

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of }
LARRY WILLIAM SOUDER } FINAL ORDER BY DEFAULT
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PROCEDURAL HISTORY AND PROCEDURAL LAW

1.

1.1 On April 24, 2025, the Real Estate Commissioner issued, by certified mail, a *Notice of Intent to Revoke License No. B.201215877* the real estate broker license of Larry Souder (Souder). The Oregon Real Estate Agency (Agency) sent the Notice of Intent to Souder's last known address of record with the Agency (86236 Del Rio Ave, Eugene, OR 97405). The *Notice of Intent* was also mailed to Souder by regular first-class mail to the above address in a handwritten envelope. And *The Notice of Intent* was emailed to Souder at his email address of record.

1.2 The email was not returned as undeliverable.

1.3 The certified mailing was returned to the Agency as Return to Sender, Not Deliverable, Unable to Forward. Over twenty days (20 days) have elapsed since the mailing of the notice issued in this matter and no written request for hearing has been received by the Agency.

2.

Based upon the foregoing, and upon the Agency's investigation reports, documents and files that, pursuant to Section 9 of the *Notice of Intent*, automatically become part of the evidentiary record of this disciplinary action upon default (for the purpose of proving a *prima facie* case (ORS 183.417(4)), the Real Estate Commissioner finds:

2.1 A notice of intent is properly served when deposited in the United States mail, registered or certified mail, and addressed to the real estate licensee at the licensee's last known address of record with OREA. (ORS 183.415(2); OAR 137-003-0505; OAR 863-001-0006. If correctly addressed, such a notice is effective even though it is not received by the person to be notified. *Stroh v. SAIF*, 261 OR 117, 492 P2d 472 (1972) (footnote 3 in this case misquotes the cited treatise and contradicts the text of the opinion; treatise and cited case law support the proposition stated in the text.) Also, notice is effective even though the addressee fails or refuses to respond to a postal service "mail arrival notice" that indicates that certified or registered mail is being held at the post office. See *State v. DeMello*, 300 Or App 590, 716 P2d 732 (1986) (discussing use of certified mail to effectuate notice of driver's license suspension under ORS 482.570). See also *El Rio Nilo, LLC v. OLCC*, 240 Or App 362, 246 P3d 508 (2011) (Notice by certified mail effective even though addressee did not pick up in time to file request for hearing timely). (Oregon Attorney General's Administrative Law Manual and Uniform Model Rules Of Procedure Under the Administrative Procedures 2019 Edition at pages 97-98.

2.2 Souder's last known address of record with the Agency was 86236 Del Rio Ave, Eugene, OR 97405.

2.3 A certified mailing of the *Notice of Intent* was mailed to Souder at his last known address of record on April 24, 2025. The certified mailing of the notice was returned to the Agency as undeliverable. returned to the Agency.

2.4 The notice was also mailed regular first-class mail in a handwritten envelope to the above addresses for Souder. The mailings in the handwritten envelope have not been returned to OREA. The OAH Rules contain a rebuttable presumption that documents sent by regular mail are received by the addressee. ORS 137-003-0520(10). If the regularly mailed notice is actually received, it is effective on the date received, rather than the date of mailing.

2.5 Over twenty (20) days have elapsed since the mailing of the notice and no written request for a hearing has been received.

2.6 According to ORS 696.775, the lapsing, expiration, revocation or suspension of a real estate license, whether by operation of law, order of the Real Estate Commissioner or decision of a court of law, or the inactive status of the license, or voluntary surrender of the

license by the real estate licensee does not deprive the commissioner of jurisdiction to: (1) proceed with an investigation of the licensee; (2) conduct disciplinary proceedings relating to the licensee; (3) Take action against a licensee, including assessment of a civil penalty against the licensee for a violation of ORS 696.020(2); or (4) revise or render null and void an order suspending or revoking a license.

2.7 As noted in section 9 of the *Notice of Intent to Revoke*, and section 2 above, the Agency's entire investigation file was designated as the record for purposes of presenting a *prima facie* case upon default, including submissions from Souder and all information in the administrative file relating to the mailing of notices and any responses received.

FINDINGS OF FACT

3.

3.1 A review of the Agency's online licensing database showed Souder was licensed on March 14, 2016. On August 1, 2023, Souder's license expired and on August 2, 2024, Souder's license lapsed.

3.2 On November 19, 2024, the Agency received a complaint from Alexander Krichevsky (Krichevsky) against Souder. The Agency opened an investigation.

3.3 In his complaint, Krichevsky wrote that he manages two companies, 2GC Holdings, LLC (2GC) and Medford Biological Leasing, LLC (MBL). Krichevsky alleged that Souder acted as his broker in the sale of a commercial property, OLCC license, and personal equipment between 2021 and 2022.

3.4 Krichevsky included in his complaint that Souder collected \$80,000.00 from a buyer for the OLCC license and then failed to deliver \$31,140.00 of the funds to Krichevsky. In addition, Krichevsky alleged that Souder entered into a contract to purchase equipment for \$20,000.00 and then failed to pay.

3.5 A review of the Oregon eCourt Case Information (OECI), shows that on October 1, 2024, a General Judgment against Souder was issued, awarding defendants 2GC and MBL a total of \$59,553.76, not including interest. A supplemental judgment was issued on November 4, 2024, awarding 2GC and MBL an additional \$34,845.88, not including interest.

3.6 Between November 19, 2024, and January 3, 2025, Agency Investigator Dylan Ray (Ray) contacted Souder requesting a response to the complaint and all supporting documentation.

3.7 On January 6, 2025, Souder responded to Ray's initial email with "Received." Ray noted that Souder's signature line stated, "Real Estate Specialists, Residential * Commercial * Farm * Land * Rural."

3.8 Souder responded to Ray that he was not providing real estate services and would remove his signature line.

3.9 On January 6, 2025, Krichevsky provided an "Asset Purchase Sale Agreement" between 2GC as seller, and Oregon Industries, LLC as buyer. Souder is listed as the broker to the transaction.

3.10 A review of the "Asset Purchase Sale Agreement" showed the asset being purchased was an Oregon Liquor Control Commission (OLCC) license, for the purchase price of \$80,000.00

3.11 Per sections 3.2 and 3.3 of the agreement, \$10,000.00 of this money was to be delivered to "Seller or Seller's consultant," with the remaining \$70,000.00 due at closing and to be delivered to "Seller or Seller's consultant."

3.12 Krichevsky provided Ray a second "Asset Purchase Agreement" between MBL as seller, and One Gro, Inc as the buyer. The assets were identified as "secondhand grow equipment," for the purchase price of \$20,000.00 due by September 30, 2023.

3.13 The final line of the "Asset Purchase Agreement" states, "The Parties enter into this Agreement by their duly authorized representatives as of the Effective Date." The effective date is listed as January 25, 2023, and is signed by Souder and Danial Isaacson (Isaacson) as representatives of One Gro and by Krichevsky, as representative of MBL.

3.14 Krichevsky provided Ray with an additional PDF, which contained multiple documents and disclosures, including an RMLS Oregon Exclusive Right to Sell-Listing Contract. A review of this Listing Contract showed it was between MBL as seller, and Souder as broker, through eXp Realty, LLC. The agreement was signed by both parties on January 20, 2023, with a termination date of June 23, 2023, and a commission amount of seven percent.

3.15 On January 9, 2025, Souder provided a response to Ray. Souder wrote that the funds were not related to real estate and that the real estate transaction was “handed over” to Molly Nichols (Nichols) before closing.

3.16 In his response, Souder explained that his “cut” was going to be used to pay what was owed to Krichevsky and that Krichevsky had told him to “hang onto” the funds because Krichevsky lived in Puerto Rico and did not give him a bank account to deposit funds into.

3.17 In an interview with Souder on January 15, 2025, Souder told Ray he is not currently performing any real estate activity, and he was not planning to reapply for a real estate broker license in the future.

3.18 Souder told Ray that One Gro and Isaacson have been making payments for the equipment and have paid a substantial amount. Souder explained that he is just a shareholder and a board member of the company.

3.19 In the interview, Souder explained to Ray that neither the OLCC license, nor the equipment was done through Souderhouse LLC, and they were “a completely separate deal.”

3.20 Souder confirmed to Ray that he did receive \$80,000.00 in cash from the sale of the OLCC license. Souder said that Krichevsky was in Puerto Rico and told Souder that he would fly him out to give him the cash when the property is sold. Souder further alleged that Krichevsky told him “You’re going to sell my property, so you know, do whatever you want” with the cash and “I’ll get it from you when the listing sells.”

3.21 Souder explained that he was going to pay Krichevsky back from the commission of selling the commercial property, but he did not receive any portion of the commission after the listing was transferred to Nichols.

3.22 Souder told Ray that he did deposit “quite a bit” of money into Krichevsky’s account once he “finally gave me a bank account.” Souder then told Ray that he spent the rest and took it as a commission with the understanding that it was going to be taken care of through the commercial real estate transaction.

3.23 After the interview, Ray sent an email to Souder requesting he provide documentation transferring the listing to Nichols, correspondence from Krichevsky instructing

him to do what he wants with the money, and proof of payments being made for the equipment.

3.24 In an interview, Krichevsky explained to Ray that Souder received \$80,000.00 around November 2023, and deposited the first \$35,000.00. Krichevsky further explained that Souder had told him "I'll give you the money later."

3.25 Krichevsky told Ray that he has not heard from Souder since around October 2023, and that he has made no attempts to make payments or settle the issue.

3.26 Souder responded to Ray's email requesting additional documentation. Souder apologized for the delay, but did not provide documentation to support his claims.

3.27 The Agency received no further documentation or communication from Souder.

STATEMENT OF LAW APPLICABLE TO FINDINGS OF FACT

4.

4.1 ORS 696.301(3) states a real estate licensee's real estate license may be disciplined if they have: ORS 696.301(3) which states a real estate licensee's real estate license may be disciplined if they have: (3) disregarded or violated any provision of ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any rule of the Real Estate Agency

4.2 ORS 696.301(12) states a licensee's real estate license can be disciplined if they have demonstrated incompetence or untrustworthiness in performing any act for which the licensee is required to hold a license.

4.3 ORS 696.301(14) states a licensee's real estate license can be disciplined if they have committed an act of fraud or engaged in dishonest conduct substantially related to the fitness of the applicant or real estate licensee to conduct professional real estate activity, without regard to whether the act or conduct occurred in the course of professional real estate activity.

4.4 ORS 696.301(15) states a licensee's real estate license can be disciplined if they have engaged in any conduct that is below the standard of care for the practice of professional

real estate activity in Oregon as established by the community of individuals engaged in the practice of professional real estate activity in Oregon.

4.5 ORS 696.396(2)(c)(B) and (C) states: (2) the rules adopted by the commissioner under this section: (c) may not authorize imposition of a suspension or a revocation of a real estate license *unless the material facts establish a violation of a ground for discipline under ORS 696.301* that: (B) exhibits incompetence in the performance of professional real estate activity; (C) exhibits dishonesty or fraudulent conduct.

4.6 OAR 863-027-0020(1) and (2) states: (1) the goal of progressive discipline is to correct a licensee's inappropriate behavior, deter the licensee from repeating the conduct, and educate the licensee to improve compliance with applicable statutes and rules. Progressive discipline means the process the Agency follows, which may include using increasingly severe steps or measures against a license when a licensee fails to correct inappropriate behavior or exhibits subsequent instances of inappropriate behavior: (2) the Real Estate Commissioner will evaluate all relevant factors to determine whether to issue a non-disciplinary educational letter of advice or to discipline a licensee through reprimand, suspension or revocation under ORS 696.301, including but not limited to: (a) the nature of the violation; (b) the harm caused, if any; (c) whether the conduct was inadvertent or intentional; (d) the licensee's experience and education; (e) whether the licensee's conduct is substantially similar to conduct or an act for which the licensee was disciplined previously; (f) any mitigating or aggravating circumstances; (g) the licensee's cooperation with the investigation; (h) any Agency hearing orders addressing similar circumstances; and (i) the licensee's volume of transactions.

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

4.8 In accordance with ORS 696.775, the lapsing, expiration, revocation or suspension of a real estate license, whether by operation of law, order of the Real Estate Commissioner or decision of a court of law, or the inactive status of the license, or voluntary surrender of the license by the real estate licensee does not deprive the commissioner of jurisdiction to : (1) proceed with an investigation of the licensee; (2) conduct disciplinary proceedings relating to the licensee; (3) take action against a licensee, including assessment

of a civil penalty against the licensee for a violation of ORS 696.020(2); or (4) revise or render null and void an order suspending or revoking a license.

ULTIMATE FINDINGS OF FACT

5.

5.1 Souder received and used funds intended for others and had a judgment and supplemental judgment issued against him. In addition, Souder failed to provide the Agency documentation supporting his claims he had made payments.

5.2 In summary, the facts above establish grounds to revoke Souder's broker license.

CONCLUSIONS OF LAW

6.

6.1 Pursuant to ORS 183.417(4) and OAR 137-003-0670 Souder is in default.

6.2 The material facts establish a violation of a ground for discipline, by preponderance of the evidence, under ORS 696.301 as set forth in the *Notice of Intent to Revoke* ORS 696.396(1),(2)(c)(B) and (C).

6.3 Based on these violations, the Agency may revoke Souder's broker license.

6.4 Specifically, Souder is subject to discipline pursuant to ORS 696.301(3), (12), (14), and (15) for (3) disregarding or violating any provision of ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any rule of the Real Estate Agency; (12) demonstrating incompetence or untrustworthiness in performing any act for which the licensee is required to hold a license; (14) committing an act of fraud or engaged in dishonest conduct substantially related to the fitness of the applicant or real estate licensee to conduct professional real estate activity, without regard to whether the act or conduct occurred in the course of professional real estate activity; and (15) engaging in any conduct that is below the standard of care for the practice of professional real estate activity in Oregon as established by the community of individuals engaged in the practice of professional real estate activity in Oregon.

6.5 A revocation of Souder's broker license is appropriate for violations of ORS 696.301(3), (12), (14), and (15).

6.6 A revocation of Souder's broker license is appropriate under ORS 696.396(2)(c)(B) and (C). According to ORS 696.396(2)(c)(B) and (C) the Agency may suspend a real estate license if the material facts establish a violation of a ground of discipline under ORS 696.301 that (B) exhibits incompetence in the performance of professional real estate activity; (C) exhibits dishonesty or fraudulent conduct.

6.7 Based on the evidence in the record, the preponderance of the evidence supports the revocation of Souder's broker license.

6.8 The Agency may therefore revoke Souder's broker license.

6.9 Pursuant to ORS 696.775 the lapsing of Souder's license does not prohibit the Commissioner from proceeding with this, or further action.

6.10 The specific violations are repeated here below:

(1) Violation: Souder admitted to the Agency he received and used funds intended for others, as supported by the judgment issued against him in the amount of \$59,553.76, and the supplemental judgment issued against him in the amount of \$34,845.88. Souder failed to provide the Agency supporting documentation that he had made payments to Krichevsky. These acts are Grounds for Discipline per ORS 696.301(3) as it incorporates ORS 696.301(14) 2023 Edition, which state the Real Estate Commissioner may revoke a licensee's real estate license if they have: (14) committed an act of fraud or engaged in dishonest conduct substantially related to the fitness of the applicant or real estate licensee to conduct professional real estate activity, without regard to whether the act of conduct occurred in the course of professional real estate activity.

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ORDER

IT IS HEREBY ORDERED Larry Souder's broker license is revoked.

Dated this 13th day of January, 2026.

OREGON REAL ESTATE AGENCY

Signed by:

Steve Strode
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Steven Strode
Real Estate Commissioner

NOTICE OF RIGHT TO APPEAL: You are entitled to judicial review of this Order. Judicial review may be obtained by filing a petition for review within 60 days from the date of service of this order. Judicial review is to the Oregon Court of Appeals, pursuant to the provisions of ORS 183.482.