REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of

GERALDINE P. HENTHORN

STIPULATED FINAL ORDER

The Oregon Real Estate Agency (OREA) and Geraldine P. Henthorn (Henthorn) do hereby agree and stipulate to the following:

FINDINGS OF FACT

&

CONCLUSIONS OF LAW

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1.1 At all times mentioned herein, Henthorn was licensed as a principal broker with Ivalor LLC. Henthorn, and her daughter Lorie Henthorn, a broker, both performed property management activity under the registered business name Ivalor LLC (Ivalor).

1.2 On August 10, 2011, OREA received a complaint from Elizabeth Sprint (Sprint) against Ivalor LLC, the property management company through which Sprint’s three properties were managed. Sprint stated that Ivalor was terminated from their management agreement in July 2011, for several reasons, one of which was improper accounting.

1.3 On September 21, 2011, OREA opened an investigation against Henthorn. Initially attorney Norm Hill (Hill) was the attorney for Ivalor. Later in the investigation, attorney Wes Hill (Wes) took over the case for Hill.

1.4 Ivalor provided to Sprint and to OREA for this investigation, a document titled “Transaction Detail Report for S-06,” which covered the financial details for Sprint’s property on Miller St. during July 2010, and had reference to the tenant “Duren.” Ivalor received and posted Duren’s security deposit check of $200.00 on July 2, 2010 to the clients’ trust account.

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1.5 On July 30, 2010, the $200.00 security deposit was transferred out to the security
deposit account. Another security deposit was received for Duren on August 3, 2010, also for
$200.00. The funds were not transferred to the security deposit account until August 15, 2010.

**Violation:** By failing to transfer security deposit funds out of the clients' trust account
and into the security deposits account within three banking days after deposit of the check into
the clients' trust account, Henthorn violated OAR 863-025-0030(2) (6/15/2010 Edition), which
states that if a security deposit is received as part of a larger check containing funds other than
security deposits, the property manager may deposit the check into a clients' trust account of
the property manager, however, the portion of the funds constituting security deposits must be
deposited into the security deposits account within three banking days after deposit of the
check into the clients' trust account.

1.6 On January 17, 2012 OREA investigator Peter Bale (Bale) spoke with Henthorn
at Ivalor. Henthorn brought attorney Hill and others to the interview. Hill said they had
discovered that a previous bookkeeper, Ginger Stang (Stang), had embezzled money from
Ivalor. The thefts began in 2007 and were uncovered in October 2011.

1.7 On January 18, 2012, OREA opened a second investigation involving possible
clients' trust account issues, including reconciliations.

1.8 Ivalor had enlisted the help of Joe Minniti, a certified public accountant, to review
the accounting and undertake a forensic accounting of the past several years. Ivalor's attorney
at the time, Wes, stated that the monthly clients' trust account reconciliations were initiated by
Stang for Henthorn's review during this period. Henthorn would review and approve the
monthly reconciliations. Ivalor found through the forensic accounting that Stang had
manipulated the accounting software and the monthly reconciliations. Henthorn was unaware
that QuickBooks could be manipulated as Stang had done.

1.9 Multiple accounting documents were submitted to OREA. Wes submitted a copy
of the August 2007 reconciliation of the clients' trust account ending in -0305. After
examination, the following was noted: a) the reconciliation was not signed and dated, b) the
owners' ledger balance of $9,698.14 was not equal to the reconciled bank balance and check
register balance of $13,107.37, yet there was no full and complete explanation for the
difference of $3,409.23, and c) no check register was provided to verify that the reconciled
bank balance amount and check register amount matched.

**Violation:** By failing to: a) sign and date the review of the reconciliation; b) provide full and complete explanations for the $3,409.23 difference between the reconciled bank balance and the total of the owners' ledgers; and c) provide a check register to verify the reconciled bank balance amount and check register matched, Henthorn violated OAR 863-025-0025(19) (4/13/07 Edition), which requires a property manager to sign and date the completed reconciliation, and requires that the reconciliation demonstrate that the reconciled bank balance, balance of the check register and the total of all positive owners' ledgers are equal, and if they are not equal, the reconciliation must contain full and complete explanations for any discrepancies.

1.10 Wes submitted a copy of the June 2009 reconciliation for the clients' trust account ending in -3058 with Frontier Bank. This reconciliation was not signed and dated by Henthorn to indicate that she had reviewed and approved it. The supporting documentation for the bank balance did not match what was stated on the reconciliation. Additionally, no check register was submitted to back up the amount listed as held in the check register.

**Violation:** By failing to: a) sign and date the review of the reconciliation; b) provide supporting documentation to show the reconciled bank balanced matched the amount stated on the reconciliation; and c) provide supporting documentation to show the check register matched the amount stated in the reconciliation, Henthorn violated OAR 863-025-0025(20) (1/9/09 Edition), which requires a property manager to sign and date the reconciliation document and requires that the reconciliation demonstrate that the following three components are equal: reconciled bank statement balance, check register balance, and sum of all positive owners' ledgers. If any adjustment is needed, the adjustment must be clearly identified and explained on the reconciliation document.

2.

2.1 OREA reserves the right to investigate and pursue additional complaints that may be received in the future regarding this licensee.

**STIPULATION & WAIVER**

I have read and reviewed the above findings of fact and conclusions of law which have been submitted to me by OREA and further, the order which follows hereafter. I understand

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that the findings of fact, conclusions of law and this stipulation and waiver embody the full and complete agreement and stipulation between OREA 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. Hearings are 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. 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 may be completed and signed by the Real Estate Commissioner or may be rejected by the Real Estate Commissioner, in which case an amended notice of intent may be issued in this matter. I 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.

ORDER

IT IS HEREBY ORDERED, pursuant to ORS 696.301 and based on the violations above, that Henthorn's principal broker license be, and hereby is, reprimanded.

IT IS FURTHER ORDERED that Henthorn must: a) complete the 27-hour Property Manager Advanced Practices course and provide documentation, such as a certificate of attendance to OREA within four months from the date of this order,

IT IS SO STIPULATED: 

[Signature]
GERALDINE P. HENTHORN
Date 4-9-14

IT IS SO ORDERED:

[Signature]
GENE BENTLEY
Real Estate Commissioner
Date 4-16-14

DATE of service: 4-16-2014

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