

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of
STEPHEN P NIELSEN

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STIPULATED FINAL ORDER

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

FINDINGS OF FACT
AND
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Nielsen was licensed as a principal broker with Keystone Real Estate (Keystone).

1.2 Between August 13, 2024, and February 28, 2025, the Agency received three complaints against Nielsen. The Agency opened an investigation into each complaint.

1.3 A review of Oregon Secretary of State records showed Keystone Real Estate, Inc was registered with the State on November 14, 1988. The Assumed Business Name (ABN), Keystone Real Estate, was registered with the State on December 2, 1988. On September 3, 2015, a new company Keystone Real Estate Homes, Inc was registered with the State.

1.4 The ABN, Keystone Real Estate, dissolved on February 23, 2023, for "Failure to Renew."

(1) Conclusion of Law: By failing to maintain an active business name with the Oregon Secretary of State, Nielsen violated ORS 696.301(3) and its implementing rule OAR 863-025-0095(1) 1/1/2023, 1/1/2024, 1/1/2025 Editions.

1 1.5 Property owner Robert Yamamoto (Yamamoto) submitted a complaint against
2 Nielsen. In his complaint, Yamamoto alleged that the cost to repair his property went from
3 \$20,000.00 to \$70,000.00 and has taken years to complete. In addition, Yamamoto wrote that
4 a tenant made repairs, remodels, and caused damage to the property that went unnoticed due
5 to inspections not being completed.

6 1.6 In his complaint, Yamamoto also wrote that supplies were purchased for work on
7 other properties that were managed by Keystone, and no credit was returned to Yamamoto.

8 1.7 A review of the Property Management Agreement for Yamamoto's property in
9 Springfield, Oregon, included that the owner is to pay for repairs and maintenance and the
10 property manager is to obtain the approval of the owner on all costs beyond \$25.00 for any
11 single item. The property management agreement does not include language regarding
12 regular property inspections.

13 1.8 In his response to the Agency regarding Yamamoto's complaint, Nielsen wrote
14 that after taking over Keystone, they were unable to obtain records that could verify the
15 condition of the property prior to occupancy. In addition, Nielsen wrote that they attempted to
16 conduct inspections but had restricted access due to the tenants at the property.

17 1.9 Nielsen further explained, "Initially, we estimated \$20,000 for flooring, painting,
18 and trim/baseboards. As the scope of work expanded to include tubs/surrounds, cabinets,
19 toilets, relocating closets in 2 bedrooms, and other elements, costs increased. We offered to
20 provide labor at no extra charge to Mr. Yamamoto..."

21 1.10 A review of the August 2022 owner statement showed a charge in the amount of
22 \$1,000.00 to Henry's Construction Land & Fire. A subsequent invoice from this same company
23 described the work as removing tires and covering graffiti.

24 1.11 A handwritten note on the invoice includes "wrong charge to Robert" and "over 1
25 $\frac{3}{4}$ yrs to refund."

26 1.12 A review of the June 2024 owner statement included check #11170, in the
27 amount of \$1,000.00. The description included "Miscellaneous Income-Charge to wrong
28 Owner."

29 1.13 Agency Investigator Dylan Ray (Ray) interviewed Nielsen and Keystone owner
30 William Smith (Smith). Smith explained the bill was improperly attributed to Yamamoto's

1 property by the contractor who had used the wrong property address. Nielsen and Smith
2 confirmed that the bill was from August 2022 but was not caught until June 2024.

3 **(2) Conclusion of Law:** By failing to account for funds improperly attributed to a property
4 owner and correct in a timely manner, Nielsen violated ORS 696.301(3) as it incorporates ORS
5 696.890(4)(c)(e) 2023 Edition.

6 1.14 A tenant lease agreement for subsequent tenants at Yamamoto's property was
7 provided to the Agency. A review of the tenant lease agreement showed three tenants listed
8 on the agreement, one of the tenants was Smith. The lease terms of this agreement were from
9 February 1, 2023, through January 31, 2024. The monthly rental amount was \$1,500.00 due
10 by the seventh day of the month, with a late fee of \$150.00 to be charged if payment was not
11 made by that time.

12 1.15 During the interview with Ray, Smith explained that September 2024 rent was not
13 collected, and he had a verbal agreement with Yamamoto. In addition, Smith explained that
14 the lack of late fees and security deposit were also verbal agreements with Yamamoto.

15 1.16 Nielsen confirmed that there were no written agreements or documentation.
16 Nielsen told Ray that there were other owners that they had verbal agreements with, and he
17 would start documenting those.

18 **(3) Conclusion of Law:** By failing to document the amount of and the reason for all funds
19 paid by the tenant to the property manager, Nielson violated ORS 696.301(3) and its
20 implementing rule OAR 863-025-0045(1)(c) 1/1/2024 Edition.

21 **(4) Conclusion of Law:** By failing to have a written amendment or addendum to the terms
22 in the Property Management Agreement, Nielsen violated ORS 696.301(3) and its
23 implementing rule OAR 863-025-0020(4) 1/1/2024 Edition.

24 1.17 Property Owner Samantha Allen (Allen) submitted a complaint against Keystone.
25 In her complaint, Allen alleged that the condition of her property had been misrepresented and
26 that there was damage to the property including a broken dishwasher and garbage disposal,
27 missing walls, a broken door, damaged flooring, and fire damage to the attic that was not
28 reported to her.

29 1.18 In her complaint, Allen also alleged that \$4,300.00 in security deposits from two
30 separate tenants had been kept, and instead, should have gone to repairs.

1 1.19 A review of a tenant lease agreement showed it was signed and dated by the
2 tenant and Smith on May 1, 2023. The start date for tenancy was left blank.

3 **(5) Conclusion of Law:** By failing to include the start date of tenancy in the tenant lease
4 agreement, Nielsen violated ORS 696.301(3) and its implementing rule OAR 863-025-
5 0045(1)(e) 1/1/2023, 1/1/2024, 1/1/2025 Edition.

6 1.20 A review of the delegation of authority did not include approval for Smith to sign
7 tenant lease agreements. In addition, the delegation of authority was not signed or dated.

8 **(6) Conclusion of Law:** By failing to have a signed and dated delegation of authority,
9 Nielsen violated ORS 696.301(3) and its implementing rule OAR 863-025-0015(5)(c) 1/1/2025
10 Edition.

11 **(7) Conclusion of Law:** By failing to include all property management duties and
12 responsibilities to an employee, Nielsen violated ORS 696.301(3) and its implementing rule
13 OAR 863-025-0015(3)(c)(A) 1/1/2025 Edition.

14 1.21 In an interview with Ray, Nielsen and Smith could not determine a date when the
15 tenant was evicted from Allen's property. They included dates of February 19, 2024, February
16 20, 2024, and "mid-March." They explained their reason for continuing to charge rent was
17 because the tenant "still had possession."

18 1.22 A review of the eviction judgment determined the date of eviction as January 11,
19 2024. Nielsen confirmed that "we shouldn't have charged March at all..."

20 **(8) Conclusion of Law:** Nielsen continued to charge rent after a tenant was evicted from
21 the property. This is grounds for discipline under ORS 696.301(3) as it incorporates ORS
22 696.301(12) 2023 Edition.

23 1.23 Property Owner Peter Silva (Silva) submitted a complaint against Keystone. In
24 his complaint, Silva alleged that when he terminated his property management agreement with
25 Keystone, he did not receive a final accounting of the security deposits. In addition, Silva
26 alleged that units were left with furnishings, and damages, and that vegetation and pests were
27 not taken care of on the property.

28 1.24 The property management agreement had an effective date of termination of
29 November 9, 2024. Final accounting would have been due to Silva by January 8, 2025.
30

1.25 In an email from Silva dated November 19, 2024, Silva asked for the August and September 2024 Rent Rolls, a ledger for the deposit account, confirmation of a \$3,000.00 deposit they could not locate, as well as confirmation of the amount collected on a \$1,900.00 security deposit.

1.26 Agency Investigator Cidia Nañez (Nañez) asked Nielsen if the August 2024 through March 2025 owner statement was the final accounting that had been sent to Silva. Nielsen confirmed stating "The final accounting that the Property Owner, Peter Silva, would have received was in the form of an owner statement."

1.27 Nielsen provided an updated owner statement that showed additional disbursements to Silva's where \$209.40 was disbursed on April 24, 2025, and \$765.24, disbursed on April 24, 2025.

(9) Conclusion of Law: By failing to provide a final accounting of the owner ledger including disbursing all obligated funds due to the parties within 60-days of termination of the property management agreement, Nielsen violated ORS 696.301(3) and its implementing rule OAR 863-025-0070(2)(a)(b)(A)(B) 1/1/2025 Edition.

1.28 Nielsen provided documents that included tenant ledgers for two tenants at Silva's property. A review of these tenant ledgers showed one tenant had a "Mgmt held Security Deposit" in the amount of \$800.00, that had been applied to the tenant's outstanding balance, leaving a total past due rent amount of \$11,585.00.

1.29 A review of the second tenant ledger showed a total past due amount of \$9,770.00. There were no entries indicating that a security deposit had been paid by that tenant.

(10) Conclusion of Law: By failing to account timely for the collection of tenant security deposits, Nielsen violated ORS 696.301(3) as it incorporates ORS 696.890(4)(c)(d)(e)(f) 2023 Edition.

1.30 A review of additional tenant ledgers provided by Nielsen showed there were two ledgers that showed the tenant's name as "Shelter Care."

(11) Conclusion of Law: By failing to include the name of the tenant on the tenant ledgers, Nielsen violated ORS 696.301(3) and its implementing rule OAR 863-025-0050(4)(a) 1/1/2023, 1/1/2024 Editions.

1.31 All of the above demonstrates a failure to uphold affirmative duties to account in a timely manner for all funds received from or on behalf of the owner, and to act in a fiduciary manner in all matters relating to trust funds.

(12) Conclusion of Law: Based on the foregoing, Nielsen violated ORS 696.301(3) as it incorporates ORS 696.890(4)(c)(d)(e) 2023 Edition.

1.32 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.

(13) Conclusion of Law: Based on the foregoing, Nielsen 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, Stephen Nielsen, 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.

ORDER

IT IS HEREBY ORDERED that Stephen Nielsen's principal broker license be reprimanded.

IT IS SO STIPULATED:

IT IS SO ORDERED:

Signed by:

Stephen Nielsen

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STEPHEN NIELSEN

Date 10/7/2025 | 10:11 AM PDT

Signed by:

Steve Strode

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STEVEN STRODE

Real Estate Commissioner

Date 10/7/2025 | 10:29 AM PDT

Date of Service: 10/7/2025

