

1 REAL ESTATE AGENCY  
2 BEFORE THE REAL ESTATE COMMISSIONER  
3

4 In the Matter of the Real Estate License of )  
5 )  
6 LINDA D SMITH ) STIPULATED FINAL ORDER  
7 )  
8 )  
9

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

12 FINDINGS OF FACT  
13 AND  
14 CONCLUSIONS OF LAW

15 1.

16 1.1 At all times mentioned herein, Smith was licensed as a principal broker with Pro  
17 Group Realty and Property Management LLC. The Agency has previously issued Smith a  
18 reprimand in response to a clients' trust account reconciliation review and subsequent  
19 investigation. The Stipulated Order was signed in November 2025.

20 1.2 On January 6, 2026, Pro Group was notified that clients' trust account ending in  
21 5950 (CTA-SD #5950), which holds security deposits, had been selected for reconciliation  
22 review. In response to the notification, Smith responded that a previous employee "may have  
23 improperly withdrawn funds from this account...to accurately identify and trace all withdrawals  
24 and deposits, we have requested bank statements for the Security Deposit account covering  
25 2023 through the present. Until those statements are received and reviewed, we are unable to  
26 complete a full and accurate reconciliation of the account as requested." Smith did not provide  
27 documentation to support the allegation of improperly withdrawn funds.

28 1.3 Agency Investigator Cidia Nañez (Nañez) requested Smith provide the last  
29 reconciliation of CTA-SD #5950, along with supporting documentation.  
30

1           1.4     A review of the Balance Sheet Report for 2023 showed a 'Cash– Owners Trust –  
2     Operating Cash' a balance of -\$3,072, and a total in the amount of -\$53,174.98. In 2024 the  
3     total was -\$185,908.31, and in 2025 'Cash – Owners Trust – Operating Cash' balance is  
4     shown as -\$2,297, with a total of -\$184,079.15.

5           1.5     The Agency subpoenaed bank records for multiple clients' trust accounts held by  
6     Smith.

7           1.6     On March 16, 2026, Smith provided the Agency with a document titled  
8     'Response: Timeline to Replenish Missing funds from the Security Deposit Trust Account.'  
9     Smith explained that she was working to restore the missing funds from the clients' trust  
10    account as quickly as possible.

11          1.7     Smith provided documentation which showed she had deposited a personal  
12    check into CTA-SD #5950 in the amount of \$5,000.00 in December 2025.

13          1.8     Smith provided a 'Landlord Repayment Agreement' with Washington County  
14    Housing, dated March 3, 2026. The agreement stated that Pro Group received overpayments  
15    totaling \$22,420.00, with a repayment timeline of six months.

16          1.9     Smith explained that the "payments were mistakenly restarted for the tenant after  
17    move-out." Smith further explained that the tenant moved out in February 2025, but she did not  
18    discover the payment error until a later date.

19    **(1) Conclusion of Law:** Smith accepted rental income from the Washington County  
20    Department of Housing Services in the amount of \$22,420.00 for a tenant who no longer  
21    resided at the property. This is Grounds for Discipline under ORS 696.301(3) as it incorporates  
22    ORS 696.301(12)(14)(15) 2025 Edition.

23          1.10    A review of a document Smith provided which listed security deposits paid  
24    showed Smith handwrote notes next to eight properties indicating they were 'owner held'  
25    deposits. In addition, there were several properties that had been crossed out and did not  
26    indicate an occupied tenant or a security deposit maintained for that property.

27          1.11    Smith handwrote security deposit amounts totaling \$111,108.94.

28    **(2) Conclusion of Law:** By failing to maintain professional property management records,  
29    Smith violated ORS 696.301(3) and its implementing rule OAR 863-025-0035(3)(b) 1/1/2025  
30    Edition.

1.12 A review of the February 2026 bank statement for CTA-SD #5950 showed an ending balance of \$23,943.10.

1.13 The difference between the security deposits paid report Smith provided dated March 22, 2026, and the February 2026 statement showed the account was short \$87,165.84.

**(3) Conclusion of Law:** Smith failed to uphold her fiduciary responsibility, as records indicate a shortfall in CTA-SD #5950. This is Grounds for Discipline under ORS 696.301(3) as it incorporates ORS 696.301(12)(15) 2025 Edition. In addition, Smith violated ORS 696.301(3) as it incorporates ORS 696.890(4)(a)(b)(c)(d)(e)(f) 2025 Edition and ORS 696.241(4) 2025 Edition.

1.14 During her previous investigation with the Agency, Smith had provided documentation that corrective action had been taken on July 9, 2024, when \$22,037.21 was transferred to CTA-SD #5950, from CTA #7070. After that transfer, the balance of CTA-SD #5950 was \$59,085.00.

1.15 A review of the bank records subpoenaed by the Agency showed that following the July 9, 2024, transfer, the funds were then transferred back to CTA #7090 on this same date.

**(4) Conclusion of Law:** Records show that Smith immediately reversed corrective action that she had taken to resolve a shortage of funds in CTA-SD #5950. This is Grounds for Discipline under ORS 696.301(3) as it incorporates ORS 696.301(12)(14)(15) 2025 Edition.

1.16 Smith provided the December 2025 and January 2026 reconciliations for CTA-SD #5950. A review of the Trust Account Reconciliation document showed only Part I had been completed. Both reconciliations were signed and dated February 25, 2026.

**(5) Conclusion of Law:** By failing to complete the clients' trust reconciliation within 30 days of the bank statement, Smith violated ORS 696.301(3) and its implementing rule OAR863-025-0028(2)(a)(B)(C)(b)(d)(A)(B) 1/1/2025 Edition.

1.17 A review of records showed that Smith made two over-the-counter withdrawals from CTA-SD #9838 on May 5, 2024, in the total amount of \$31,228.60, and then subsequently deposited this amount into CTA-SD #5950.

1.18 In addition, a family member made an 'over the counter' withdrawal from CTA-SD #9838 on June 21, 2024, in the amount of \$9,203.98 and then subsequently deposited these funds into CTA-SD #5950.

1.19 On April 12, 2024, a check made payable to the Oregon Department of Revenue in the amount of \$255.81 was withdrawn from CTA-SD #5950. On September 3, 2024, a handwritten check in the amount of \$255.81 was issued from Smith's General Account and deposited into CTA-SD #5950.

1.20 On December 17, 2025, a check made payable from the Pro Group General Account #2604, in the amount of \$3,000 shows written in the memo line, "To Trust Acct Loan owners acct".

**(6) Conclusion of Law:** By commingling funds received with personal funds of the property manager, Smith violated ORS 696.301(3) as it incorporates ORS 696.241(5)(a)(b) 2025 Edition. In addition, Smith violated ORS 696.301(3) and its implementing rule OAR 863-025-0065(6) 1/1/2025 Edition.

1.21 A review of the December 2025 bank statement for CTA #7090 showed a beginning balance of -\$53.96 and overdraft fee of \$35.00.

1.22 A review of an owner statement from November 2025 showed \$2,760.00 was paid to the property owners. The 'Ending Cash Balance' on the owner's statement was -\$90,004.00.

**(7) Conclusion of Law:** By failing to maintain positive owner ledger balances, Smith violated ORS 696.301(3) and its implementing rule OAR 863-025-0027(3) 1/1/2024, 1/1/2025 Editions.

1.23 A review of records showed numerous owner statements that did not identify the payee of the disbursement. The payee was listed as "Some Company."

**(8) Conclusion of Law:** By failing to identify the payee in a disbursement form the owner ledgers, Smith violated ORS 696.301(3) and its implementing rule OAR 863-025-0055(3)(c)(D) 1/1/2025 Edition.

1.24 All of the above demonstrate 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.

1 **(9) Conclusion of Law:** Based on the foregoing, Smith violated ORS 696.301(3) as it  
2 incorporates ORS 696.890(4)(a)(c)(d)(e)(f) 2025 Edition.

3 1.25 All of the above demonstrate incompetence or untrustworthiness in performing  
4 acts for which the real estate licensee is required to hold a license and conduct that is below  
5 the standard of care for the practice of professional real estate activity in Oregon.

6 **(10) Conclusion of Law:** Based on the foregoing, Smith is subject to discipline under ORS  
7 696.301(12) and (15) 2025 Edition

8  
9 2.

10 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.

11 2.2 The Agency reserves the right to investigate and pursue additional complaints  
12 that may be received in the future regarding this licensee.

13 2.3 In establishing the violations alleged above, the Agency may rely on one or more  
14 of the definitions contained in ORS 696.010.

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16 3.

17 **STIPULATION AND WAIVER**

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

28 I hereby agree and stipulate to the above Findings of Fact and Conclusions of Law and  
29 understand that the Order which follows hereafter, which I have also read and understand,  
30 may be completed and signed by the Real Estate Commissioner or may be rejected by the

1 Real Estate Commissioner. I further understand that, in accordance with the provisions of  
2 ORS 696.445(3), notice of this Order shall be published in the Oregon Real Estate News  
3 Journal.

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

7 ORDER

8 IT IS HEREBY ORDERED that Linda Smith's principal broker license be revoked. This  
9 revocation will be effective 30 days after the signing of this order, as licensee ceases  
10 operations for Pro Group Realty and Property Management, LLC in compliance with all  
11 applicable statutes and rules.

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14  
15 IT IS SO STIPULATED:

16   
17  1XJXQ956-198368JL

18  
19 LINDA SMITH

20 Date Aug 11, 2026

IT IS SO ORDERED:



21  
22 STEVEN STRODE

23 Real Estate Commissioner

24 Date \_\_\_\_\_

25 Date of Service: \_\_\_\_\_