REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of

JEFFREY EDMONDSON

STIPULATED FINAL ORDER

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

FINDINGS OF FACT
&
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Edmondson was licensed as a principal broker with 24/7 Properties, LLC.

1.2 On March 20, 2017, the Agency received a complaint from Eve Anderson (Anderson) alleging her property manager charged an illegal transfer fee.

1.3 Anderson and two others signed a rental agreement with 24/Properties, LLC on September 1, 2014, and renewed the agreement on September 1, 2015.

1.4 Prior to the renewal, on June 25, 2015, a $50.00 “Set-Up Fee- Tenant Transfer Charge” was charged to Anderson for adding Emma/Kelsey as a new tenant.

1.5 Full time 24/7 Properties employee Brandy Faist (Faist) communicated to Anderson that 24/7 Properties started charging the fee in January 2015, and the fee had been charged to Anderson’s account on June 25, 2015, and August 23, 2016.

1.6 Neither the rental agreement signed on September 1, 2014, nor the renewed rental agreement signed on September 1, 2015, addressed the transfer fee.

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1 of 6 – Stipulated Final Order- Jeffrey Jay Edmondson
1.7 After Anderson complained to Faist regarding the transfer fee, and after researching the issue, Faist reached out to their attorney and realized the fee should not have been charged.

1.8 On March 17, 2017, a $125.00 credit was credited to Anderson's tenant ledger.

1.9 In August 2017, Edmondson told OREA Investigator/Auditor Lindsey Nunes (Nunes) that he had an accountant and full time employee who handled all the property management activity, and he didn't know anything about the transfer fee.

1.10 Initially, when Nunes requested Edmondson's delegation of authority for employees, Edmondson asked what a delegation of authority was and did not have them in place for his employees.

1.11 Later, in August 2017, Edmondson provided newly implemented delegations of authority to Nunes for his accountant, Tracy Pasco (Pasco), and office manager Faist which appeared to be signed in August 2017.

(1) Violation: By failing to supervise a non-licensed employee engaging in property management activity, who charged a fee not addressed in the tenant agreement, Edmondson violated ORS 696.301(3) as it incorporates OAR 863-015-0140(3) and OAR 863-025-0045(1)(c) (5-15-2014 Edition). OAR 863-015-0140(3) requires a principal broker to supervise and control the professional real estate activity at any main or branch office registered by the principal broker. Per OAR 863-025-0045(1): The property manager must file and maintain legible copies of all tenant rental or lease agreements for the time period required under OAR 863-025-0035. Each tenant rental or lease agreement prepared by a property manager for residential real estate must contain, in addition to and not in lieu of any applicable requirements of the Residential Landlord and Tenant Act, the following: (c) the amount of and the reason for all funds paid by the tenant to the property manager including, but not limited to, funds for rent, conditionally refundable security deposits, and any fees or other charges.
(2) **Violation:** By failing to have written delegations of authority in place for Pasco and Faist, Edmonson violated ORS 696.301(3) as it incorporates OAR 863-025-0015 and OAR 863-015-0140(3) (11-15-2016 Edition). OAR 863-025-0015 requires each property manager to develop, maintain and follow written policies for persons and activities listed in the rule. In general, the policies must specify the duties, responsibilities, supervision and authority for employees, including any authority to handle funds in a clients’ trust account or security deposits account of the property manager. Delegations must be in writing, dated and signed by the property manager, and must be kept with written policies. OAR 863-015-0140(3) requires a principal broker to supervise and control the professional real estate activity at any main or branch office registered by the principal broker.

1.12 During the course of the investigation, it was found that 24/7 Properties did not have any clients’ trust accounts or security deposit accounts entered in the Agency licensing database.

1.13 The clients’ trust account ending in #3195 and security deposits ending in #1150 were entered into the Agency’s license database on or around August 3, 2017.

(3) **Violation:** By failing to notify the Agency of the clients’ trust accounts Edmondson violated ORS 696.301(3) as it incorporates ORS 696.241(4) (2013 and 2015 Editions) which requires a principal broker to notify the Agency within 10 business days after the date a clients’ trust account is opened.

1.14 Nunes requested reconciliations for clients’ trust account ending in #3195, and security deposits account ending in #1150.

1.15 On August 3, 2017, Pasco provided the following information for clients’ trust account ending in #3195: a bank statement, check register, and a bank reconciliation report. The bank reconciliation document provided did not contain the three required components, and was not signed and dated by the property manager.

1.16 For the reconciliation relating to security deposits account ending #1150, Pasco provided a bank statement and tenant ledgers for July 2017. No reconciliation document was provided.

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Violation: By failing to properly reconcile the clients' trust account and security deposits account, Edmonson violated ORS 696.301(3) as it incorporates OAR 863-025-0025(20) and (21) (9-1-11, 9-14-2012, 4-1-2013, 5-15-2014, and 11-15-2016 Editions), which requires a property manager to reconcile each clients' trust account and security deposits account within 30 calendar days of the date of the bank statement, with the three required components, which must be equal to and reconciled with each other. The reconciliation document must be signed and dated by the property manager.

1.17 A review of the reconciliation documents submitted for July 2017 and August 2017 indicated several HOA/Condo associations' funds were being held in the clients' trust account ending in #3195.

1.18 The reconciliation documents also showed that Edmonson was holding funds pertaining to his personally owned rental properties and funds pertaining to property located in Washington in his clients' trust account ending in #3195.

Violation: By commingling HOA/Condo Association fees in the clients' trust account Edmonson violated ORS 696.301(3) as it incorporates OAR 863-025-0025(3) (11-15-16 Edition) and ORS 696.241(7) (2015 Edition). OAR 863-025-0025(3) states that only the following funds may be held in a clients' trust account: (a) funds received by the property manager on behalf of an owner; and (b) interest earned. ORS 696.241 (7) states excepted for earned interest on a clients' trust account as provided in subsections (9) and (10) of this section, a licensed principal broker may not commingle any other funds with the trust funds held in a clients' trust account.

Violation: By having funds from Edmonson's personal rental properties and out of state property funds included in the clients' trust account, Edmonson violated ORS 696.301(3) as it incorporates OAR 863-025-0065(3) (11-15-16 Edition) and ORS 696.241(6) (2015 Edition). OAR 863-025-0065(3) states a property manager may not deposit any funds received on behalf of an owner in the property manager's personal account or commingle any such funds received with personal funds of the property manager. ORS 696.241 (7) states excepted for earned interest on a clients' trust account as provided in subsections (9) and (10) of this section, a licensed principal broker may not commingle any other funds with the trust funds held in a clients' trust account.
2.

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

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

2.4 In establishing the violations alleged above, OREA may rely on one or more of
     the definitions contained in ORS 696.010.

STIPULATION & WAIVER

I have read and reviewed the above findings of fact and conclusions of law which have
been submitted to me by the Agency and further, the order which follows hereafter. I
understand that the findings of fact, conclusions of law and this stipulation and waiver 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. Hearings are conducted
in accordance with the procedures set forth in ORS Chapter 183 and in accordance with the
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. 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 that the principal broker license of Edmondson be, and hereby is reprimanded.

IT IS FURTHER ORDERED that Edmondson complete the 27-hour Property Manager Advanced Practices course, (detailed in OAR 863-022-0022, 1-1-2018 Edition) within four months from the effective date of this order. Edmondson must submit a certificate to the Agency showing completion of the 27-hour Property Manager Advanced Practices Course. This certificate must be submitted to the Agency no later than 10 days after the education has been completed.

IT IS SO STIPULATED:  

JEEFFREY JAY EDMONDSON  
Date 9/14/18

IT IS SO ORDERED:

DEAN OWENS  
Acting Real Estate Commissioner  
Date 9-25-2018  
Date of Service: 9-25-2018