REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of

MICHELLE PATRICIA WREGE

STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Michelle Patricia Wrege (Wrege) do
hereby agree and stipulate to the following:

FINDINGS OF FACT
&
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Wrege was licensed as a property manager doing
business under the registered business name of PropM, Inc.

1.2 On February 8, 2017, the Agency received a complaint against Wrege. On
March 20, 2017, the Agency opened an investigation.

1.3 From approximately July 2015 to February 2018, Wrege was not reviewing and
signing the required monthly three-way reconciliation document for clients’ trust account
ending in #7587 and security deposits account ending in #7338.

Violation: By failing to review and sign the three-way monthly reconciliation document
for clients’ trust accounts ending in #7587 and security deposits account ending in #7338,
Wrege violated ORS 696.301(3) as it incorporates OAR 863-025-0025(20)(d)(B), OAR 863-
025-0025(21)(d)(B) (5-15-14 and 11-15-16 Editions), OAR 863-025-0028(2)(d)(B), and OAR
863-025-0028(2)(d)(B), and OAR 863-025-0025(3)(d)(B) (1-1-18 Edition) which requires a
property manager within 30 days of the bank statement to sign and date the reconciliation
document attesting to the accuracy and completeness.

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1.4 On February 1, 2018, Montellano asked Wrege about written delegations for Pearson and other employees conducting property management activity on Wrege’s behalf for Prop M. Wrege stated there were no written delegations and that she would remedy that immediately.

1.5 From approximately July 2015 to February 2018, Wrege did not have written delegations of authority in place for William Pearson and the other employees who worked for Prop M.

**Violation:** By failing to have written delegations in place for employees, Wrege violated ORS 696.301(3) as it incorporates OAR 863-025-0015 (5-15-14, 11-15-16 and 1-1-18 Editions) which requires each property manager to develop, maintain and follow written policies specifying the duties, responsibilities, supervision and authority, including any authority to handle funds in a clients’ trust account or security deposits account for an employee of the property manager.

1.6 Wrege failed to properly complete the required three-way monthly reconciliations for clients’ trust account ending in #7587 and security deposits ending in #7338. On multiple instances between June 2017 to February 2018 the reconciliation documents Wrege provided to the Agency lacked a single reconciliation document and supporting documentation such as the check registers and owners’ ledgers.

**Violation:** By failing to properly reconcile the clients’ trust account ending in #7587 and security deposits account ending in #7338 Wrege violated ORS 696.301(3) as it incorporates OAR 863-025-0025(20)(a), OAR 863-025-0025(21)(a) (11-15-16 Edition),OAR 863-025-0028(2)(a), and OAR 863-025-0028(3)(a) (1-1-2018 Edition) 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. The reconciliation must have the following three components in a single reconciliation document: bank statement balance adjusted for outstanding items, check register balance as of the date of the bank statement and the sum of all positive owners’ ledgers or the sum of all positive individual security deposits (for security deposits account) held as of the date of the bank statement.
1.7 Agency licensing records showed security deposits account ending in #7338 was opened on July 1, 2014, and the account name displayed was "PropM, Inc Security Deposits Account."

1.8 Bank statements for March, April and May 2017 for the security deposits account ending in #7338 showed the account name as "PROPM INC SECURITY DEPOSIT."

**Violation:** By failing to properly name the security deposits account ending in #7338 Wrege violated ORS 696.301(3) as it incorporates OAR 863-025-0025(4) (5-15-14 and 11-15-16 Editions). OAR 863-025-0025(4) requires, except as provided in section (7) of the rule, a property manager who receives security deposits on behalf of an owner must open and maintain a security deposits account as defined in OAR 863-025-0010, that is separate from the property manager’s clients’ trust account. Security deposits account is defined by OAR 863-025-0010(16) which requires a security deposits account to be federally insured and labeled as “Clients’ Trust Account- Security Deposits,” on all bank records and checks.

1.9 Agency licensing records showed clients’ trust account ending in #7587 was opened on July 1, 2014, and the account name displayed was, "PropM, Inc Client Trust Account."

1.10 Bank statements for March, April and May 2017 for the clients’ trust account ending in #7587 showed the account name as, “PROPM INC CLIENT TRUST.”

**Violation:** By failing to properly name the clients trust account ending in #7587 Wrege violated ORS 696.301(3) as it incorporates OAR 863-025-0025(2) (5-15-14 and 11-15-16 Editions). OAR 863-025-0025(2) requires a property manager to open and maintain at least one clients’ trust account as defined in OAR 863-025-0010. Clients’ trust account is defined in OAR 863-025-0010(4) which requires a clients’ trust account to be a federally insured bank account labeled as “Clients’ Trust Account” on all bank records and checks.

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2.

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

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

2.3 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 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. 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.

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ORDER

IT IS HEREBY ORDERED that the property manager license of Wrege be, and hereby is reprimanded.

IT IS FURTHER ORDERED that Wrege 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. Wrege 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:

Michelle Patricia Wrege

Date 5-07-19

IT IS SO ORDERED:

Steven Strode
Real Estate Commissioner

Date 5-16-19

Date of Service: 5-10-2019