

REAL ESTATE AGENCY  
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of )  
LINDA D SMITH ) STIPULATED FINAL ORDER

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

FINDINGS OF FACT  
AND  
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Smith was licensed as a principal broker with Pro Group Realty and Property Management LLC (Pro Group).

1.2 On March 27, 2024, Pro Group was notified that clients' trust account ending in 9838 (CTA-SD #9838), which holds security deposits, had been selected for reconciliation review. Documents for January 2024 were requested by the Agency.

1.3 Smith requested two extensions from Agency Compliance Specialist Helen Wilson (Wilson). No records were received.

1.4 Wilson sent a follow-up email to Smith with a demand for records. Smith responded to the email writing, "We did send everything you requested by fax, We will resend them and call to see if you received them."

1.5 Wilson received another response to the follow up email from Pro Group employee, Melinda Meyer (Meyer). The response stated, "I do not understand why you have not received them, we have sent them two times, I also left a voicemail message for a return call, I will send them again and call you again."

1           1.6     In another email, Meyer wrote to Wilson with an explanation as to why they had  
2 failed to turn in any of the requested documents. Meyer wrote, "Pro Group recently changed  
3 from Buildium to Appfolio as our software company. In addition to this recent software change,  
4 Pro Group also went from being a sole proprietorship to a limited liability corporation. Our  
5 transition to Appfolio has been a rather difficult one. We are sill [sic] trying to ensure all of our  
6 accounts balance properly and that all of our data was properly transferred over from  
7 Buildium."

8           1.7     Meyer provided further explanation writing, "I do not know how to reconcile the  
9 accounts when the opening numbers appfolio put in the system are incorrect. And I cannot  
10 remedy this without the assistance or knowledge of Appfolio. Due to this lack of knowledge  
11 and understanding, I can not turn in the records you are requesting."

12 **(1) Conclusion of Law:** By failing to make her records available for inspection by the  
13 Agency, Smith violated ORS 696.301(3) as it incorporates ORS 696.280(4)(c)(d)(5) 2023  
14 Edition.

15           1.8     Agency Investigator Cidia Nañez (Nañez), emailed Smith and requested the April  
16 2024 AppFolio Reconciliation Report, the April 2024 bank statement for CTA-SD #9838, as  
17 well as their last reconciliation from Buildium.

18           1.9     Meyer sent an email to Nañez stating that she had provided the April 2024 bank  
19 reconciliation and bank statement, Meyer wrote, "...I do not have a reconciliation report with  
20 Buildium because Buildium canceled our services before we could print the reports."

21           1.10    Meyer initially provided Nañez with reconciliation documents for a clients' trust  
22 account ending in 9820 (CTA #9820). The following day, Meyer provided a 'Security Deposit  
23 Funds Detail' report dated as of June 18, 2024, the April 2024 AppFolio Reconciliation Report,  
24 and the April 2024 bank statement for CTA-SD #9838. In addition, Meyer sent the April 2024  
25 bank statement for a clients' trust account ending in 5950 (CTA-SD #5950).

26           1.11    In an interview with Smith and Meyer, Smith told Nañez that Meyer had been at  
27 Pro Group for two and a half years. Smith explained that due to staff changes, Meyer was not  
28 shown how to do the monthly reconciliations. Smith further stated that they were not able to  
29 find the last CTA reconciliation.

1 **(2) Conclusion of Law:** By failing to back up her computerized record keeping system,  
2 Smith violated ORS 696.301(3) and its implementing rule OAR 863-025-0035(1)(b)(j) 1/1/2024  
3 Edition.

4 **(3) Conclusion of Law:** By failing to ensure her records could be viewed or provided to the  
5 Agency, Smith violated ORS 696.301(3) and its implementing rule OAR 863-015-0260(2)  
6 1/1/2024 Edition.

7 1.12 The April 2024 bank statement for CTA-SD #5950 showed an initial deposit of  
8 \$27,998.60.

9 1.13 A review of the Agency's online licensing database showed CTA-SD #5950 was  
10 not registered with the Agency until September 2024.

11 **(4) Conclusion of Law:** By failing to notify the Agency within 10 days of opening a clients'  
12 trust account, Smith violated ORS 696.301(3) as it incorporates ORS 696.245(2) 2023 Edition.  
13 In addition, Smith violated ORS 696.301(3) and its implementing rule OAR 863-025-0025(3)  
14 1/1/2024 Edition.

15 1.14 A review of the documents submitted by Meyer showed the following balances:

16 April 2024 Bank Statement for CTA-SD #9838:

17 Beginning Balance: \$31,228.60

18 Ending Balance: \$0.00

19 April 2024 Security Deposit List:

20 Ending Balance: \$48,805.00

21 April 2024 Bank Statement for CTA-SD #5950:

22 Beginning Balance: \$0.00

23 Ending Balance: \$28,092.79

24 1.15 Meyer explained in an email to Nañez, "I am aware the figures are off. We have  
25 approximately \$20,713.00 in a trust account that needs to be transferred over to the security  
26 deposit account. This is from tenants that paid their security deposit and their move in pro-rate  
27 with the same check or money order versus making it in 2 separate payments. I am in the  
28 process of fixing the Appfolio errors, closing the old trust and security accounts, and  
29 reconciling all the accounts. I will be transferring those funds to the security account this  
30 week."

1 **(5) Conclusion of Law:** By maintaining tenant security deposit funds in a clients' trust  
2 account, Smith violated ORS 696.301(3) and its implementing rule OAR 863-025-  
3 0025(5)(a)(b)(7) 1/1/2024 Edition.

4 1.16 A review of the May 2024 Trust Account Reconciliation document for CTA #9820,  
5 showed it was signed by Smith and completed on July 18, 2024.

6 1.17 The Trust Account Reconciliation document showed a difference between Part I  
7 and Part II, while Part III was left blank. Part IV did not include a written statement to explain  
8 the difference in totals.

9 1.18 A review of the bank statement of CTA #9820 for the period March 31, 2024,  
10 through April 30, 2024, showed a recorded low balance of -\$5,035.04.

11 1.19 The bank statement also showed Check #40242, in the amount of \$248.03 was  
12 returned on April 17, 2024, for non-sufficient funds.

13 **(6) Conclusion of Law:** By failing to complete the May 2024 reconciliation of CTA #9820  
14 within 30 days of the bank statement, Smith violated ORS 696.301(3) and its implementing  
15 rule OAR 863-025-0028(2)(a)(C)(b) 1/1/2024 Edition.

16 **(7) Conclusion of Law:** By disbursing funds from CTA #9820 resulting in a negative  
17 account balance, Smith violated ORS 696.301(3) and its implementing rule OAR 863-025-  
18 0027(3) 1/1/2024 Edition.

19 1.20 The May 2024 reconciliation documents provided for CTA-SD #9838 did not  
20 include a record of receipts and disbursements.

21 **(8) Conclusion of Law:** By failing to reconcile CTA-SD #9839 using the supporting  
22 documentation of a record of receipts and disbursements, Smith violated ORS 696.301(3) and  
23 its implementing rule OAR 863-025-0028(3)(B)(C) 1/1/2024 Edition.

24 1.21 A review of the May 2024 Trust Account Reconciliation document for CTA-SD  
25 #5950, showed it was signed by Smith and completed on September 26, 2024.

26 **(9) Conclusion of Law:** By failing to complete the May 2024 reconciliation of CTA-SD  
27 #5950 within 30 days of the bank statement, Smith violated ORS 696.301(3) and its  
28 implementing rule OAR 863-025-0028(3)(d)(A) 1/1/2024 Edition.

29 1.22 Nañez requested the following documents which had not been provided:

- 30
  - Page #2 of the April 2024 bank statement for CTA-SD #9838

- Page #2 of the May 2024 bank statement for CTA-SD #5950
- The owner balances report for April, May, June 2024
- July 2024 bank statement for CTA-SD #5950

1.23 The Agency did not receive the requested records.

**(10) Conclusion of Law:** By failing to provide records of professional property management activity, Smith violated ORS 696.301(3) and its implementing rule OAR 863-025-0035(2)(a)(c) 1/1/2024 Edition.

1.24 In an interview with Nañez, Smith explained that during the switch from Buildium to AppFolio, AppFolio entered the wrong numbers into the system. Meyer further explained that they called tenants to ask if they had made their rent payment. Meyer explained that they didn't know the owner's balances or the tenant's balances.

**(11) Conclusion of Law:** While using a computerized record keeping system, Smith failed to maintain records in a format that readily enabled tracking and reconciliation, in violation of ORS 696.301(3) and its implementing rule OAR 863-025-0035(a)(b) 1/1/2024 Edition.

1.25 A search of the Oregon Secretary of State website showed that Smith initially registered Pro Group as a sole proprietorship on August 12, 2016. The status was changed to inactive on September 27, 2018, for failure to renew. Pro Group was registered as an LLC with the Secretary of State on April 5, 2023.

1.26 In an interview, Smith told Nañez that she recalled changing to an LLC with the Secretary of State but could not recall if she had renewed.

**(12) Conclusion of Law:** By failing to maintain an active registry with the Oregon Secretary of State, Smith violated ORS 696.301(3) and its implementing rule OAR 863-014-0095(1) 1/1/2018, 1/1/2019, 1/1/2020, 1/1/2021, and 1/1/2022 Editions.

1.27 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, Smith is subject to discipline under ORS 696.301(12) and (15) 2023 Edition

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, Linda Smith, 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.

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ORDER

IT IS HEREBY ORDERED that Linda Smith's principal broker license be reprimanded.

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

IT IS SO STIPULATED:

IT IS SO ORDERED:



DocuSigned by:

*Linda Smith*

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LINDA SMITH

Signed by:

*Steve Strobe*

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STEVEN STRODE

Real Estate Commissioner

Date 11/20/2025 | 9:58 AM PST

Date 11/20/2025 | 10:15 AM PST

Date of Service: 11/20/2025