

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of }
DONALD WILLIAM PENSELIN, JR. } STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Donald William Penselin, Jr. (Penselin) do hereby agree and stipulate to the following:

FINDINGS OF FACT
AND
CONCLUSIONS OF LAW

1.1 At all times mentioned herein, Penselin was licensed as a real estate broker associated to High Lakes Realty & Property Management (HLR).

18 1.2 On October 24, 2025, HLR was notified that clients' trust account ending in 5441
19 (CTA-SD #5441), which holds security deposits, had been selected for reconciliation review.
20 Records for August 2025 were requested and received.

1.3 Attorney Erika Wilson (Wilson) provided a letter to the Agency which included that principal broker with HLR Dianne Willis (Willis) had discovered commingling and misuse of funds from the clients' trust account. In addition, Wilson wrote that Willis had reimbursed CTA-SD #5441 in full, using her personal funds.

14 Willis later clarified that Penselin was the individual who had misused funds.

1.5 A review of the August 2025 'Bank Account Balance Breakdown' report for CTA-SD #5441, showed a negative balance of -\$45,617.03.

28 1.6 The line item in the report that had the negative balance had the name
29 "Unspecified" in the owner's column. In the address or property column, the address listed was
30 the physical address for HLR.

1 1.7 In an interview with Agency Investigator Cidia Nañez (Nañez), Willis explained
2 that Penselin is her son. Willis said that Penselin told her about the missing funds
3 approximately two months before the Agency's clients' trust account review.

4 1.8 In an interview with Nañez, Penselin said that he had created the "Unspecified"
5 account two and half years ago when he first started misappropriating funds.

6 1.9 In his interview, Penselin explained that when tenants paid their rent or their
7 security deposits in cash, he took those funds. Penselin further explained that when he took
8 the cash, he would use the security deposit account to repay the funds he had taken.

9 1.10 Penselin explained he used some funds to pay for a property owner or tenant,
10 but some funds were for personal use.

11 1.11 A review of the August 2025 bank statement for CTA-SD #5441 showed five
12 checks that had cleared the bank. Penselin provided documentation to Nañez that all five
13 checks were used for the benefit of the property owner and/or a tenant.

14 1.12 Penselin explained that in instances where tenants vacated the property owing
15 outstanding balances, he used funds from the security deposit accounts to ensure that the
16 owner was paid what was owed by the tenant. Penselin explained that the same approach was
17 taken with tenant-cause damages. According to Penselin, this was not a standard or routine
18 practice but occurred only in a limited number of cases involving problematic tenants or
19 unusually difficult move-outs.

20 1.13 Regarding how funds were used to benefit a property owner, Penselin gave an
21 example of a check written to a property owner writing, "This rent was due out of SD for unpaid
22 rent. Tenant had not vacated yet, so the money was sent directly from SD account. It should
23 have been put against rent and then sent from CTA account, but the concern was that it would
24 confuse posted notices for monies owed...."

25 1.14 A review of the September 2025 bank statement for CTA-SD #5441 showed nine
26 checks that had cleared the bank. According to the documentation Penselin provided to
27 Nañez, six of the checks were used to benefit the owner or a tenant. One check, in the amount
28 of \$1,200.00 was used to benefit Penselin.

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1 **(1) Conclusion of Law:** Penselin admitted to misusing funds from a clients' trust account.
2 This act is Grounds for Discipline under ORS 696.301(3) as it incorporates ORS
3 696.301(12)(14)(15) 2023 Edition.

4 1.15 The August and September 2025 bank statements showed three checks which
5 were not processed in sequential order. The August and September 2025 Bank Reconciliation
6 showed Penselin assigned different check numbers in HLR's accounting software, Buildium, to
7 those same three transactions.

8 1.16 During the settlement process with the Agency, Wilson provided the following
9 explanation, "Penselin explained that any checks that were issued out of numerical order was
10 not done to manipulate or conceal transactions but rather resulted from poor recordkeeping
11 and a failure to consistently track when checks were pulled or to update records during
12 reconciliation. Penselin described these as administrative oversights."

13 1.17 A review of an additional clients' trust account, ending in 9544 (CTA #9544)
14 showed multiple checks which were processed out of sequential order for the months of
15 August and November 2025. The following explanation was provided to the Agency, "Penselin
16 also described this as an administrative oversight due to poor recordkeeping."

17 1.18 In his interview, Penselin explained there were times when he would pay for
18 tenant damage to a unit or unpaid rent, taken out of CTA-SD #5441, the payment would come
19 from HLR, and the owner's statement would show payment from a different account than the
20 standard Rent CTA account from which owner draws are typically paid. Penselin further
21 explained that the chances of the property owners noticing that the check was issued from a
22 different account than usual were slim.

23 1.19 A review of the August and September 2025 Bank Reconciliation report showed
24 that Penselin manually entered different dollar amounts and check numbers into Buildium than
25 what were reflected in the bank records.

26 **(2) Conclusion of Law:** In performance of his duties, Penselin processed checks out of
27 sequential order, assigned incorrect check numbers in Buildium, and omitted required
28 information in the check register. This act is Grounds for Discipline under ORS 696.301(3) as it
29 incorporates ORS 696.301(14) 2023 Edition.

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1 1.20 All of the above demonstrate incompetence or untrustworthiness in performing
2 acts for which the real estate licensee is required to hold a license, engaged in dishonest
3 conduct substantially related to the fitness of the applicant or real estate licensee to conduct
4 professional real estate activity, and engaged in conduct that is below the standard of care for
5 the practice of professional real estate activity in Oregon.

6 **(3) Conclusion of Law:** Based on the foregoing, Penselin is subject to discipline under
7 ORS 696.301(12)(14)(15) 2023 Edition.

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10 2.

11 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.

12 2.2 The Agency reserves the right to investigate and pursue additional complaints
13 that may be received in the future regarding this licensee.

14 2.3 In establishing the violations alleged above, the Agency may rely on one or more
15 of the definitions contained in ORS 696.010.

16 3.

17 STIPULATION AND WAIVER

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

29 I hereby agree and stipulate to the above Findings of Fact and Conclusions of Law and
30 understand that the Order which follows hereafter, which I have also read and understand,

1 may be completed and signed by the Real Estate Commissioner or may be rejected by the
2 Real Estate Commissioner. I further understand that, in accordance with the provisions of
3 ORS 696.445(3), notice of this Order shall be published in the Oregon Real Estate News
4 Journal.

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

8
9 ORDER

10 IT IS HEREBY ORDERED that Donald William Penselin Jr.'s broker license be revoked.
11 This order is interrelated with a Stipulated Order for Revocation for Dianne Willis. This
12 revocation will be effective March 1, 2026, as licensees cease operations by February 28,
13 2026, for High Lakes Realty & Property Management in compliance with all applicable statutes
14 and rules.

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18 IT IS SO STIPULATED:

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22 DONALD WILLIAM PENSELIN, JR.
23
24 Date 2/6/2026

IT IS SO ORDERED:

Signed by:

Steve Strode

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STEVEN STRODE

Real Estate Commissioner

Date 2/6/2026 | 11:31 AM PST



Date of Service: 2/6/2026

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