of the reconciliation documents submitted showed that Grass holds
11 tenant security deposits. A review of the Agency's online licensing database showed there is
12 not a clients' trust account – security deposit account registered with the Agency.

13 **(3) Conclusion of Law:** By failing to register a clients' trust account – security deposit
14 account with the Agency within 10-days of opening, Grass violated ORS 696.301(3) as it
15 incorporates ORS 696.245(2)(a)(b)(c)(d)(e) 2023 Edition. In addition, Grass violated ORS
16 696.301(3) and its implementing rule OAR 863-025-0025(5)(a)(b) 1/1/2024 Edition.

17 1.7 A review of the owner ledger for a property identified as Property VK1, showed
18 the balance went negative on January 20, 2024.

19 1.8 No check numbers were included for disbursements or deposits in the owner
20 ledger.

21 **(4) Conclusion of Law:** By failing to identify a check number for a disbursement from an
22 owner ledger, Grass violated ORS 696.301(3) and its implementing rule OAR 863-025-
23 0055(3)(b)(C)(D)(c)(C) 1/1/2024 Edition.

24 1.9 Grass provided a record of their receipts and disbursements journal for January
25 2024 that Ulbricht had compiled, which had an ending balance of -\$4,645.09. The Trust
26 Account Reconciliation document had a balance of \$12,077.47.

27 1.10 The receipts and disbursements journal was missing entries for disbursements,
28 as well as required information such as the check or tracking number.
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1 **(5) Conclusion of Law:** By failing to include all required identifying information in the
2 record of receipts and disbursements, Grass violated ORS 696.301(3) and its implementing
3 rule OAR 863-025-0040(2)(b)(C)(D) 1/1/2024 Edition.

4 1.11 Two disbursements, in the amount of \$9,000.00 and \$9,300.00 were noted in the
5 January 2024 reconciliation documents. Grass explained that the disbursements were
6 accumulated earnings, and he had brought those funds over to the Operating Account to make
7 partner distributions to the owners of RSPM.

8 1.12 Grass further explained that the \$9,300.00 disbursement was a personal
9 expense to a construction company, and the funds came from the earned company net income
10 which went into the Operating Account. Grass no longer had the invoice for the work
11 completed.

12 **(6) Conclusion of Law:** By failing to disburse management fees from CTA #1917, when
13 earned, Grass violated ORS 696.301(3) as it incorporates ORS 696.241(5) 2023 Edition. In
14 addition, Grass violated ORS 696.301(3) and its implementing rule OAR 863-025-0027(6)
15 1/1/2024 Edition.

16 **(7) Conclusion of Law:** By failing to provide documentation to support two disbursements
17 to his benefit, Grass violated ORS 696.301(3) and its implementing rule OAR 863-025-0040(5)
18 1/1/2024 Edition.

19 1.13 Grass provided the Agency with the December 2024 reconciliation for CTA
20 #1917 and clients' trust account – security deposit account ending in 1925 (CTA-SD #1925).

21 1.14 A review of the Trust Account Reconciliation document for CTA #1917 showed a
22 difference in balances of \$14,261.68.

23 1.15 A review of the Trust Account Reconciliation document for CTA-SD #1925
24 showed a difference in balances of -\$7,963.11.

25 1.16 Grass explained that they batch deposits, and when they have a “reasonable
26 amount” of checks, they deposit them all at once. Grass further explained that they log the
27 checks in a mini ledger and keep track of who paid and how much they paid.

28 **(8) Conclusion of Law:** By failing to provide supporting documentation and an explanation
29 for the difference in balances between the Trust Account Reconciliation document and the
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owner ledger, Grass violated ORS 696.301(3) and its implementing rule OAR 863-025-0028(2)(a)(b)(d)(A)(B)(3)(a)(b)(A)(B)(4) 1/1/2024 Edition.

1.17 A review of the documents provided showed Grass received rent from a tenant on January 5, 2024, and did not deposit it until January 18, 2024.

(9) Conclusion of Law: By failing to make timely deposits of funds into CTA #1917 on behalf of property owners, Grass violated ORS 696.301(3) and its implementing rule OAR 863-025-0065(4) 1/1/2024 Edition.

1.18 Grass did not have a written delegation of authority that delegated who has access to the clients' trust accounts, and who had the authorization to complete monthly reconciliations.

(10) Conclusion of Law: By failing to have a written delegation of authority, Grass violated ORS 696.301(3) and its implementing rule OAR 863-025-0015(5)9b) 1/1/2024 Edition.

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

(11) Conclusion of Law: Based on the foregoing, Grass is subject to discipline under ORS 696.301(12)(15) 2023 Edition.

2.

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

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

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

3.

STIPULATION AND WAIVER

I, Harry Grass, 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

1 complete agreement and stipulation between the Agency and me. I further understand that if I
2 do not agree with this stipulation, I have the right to request a Hearing on this matter and to be
3 represented by legal counsel at such a Hearing. I also understand that any Hearing would be
4 conducted in accordance with the procedures set forth in ORS Chapter 183 and in accordance
5 with the Rules of Practice and Procedure adopted by the Attorney General of the State of
6 Oregon. By signing this Stipulated Final Order, I freely and voluntarily waive my rights to a
7 Hearing, to representation by legal counsel at such a Hearing, and to judicial review of this
8 matter.

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

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

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ORDER

IT IS HEREBY ORDERED that Harry Grass's property manager license be reprimanded.

IT IS FURTHER ORDERED that due to the violations addressed above, Grass will be subject to a future clients' trust account review within 6 months of the issuance of this order.

IT IS SO STIPULATED:

IT IS SO ORDERED:

DocuSigned by:

Harry Grass

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HARRY GRASS

Date 11/5/2025 | 1:52 PM PST

Signed by:

Steve Strode

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STEVEN STRODE

Real Estate Commissioner

Date 11/5/2025 | 3:10 PM PST

Date of Service: 11/5/2025

