



Oregon

Kate Brown, Governor

AGENDA ITEM NO.

I.C.

Real Estate Agency

Equitable Center

530 Center St. NE, Suite 100

Salem, Oregon 97301-2505

Phone: (503) 378-4170

Regulations Fax: (503) 373-7153

Admin. Fax: (503) 378-2491

www.oregon.gov/rea

Notice of Agenda

OREGON REAL ESTATE BOARD

Regular Meeting Agenda

Oregon Real Estate Agency - Zoom meeting

I. BOARD BUSINESS – Chair Hunter

- A. Call to Order
- B. Chair Hunter comments/Roll Call
- C. Approval of the Agenda and Order of Business
- D. Approval of 08.03.20 , regular meeting minutes
- E. Date of the Next Meeting: 12.07.20 to begin at 10am via Zoom video conference

II. PUBLIC COMMENT – Chair Hunter

- This time is set aside for persons wishing to address the Board on matters not on the agenda. Speakers will be limited to five minutes.
- The Board Chair reserves the right to further limit or exclude repetitious or irrelevant presentations. If written material is included, 12 copies of all information to be distributed to board members should be given to the Board Liaison prior to the meeting.
- Action will not be taken at this meeting on citizen comments. The Board, however, after hearing from interested citizens, may place items on a future agenda so proper notice may be given to all interested parties.
- If no one wishes to comment, the next scheduled agenda item will be considered.

III. REQUESTS FOR WAIVERS – Chair Hunter. Waiver request log. None.

IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER– Chair Hunter. None.

V. BOARD ADVICE/ACTION – Commissioner Strode. None.

VI. NEW BUSINESS – Commissioner Strode

- A. OAR Fall Governance Meeting - upcoming work group

VII. REPORTS – Chair Hunter

- A. Commissioner Strode
- B. Agency division reports-Deputy Commissioner Higley
 1. Regulations and Administrative Services, Deputy Commissioner Higley
 2. Land Development Division, Michael Hanifin
 3. Licensing and Education, Madeline Alvarado

VIII. ANNOUNCEMENTS – Chair Hunter. Next board meeting: 12.07.20 to begin at 10am via Zoom video conference

IX. ADJOURNMENT – Chair Hunter

Interpreter services or auxiliary aids for persons with disabilities are available upon advance request.



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OREGON REAL ESTATE BOARD

Regular Meeting Minutes – via Zoom

Oregon Real Estate Agency
Salem, OR 97301

Monday, August 3, 2020

BOARD MEMBERS PRESENT:

Marie Due
Debra Gisriel
Susan Glen
Jose Gonzalez
Dave Hamilton
Lawnae Hunter, Chair
Kim Hedding
Pat Ihnat
Alex MacLean, Vice Chair

OREA STAFF PRESENT:

Steve Strode, Commissioner
Mesheal Heyman, Communications Coordinator
Michael Hanifin, Land Development Manager
Maddy Alvarado, Customer Service Manager
Leandra Hagedorn, Board liaison

GUESTS PRESENT:

Barbara Geyer, Barbara Geyer Real Estate
Dan Jarman, Crosswater Strategies
Lauren McMillon, The CE Shop, Inc

I. BOARD BUSINESS – Chair Hunter

- A. Call to Order. Chair Hunter called the meeting to order at 10am.
- B. Chair Hunter comments/Roll Call. Chair Hunter asked the board members to introduce themselves, and explained the role/function of the board.
- C. Approval of the Agenda and Order of Business.
- D. Approval of 06.01.20 regular meeting minutes.
- E. Date of the Next Meeting: 10.05.20, to begin at 10am and will be held via Zoom video conference.

II. PUBLIC COMMENT – Chair Hunter. None.

- This time is set aside for persons wishing to address the Board on matters not on the agenda. Speakers will be limited to five minutes.
- The Board Chair reserves the right to further limit or exclude repetitious or irrelevant presentations. If written material is included, 12 copies of all information to be distributed to board members should be given to the Board Liaison prior to the meeting.
- Action will not be taken at this meeting on citizen comments. The Board, however, after hearing from interested citizens, may place items on a future agenda so proper notice may be given to all interested parties.
- If no one wishes to comment, the next scheduled agenda item will be considered.

III. REQUEST FOR WAIVERS – Chair Hunter. None.

IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER - Chair Hunter.

- A. Evergreen Capital, Trevor Calton to appear. Mr. Calton explained that in 2012 the board approved his petition to qualify as a continuing education provider under a different company and was familiar with the rules/laws relating to continuing education providers. He also stated the topics he provides through his course are Real Estate Finance and Commercial Real Estate, which are acceptable course topics.

**MOTION TO APPROVE EVERGREEN CAPITAL'S PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER BY PAT IHNAT
SECOND BY DAVE HAMILTON
MOTION CARRIED BY UNANIMOUS VOTE**

V. BOARD ADVICE/ACTION – Commissioner Strode. None.

VI. NEW BUSINESS - Commissioner Strode.

- A. Discussion re: HB 4213, Relating to evictions; and declaring an emergency. Prohibits residential and commercial evictions under specified conditions during emergency period. Dave Hamilton explained that a group has filed a lawsuit in opposition to the moratorium to remove the commercial component and he will provide updates on the progress.

VII. COMMUNICATION - ADMINISTRATIVE ACTIONS SUMMARY - Chair Hunter

VIII. REPORTS – Chair Hunter.

- A. Commissioner Strode. Commissioner Strode stated that he would also provide the Administration/Regulations report in Deputy Commissioner Higley's absence.
- Teleworking - Agency has continued to refine business practices and remain productive in the teleworking environment
 - Advertising Rule Workgroup has first meeting/call on August 19, 2020 and any board members interested in participating should email Commissioner Strode directly.
 - Administration Division
 - Budget Update:
 - 2021-2023 Agency Budget has been submitted without the eLicense system replacement as the cost would not be appropriate at this time but will be included in the next biennium budget packet
 - Agency anticipates the decrease in real estate inventory to impact licensee counts similar to the 2008 recession which was 20% by 2012
 - Regulations Division
 - Manager position will remain vacant until the next biennium to support cost/budget savings and the duties have been distributed as follows:
 - Commissioner Strode reviews action cases/files with the lead investigators and he then makes the final decision as to the sanction. The lead investigators have delegated authority to handle and close no action cases independently.
 - Deputy Commissioner Higley manages workflow process, evaluates processes, and assigns workload
 - Staffing - Frances Hlawatsch will rejoin the Agency as an investigator on a part time basis
 - Caseload backlog has decreased from 95 open cases down to 4
 - Investigators are adjusting to conducting investigations without in person contact.
- B. Agency division report – Deputy Commissioner Higley
1. Regulations and Administration, Deputy Commissioner Higley. See Commissioner Strode's report under Agenda Item VIII. A above.
 2. Land Development, Michael Hanifin – Mr. Hanifin summarized the information provided in his written report and indicated business is moving as usual.
 3. Education and Licensing, Maddy Alvarado
 - Summary of the statistics/information provided in written division report.
 - Staffing - Recruitment for two Administrative Specialist 1/Licensing Specialist positions on a limited duration basis were opened and after conducting interviews 2 candidates have been selected.
 - Agency offered 30 day grace period for submission of Continuing Education hours at time of license renewal and will continue this extension in the unforeseeable future

IX. ANNOUNCEMENTS – Chair Hunter. Next board meeting: 10.5.20 to begin at 10am and will be held via Zoom video conference.

X. ADJOURNMENT – Chair Hunter

Respectfully submitted,

Respectfully submitted,

**REAL ESTATE BOARD
REGULATION DIVISION REPORT
October 5, 2020**

Regulation Division Manager: Vacant
Compliance Specialists 3 (Compliance Coordinator): Rob Pierce, Meghan Lewis (WOC)
Financial Investigators (Investigator-Auditor): Jeremy Brooks, Aaron Grimes,
 Liz Hayes (WOC), Lisa Montellano, Cidia Nañez, Lindsey Nunes, John Moore, Frances
 Hlawatsch (Temporary)
Compliance Specialist 2: Carolyn Kalb
Operations and Policy Analyst: Denise Lewis (WOC)

Division Overview

The Agency receives complaints and determines if an investigation is warranted. Open cases are assigned to investigators to gather facts (from interviews and documents), prepare a detailed written report and submit for Administrative Review. The Compliance Coordinators conducting the Administrative Review work evaluate whether the evidence supports charging a person with a violation of Agency statutes or administrative rules. When a case is found to have sufficient cause to sanction a license, the case is elevated to the Commissioner for review. When a sanction is supported by the Commissioner, the Compliance Coordinators conduct a settlement conferences to resolve cases without a contested case hearing. If a hearing is requested, the Investigator works with the Assistant Attorney General in preparing for and presenting the case at hearing.

Personnel

The Regulations Division Manager position remains vacant. Deputy Commissioner Higley is acting in the manager role with Commissioner Strode overseeing Administrative Actions.

For budgetary purposes the Agency is holding the vacant manager positions open for the foreseeable future.

Workload and Activity Indicators

<u>Average # in this Status at the time</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Current 9/23/20</u>
Complaint	40	44	33	25	20	26	20	13
Pending Assignment	3	4	24	16	26	39	N/A***	0
Investigation	47	52	49	50	38	48	79****	78***
<i>(# of Investigators)</i>	6	7	7	7	7*	6-7**	7	8
Admin Review	27	33	28	40	35	61	24	8

* One investigator on medical leave.
 ** One investigator on medical leave, then retired. Late 2019 vacancy was filled.
 *** Pending queue retired. All cases are directly assigned to an investigator rather than being held in a pending status.
 **** Increase in average is not reflective of an increased caseload. All pending assignment cases were assigned.

ADMINISTRATIVE ACTIONS

Reported

7/22/2020 through 9/16/2020

REVOCATIONS

Eichler, Everett (Applegate) Property Manager, 960300224, Stipulated Final Order dated August 3, 2020, issuing a revocation. Revocation effective August 28, 2020 at close of business.

Shequin, Mark E (Walton) Principal Broker, 200601296, Stipulated Final Order dated August 6, 2020, issuing a revocation.

Roes, Angelo Donovan (La Pine) Principal Broker, 970900199, Default Order dated September 1, 2020, issuing a revocation.

SUSPENSIONS

Tang, Xiao Q (Portland) Principal Broker 200406248, Stipulated Final Order dated September 8, 2020, issuing a limited license for 10 years prohibiting all property management activity, and issuing a 2 month suspension effective November 1, 2020 through December 31, 2020.

REPRIMANDS

Daggett, Travis (Eugene), Broker, 201224095 (lapsed), Stipulated Final Order dated July 27, 2020, issuing a reprimand.

Voss, Richard R, (Portland) Principal Broker, 911100175, Stipulated Final Order dated August 4, 2020, issuing a reprimand.

O'Hara, Toni Lynne (Prineville), Property Manager, 200407225, Stipulated Final Order dated August 24, 2020, issuing a reprimand.

Brittany Ann Gibbs (Happy Valley), Principal Broker, 201209867, Stipulated Final Order dated August 27, 2020, issuing a reprimand.

Groener, Geoffrey Michael (Bend), Broker, 200410294, Stipulated Final Order dated August 14, 2020, issuing a reprimand.

CIVIL PENALTIES

Expired — Late Renewal civil penalties are computed using each 30-day period as a single offense. The civil penalty for the first 30-day period can range from \$100-\$500, with each subsequent 30-day period ranging from \$500-\$1,000. ORS 696.990

First American Title Insurance Company, (Portland) EA 850600257, Stipulated Final Order dated August 12, 2020, issuing a \$3,000.00 civil penalty.

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of

EVERETT B. EICHLER

STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Everett B. Eichler (Eichler) do hereby agree and stipulate to the following:

PROCEDURAL HISTORY

On December 26, 2019 The Agency issued a Notice of Intent to Revoke License No. 960300224 and to Assess a Civil Penalty, for failure to provide requested property management records, in the amount of \$10,000. On January 8, 2020, through his attorney Jack Graham, Eichler requested a hearing. On March 13, 2020, the case was referred to the Office of Administrative hearings. The hearing was scheduled to occur on August 20, 2020 through August 21, 2020. On July 24, 2020, Jack Graham withdrew from representing Eichler. On July 28, 2020 Mr. Eichler advised the Agency’s attorney that he was still consulting with his former attorney so the Agency provided this document to Mr. Eichler and his former attorney Mr. Graham for review and consideration.

FINDINGS OF FACT

&

CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Eichler was licensed as a real estate property manager doing business under Classic Property Management LLC.

1.2 Eichler had the following trust accounts registered with the Agency: clients’ trust account (CTA) ending in #3320 and security deposits account (CTA-SD) ending in #4676.

1 1.3 On September 7, 2018 the Agency received a three-way monthly reconciliation
2 for CTA ending in #3320 for May, June, and July 2018 from Eichler. The May 2018 three-way
3 monthly reconciliation for CTA ending in #3320 was done incorrectly, did not balance and for
4 Part III it contained the total of security deposits being held, rather than the sum of all positive
5 owners' ledgers.

6 **(1) Violation:** By using the total of security deposits being held rather than the sum of all
7 positive owners' ledgers for Part III on the May 2018 reconciliation, Everett violated ORS
8 696.301(3) as it incorporates OAR 863-025-0028(2)(a)(C) (1-1-2018 Edition). OAR 863-0025-
9 0028(2) requires a property manager to reconcile each clients' trust account within 30 calendar
10 days of the date of the bank statement pursuant to the requirements contained in that section-
11 (a) the reconciliation must have three components that are contained in a single reconciliation
12 document: (C) the sum of all positive owners' ledgers as of the date of the bank statement.

13 1.4 From approximately October 2018 to February 2019 Eichler had his bookkeeper,
14 Harmony Reeffer (Reeffer) prepare the three way monthly reconciliations for CTA ending in #3320
15 and CTA-SD in #4676, after which Reeffer applied Eichler's electronic signature to the monthly
16 reconciliation documents for the CTA ending in #3320 and CTA-SD ending in #4676. Eichler
17 did not review the reconciliations prepared and electronically signed by Reeffer using Eichler's
18 signature. Eichler completely relied upon Reeffer to notify him of any accounting discrepancies.

19 **(2) Violation:** By failing to review and sign the reconciliation documents to attest to their
20 accuracy Eichler violated ORS 696.301(3) as it incorporates OAR 863-025-0028(2)(d)(B) (1-1-
21 2018 Edition). OAR 863-025-0025(2) requires a property manager to reconcile each clients'
22 trust account within 30 calendar days of the date of the bank statement pursuant to the
23 requirements contained in that section (d) within 30 calendar days from the date of the bank
24 statement, the property manager must: (B) sign and date the reconciliation document, attesting
25 to the accuracy and completeness of the reconciliation. Eichler also violated ORS 696.301(3)
26 as it incorporates ORS 696.890(4)(c),(d),(e) (2017 Edition) because ORS 696.890(4) provides
27 that a property manager owes the property owner the following affirmative duties: (c) to
28 exercise reasonable care and diligence; (d) to account in a timely manner for all funds received
29 from or on behalf of the owner; (e) to act in a fiduciary manner in all matters relating to trust
30 funds.

1 1.5 From April 2016 to February 2019 Eichler allowed Reeff to prepare three- way
2 monthly reconciliations for the CTA ending in #3320 and CTA-SD ending in #4676, without
3 providing her with any written policies or delegations of authority permitting her to do so.

4 1.6 Additionally, from October 2018 to February 2019, Eichler again allowed Reeff to
5 use an electronic copy of his signature to sign checks and disburse funds from the CTA ending
6 in #3320 and CTA-SD ending in 4676 without providing her with any written policies or
7 delegations of authority permitting her to do so. During this timeframe Reeff and her
8 employees did the following: transferred Eichler's management fees from the CTA ending in
9 #3320 into Eicher's business operating account; collected laundry money for one of the
10 properties Eichler managed and deposited it into the CTA ending in #3320; paid bills and
11 owner draws; and made corrective transfers between the CTA ending in #3320 and CTA-SD
12 ending in #4676.

13 **(3) Violation:** By allowing Reeff to do the following: (1) prepare, review and approve the
14 three way monthly reconciliations for CTA ending in #3320 and CTA-SD ending in 4676 and
15 then to apply Eichler's electronic signature thereto; (2) electronically sign Eichler's name on
16 checks; and (3) receive and disburse funds from CTA ending in #3320 and CTA-SD ending in
17 #4676, all without having any written policies or delegations of authority, Eichler violated ORS
18 696.301(3) as it incorporates OAR 863-025-0015(1), (3),(d), (5),and (6)(b) (5-15-14 and 11-15-
19 16 Editions), OAR 863-025-0015 (1) requires each property manager to develop, maintain and
20 follow written policies for persons and activities under this rule. (3) policies must specify the
21 duties, responsibilities, supervision and authority, including any authority to handle funds in a
22 clients' trust account or security account, for the following persons: (d) contractors. (5) policies
23 must include provisions that specify the production and maintenance of all reports, records and
24 documents required under this division. (6) the following delegations of the property
25 manager's authority must be in writing, dated and signed by the property manager and kept
26 with written policies (b) review and approve reconciliations and receive and disburse funds
27 under OAR 863-025-0025(23). For violations occurring on January 1, 2018 or after, Eichler
28 also violated ORS 696.301(3) as it incorporates OAR 863-025-0015(1), (3)(d), (4), and (5)(b)
29 (1-1-2018 Edition).

30 1.7 From approximately April 2016 to February 2019 Eichler generated owners'

1 statements from an Excel spreadsheet that was not reconciled with the bank statement, check
2 register or sum of all owners' ledgers or security deposits held. Eichler's Excel spreadsheet
3 was separate from the QuickBook records kept and maintained by Reeff. Eichler used the
4 previous month's ending balance and listed incoming funds and outgoing expenditures with an
5 ending balance. This information was then copied from Excel and pasted on the owner
6 statements and disbursed to owners. Eichler's Excel spreadsheets were inaccurate, contained
7 errors and did not match Reeff's QuickBook records. Reeff's records for the CTA ending in
8 #3320 and CTA-SD ending in 4676 were the records used for the monthly required three way
9 reconciliations.

10 **(4) Violation:** By generating owners' statements from an Excel spreadsheet that was not
11 reconciled to the CTA ending in # 3320 or the corresponding bank statement Eichler provided
12 owners with inaccurate information and by doing so Eichler violated ORS 696.890(4)(c),(d),and
13 (e) (2015 Edition). Eicher's conduct prior to January 1, 2018, is grounds for discipline under
14 ORS 696.301(12) and (15). For conduct on or after January 1, 2018, Eichler violated ORS
15 696.301(3) as it incorporates ORS 696.890(4)(c),(d), and (e) (2017 Edition). According to
16 ORS 696.890(4) a property manager owes the property owner the following affirmative duties:
17 (c) to exercise reasonable care and diligence;(d) to account in a timely manner for all funds
18 received from or on behalf of the owner; (e) to act in a fiduciary manner in all matters relating
19 to trust funds.

20 1.8 Eicher disbursed funds from clients' trust account ending in #3320 when there
21 were insufficient funds in the ledger account to do so. Ledger balances were negative in the
22 following instances:

- 23 • May 31, 2018, property code 694 Oak, -\$621.50
- 24 • June 30, 2018, property code 694 Oak, -\$728.00
- 25 • June 4, 2018, property code 1280 Oak, -\$149.41
- 26 • August 30, 2018, property code 1280 Oak, -\$398.14
- 27 • September 3, 2018, property code 1280 Oak, -\$934.14.
- 28 • November 30, 2018, property code 1280 Oak, -\$643.39
- 29 • July 31, 2018, property code 1 Bronze, -\$224.78
- 30 • July 31, 2018, property code 253 Meadow, -\$2,200.00

1 **(5) Violation:** By disbursing and/or allowing funds to be disbursed when there were
2 insufficient funds in the ledger account Eichler violated ORS 696.301(3) as it incorporates ORS
3 696.890(4)(c),(d),(e) (2017 Edition). According to ORS 696.890(4) a property manager owes
4 the property owner the following affirmative duties: (c) to exercise reasonable care and
5 diligence;(d) to account in a timely manner for all funds received from or on behalf of the
6 owner; (e) to act in a fiduciary manner in all matters relating to trust funds. Eichler also
7 violated ORS 696.301(3) as it incorporates OAR 863-025-0027(3) (1-1-2018 Edition) which
8 states a property manager must not disburse funds from a clients' trust account or security
9 deposits account unless there are sufficient funds, as defined in OAR 863-025-0010, in the
10 ledger account against which the disbursement is made. OAR 863-025-0010(21) defines
11 "sufficient funds" or "sufficient credit balance" as an amount of funds on an owner's ledger or a
12 tenant's ledger that is equal to or greater than the amount of a planned disbursement from a
13 clients' trust account or a security deposits account but which must not include any security
14 deposits in a security deposits trust account that are required to be held pending the
15 termination of a rental agreement. Only funds belonging to the owner or tenant on whose
16 behalf the disbursement is planned may be considered in determining if there are sufficient
17 funds or a sufficient credit balance.

18 1.9 The May, June and July 2018 reconciliations for CTA ending in #3320 showed
19 the same two outstanding deposits: 1) dated April 24, 2018, 1 Park, description noted "Trans
20 Sec Dep into Trust" in the amount of \$1,800.00; 2) May 18, 2019, property 1280, "Rent
21 Proration," in the amount \$423.98.

22 1.10 Eichler's Excel ledger for property 1 Park did not show an entry for a deposit from
23 CTA-SD ending in #4676 in April 2018. The Excel ledger shows entries for two transfers dated
24 January 1, 2018 from the CTA-SD ending in #4676 to the CTA ending in #3320 for 1 Park, Unit
25 637. One transfer was for the \$800.00 security deposit and the other was for last month's rent
26 of \$1,000.00. On the ledger, a note next to the transfer stated, "This transfer was never done.
27 Please do transfer in August." A note below that states, "Completed transfer on 8/24/18."

28 1.11 This transfer does not appear on the QuickBooks check register for August 2018,
29 however there was a \$1,800.00 deposit on entered July 6, 2018 which lacked required
30 identifying information.

1 1.12 The QuickBooks owner's ledger for property 1 Park shows two deposits entered
2 on April 24, 2018 one for \$800.00 and one for \$1,000.00 that reference, "adjustments for Jan
3 reptd to client but not in bank sec dep from sec dep account."

4 1.13 When asked about the outstanding security deposit and prorated rent, Reeffer said
5 they were transfers that Eichler entered into his Excel ledger but failed to make the
6 corresponding transfers in the bank accounts. To assist Eichler, Reeffer had noted in Eichler's
7 Excel spreadsheet (that Reeffer had access to) the transfer was not made and needed to be
8 corrected. After the correction was not made by Eichler, Reeffer completed the transfer on
9 August 24, 2018.

10 1.14 Entering transfers without moving the funds between accounts resulted in
11 Eichler's Excel ledger showing a higher balance than the amount of funds actually held in the
12 account from January 2018 to July 2018. Additionally, Reeffer's QuickBooks entries showing the
13 transfer in the owners' ledger months before the transfers were made, but listing the deposit as
14 outstanding, gave the appearance the May 2018 through July 2018 reconciliations balanced,
15 when they did not.

16 **(6) Violation:** By failing to accurately reconcile or take corrective action from January 1,
17 2018 through August 24, 2018, for CTA ending in #3320, Eichler violated ORS 696.301(3) as it
18 incorporates ORS 696.890(4)(c),(d),(e) (2017 Edition). According to ORS 696.890(4) a
19 property manager owes the property owner the following affirmative duties: (c) to exercise
20 reasonable care and diligence;(d) to account in a timely manner for all funds received from or
21 on behalf of the owner; (e) to act in a fiduciary manner in all matters relating to trust funds.
22 Eichler also violated ORS 696.301(3) as it incorporates OAR 863-025-0025(22) (1-1-2018)
23 which requires a property manager to take corrective action to resolve all adjustments made in
24 a reconciliation prior to the next reconciliation or document the good faith efforts the property
25 manager has taken to resolve the adjustments.

26 1.15 Regarding the outstanding deposit of \$423.98 for property 1280 Oak showing on
27 the May, June and July 2018 reconciliations for the CTA ending in #3320 there was no
28 corresponding entry in Eichler's Excel ledger for 1280 Oak of \$423.98 for the calendar year of
29 2018.

30 1.16 The QuickBooks check register shows an entry dated August 1, 2018 for \$423.98

1 paid to Eichler's business operating account. The entry noted on the check register was, "TO
2 CLR DEP..." The QuickBooks owner ledger for 1280 Oak shows a deposit on January 1, 2018
3 of \$423.98 with the memo, "BAL ADJUST TO MAZOR REPORT." However, there were no
4 entries on May 18, 2018 or August 1, 2018 in the QuickBooks owner ledger that correspond
5 with the outstanding \$423.98 deposit listed on the reconciliation.

6 **(7) Violation:** By failing to properly account for clients' trust funds Eichler violated ORS
7 696.301(3) as it incorporates 696.890(4)(c),(d),(e) (2017 Edition). According to ORS
8 696.890(4) a property manager owes the property owner the following affirmative duties: (c) to
9 exercise reasonable care and diligence;(d) to account in a timely manner for all funds received
10 from or on behalf of the owner; (e) to act in a fiduciary manner in all matters relating to trust
11 funds.

12 1.17 On multiple occasions during 2018, Eichler failed to abide by the terms of his
13 property management agreements. Eichler's property management agreements specified an
14 8% property management fee. Eichler's property management agreement specifies Eichler
15 may charge \$75.00 an hour for activity above the usual three to five hours spent on a property
16 per month. Eichler's Excel ledgers show that he would increase the fee when he spent
17 additional time on a property. Eichler admitted during his interview that he had not kept track of
18 his time spent and the duties performed and he charged what he felt was reasonable for the
19 work done.

20 1.18 The following management fees noted on Eichler's Excel ledger show the
21 fluctuation of management fees taken:

- 22 • Property 186 Crocker, 9% management fee from January – April 2018, May 2018
23 forward 8% fee
- 24 • Property 477 Larkspur, 9% management fee from January –May 2018, June 2018
25 forward 8% fee
- 26 • Property 349 Alta, 9% management fee from January-June 2018, 11.2% management
27 fee for July 2018, 8% management fee for August- October 2018, 10% management
28 fee from December 2018-January 2019.

29 **(8) Violation:** By failing to follow the terms of the property management agreement when
30 charging property management fees, Eichler violated ORS 696.301(3) as it incorporates

1 696.890(4)(c),(d),(e) (2017 Edition) because ORS 696.890(4) provides that a property
2 manager owes the property owner the following affirmative duties: (c) to exercise reasonable
3 care and diligence;(d) to account in a timely manner for all funds received from or on behalf of
4 the owner; (e) to act in a fiduciary manner in all matters relating to trust funds.

5 1.19 According to Eichler's property management agreements, Classic Property
6 Management, kept any late fees.

7 In the following instances late fees were not removed timely from the CTA ending in
8 #3320:

- 9 • On March 6, 2018, the Excel ledger for property 1 Park Unit 637 shows a late fee
10 deposited, however as of February 2, 2019, this late fee had not been transferred out of
11 the CTA to the business operating account.
- 12 • On September 1, 2018, the ledger for property 1 Park, Unit 637 shows a late fee
13 deposited, with no entry showing it was transferred out of the CTA to the business
14 operating account.

15 1.20 Eichler's property management agreements did not address when the property
16 management fee would be disbursed.

17 1.21 Between February 2018 and August 2018, Eichler failed in the following
18 instances to timely withdraw his management fees from the clients' trust account ending in
19 #3320.

- 20 • The Excel ledger for property 705 shows management fees of \$500.00 deposited from
21 the owner on March 20, 2018 and an ending balance on June 30, 2018, with the same
22 \$500.00 management fees in the account. The \$500.00 had not been timely removed
23 from the clients' trust account.
- 24 • The Excel ledger for property 1700 shows a disbursement on May 14, 2018, that is
25 noted as, "CLASSIC MAR, APRIL, MAY FEE." The March and April property
26 management fees were not disbursed timely from the CTA.
- 27 • The Excel ledger for property 1301-03 has three disbursements listed on April 1, 2018,
28 one is noted as the February management fee, one as the March management fee, and
29 one as the April management fee. The February and March property management fees
30 were not timely disbursed from the CTA.

1 1.22 In the above examples, there were sufficient funds in the owners' ledger as
2 defined in OAR 863-025-0010(21) for Eichler to timely disburse his management fees.

3 **(9) Violation:** By failing to timely remove late fees and management fees from the CTA
4 ending in #3320 Eichler violated ORS 696.301(3) as it incorporates ORS 696.241(5) (2017
5 Edition) which states a real estate property manager may not commingle any funds with the
6 trust funds held in a clients' trust account except for (a) earned interest on a clients' trust
7 account as provided in subsections (7) and (8) of this section; and (b) earned compensation as
8 provided in subsection (9) of this section. Eichler also violated ORS 696.301(3) as it
9 incorporates OAR 863-025-0065(6) which states a property manager may not deposit any
10 funds received on behalf of an owner in the property manager's personal account or
11 commingle any such funds received with personal funds of the property manager. Eichler also
12 violated ORS 696.301(3) as it incorporates OAR 863-025-0027(6) (1-1-2018 Edition) which
13 states a property manager must disburse earned management fees from the clients' trust
14 account at least once each month unless a different schedule of disbursement is specified in
15 the property management agreement, and may only disburse such fees if sufficient funds are
16 available.

17 1.23 Eichler entered anticipated rent in his ledger instead of recording when the rent
18 was actually received. Eichler made the following entries in his Excel ledger incorrectly
19 showing rent was received:

- 20 • Property 358-360 Maple has two entries dated August 1, 2018, one charging a late fee
21 for July rent and one charging a late fee for August rent. However, the spreadsheet
22 shows rent was received on July 1, and August 1.
- 23 • Property 1700 Dove shows rent received on January 1, 2018, with a late fee charged
24 the same day.
- 25 • Property 1 Park unit 637 shows a rent deposit on September 1, 2018 with a subsequent
26 late fee of \$50.00.
- 27 • Property 694 Oak has a note dated June 28, 2018, stating, "MAY RENT LOST" and
28 another note, "JOSH TO SEND NEW 7 18 RENT." The ledger showed an entry for rent
29 received for both units at 694 Oak dated May 1, 2018.

30 **(10) Violation:** By making entries on the ledger showing rents received, when in fact they

1 had not been Eichler violated ORS 696.301(3) as it incorporates ORS 696.890(4)(c),(d), (e)
2 (2017 Edition). According to ORS 696.890(4) a property manager owes the property owner the
3 following affirmative duties: (c) to exercise reasonable care and diligence;(d) to account in a
4 timely manner for all funds received from or on behalf of the owner; (e) to act in a fiduciary
5 manner in all matters relating to trust funds.

6 1.24 On the following instances, Eichler either failed to provide documents requested
7 by the Agency, or failed to timely provide the documents:

- 8 • Excel spreadsheet, requested 1/2/2019, due 1/9/2019, received 1/22/2019
- 9 • 2018 owner ledgers from QuickBooks for 1280 Oak, 1 Park, 253 Meadow, requested
10 2/1/2019, due 2/8/2019, received 2/20/2019.
- 11 • Property management agreements and addendums for 477 Larkspur, requested
12 2/1/2019, due 2/8/2019, was never received.
- 13 • Bank authorization form, requested 2/1/2019, due 2/8/2019, was never received.

14 **(11) Violation:** By failing to provide the requested documents timely or at all, Eichler violated
15 ORS 696.301(3) as it incorporates OAR 863-025-0035(2)(a),(c) (1-1-2018 Edition) which
16 states a property manager must produce records required by section (1) of this rule for
17 inspection by the Agency as follows: (a) when the Agency makes a request for production of
18 property management records, the property manager must provide such records with no less
19 than five banking days; and (c) failure to produce such records within the timelines stated in (a)
20 or (b) of this section is a violation of ORS 696.301.

21 1.25 All of the above acts demonstrate incompetence or untrustworthiness in
22 performing acts for which Eichler was required to hold a license.

23 **(12) Violation:** ORS 696.301(12) (2015 and 2017 Editions) which states a licensee's real
24 estate license can be disciplined if they have demonstrated incompetence in performing any
25 act for which the licensee is required to hold a license.

26 1.26 The Agency has taken action against Eichler's property manager license twice
27 before and for similar conduct to that found in the most recent investigation. Previously, in
28 2001, Eichler's property manager license was reprimanded. The violations included, but were
29 not limited to: providing property owners with monthly owner statements that were not
30 accurate, failing to remove management fees in a timely manner, and failing to reconcile his

1 clients' trust accounts as required.

2 1.27 In 2018, Eichler's property manager license was reprimanded again and Eichler
3 agreed to complete the 27-hour Property Manager Advanced Practice Course. The violations
4 noted in the stipulated order for the 2018 reprimand included, but were not limited to: failing to
5 provide reconciliation documents for a mandatory review by the deadline, failure to reconcile
6 the clients' trust account for the calendar year 2015, failing to sign and date reconciliation
7 documents, failing to transfer funds from the security deposits account to the clients' trust
8 account over the course of several months, disbursing funds from the clients' trust account
9 when there were not sufficient funds in the account ledger to make the disbursements, failing
10 to include the purpose of each disbursement in record of receipts and disbursements.

11 1.28 The July 2018 stipulated agreement, signed by Eichler and the Commissioner,
12 required Eichler to complete the 27-hour Property Manager Advanced practices course within
13 four months from the effective date of the order. Eichler requested an extension for the course
14 completion due date due to medical issues. The Agency granted his requested extension. In
15 November 2018, an Addendum to Stipulated Final Order was signed requiring Eichler to
16 complete the 27-hour Property Manager Advanced Practices course by May 17, 2019 and to
17 submit the course certificate to the Agency no later than 10 days after the education was
18 completed.

19 1.29 Eichler failed to comply with the terms and conditions of the Stipulated Order and
20 Addendum to Stipulated Final Order. Eichler did not submit his course certificate to the
21 Agency until October 16, 2019. The course completion date on the certificate was May 19,
22 2019, which was later than the course completion date May 17, 2019 which was the date
23 Eichler stipulated to in the Addendum to Stipulated Final Order.

24 **(13) Violation:** By failing to comply with the conditions and terms of the Stipulated Final
25 Order and Addendum to Stipulated Final Order, Eichler violated ORS 696.301(13) which states
26 a licensee's real estate license may be disciplined if the licensee violated a term, condition,
27 restriction or limitation contained in an order by the commissioner.

28 2.

29 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.
30 Based on these violations a revocation is appropriate for violations of ORS 696.301(3),(12),

1 (13), and (15).

2 2.2 A revocation is of Eichler's property manager license is appropriate under ORS
3 696.396(2)(c)(B) and (D). According to ORS 696.396, the Agency may revoke a real estate
4 license if the material facts establish a violation of a ground for discipline under ORS 696.301
5 that: (B) exhibits incompetence in the performance of professional real estate activity and (D)
6 repeats conduct or an act that is substantially similar to conduct or an act for which the real
7 estate licensee was disciplined previously.

8 2.3 The Agency reserves the right to investigate and pursue additional complaints
9 that may be received in the future regarding this licensee.

10 2.4 In establishing the violations alleged above, OREA may rely on one or more of
11 the definitions contained in ORS 696.010.

12 2.5 According to ORS 696.775, the lapsing, expiration, revocation or suspension of a
13 real estate license, whether by operation of law, order of the Real Estate Commissioner or
14 decision of a court of law, or the inactive status of the license, or voluntary surrender of the
15 license by the real estate licensee does not deprive the commissioner of jurisdiction to: (1)
16 proceed with an investigation of the licensee; (2) conduct disciplinary proceedings relating to
17 the licensee; (3) Take action against a licensee, including assessment of a civil penalty against
18 the licensee for a violation of ORS 696.020(2); or (4) revise or render null and void an order
19 suspending or revoking a license.

20
21 **STIPULATION & WAIVER**

22 I have read and reviewed the above findings of fact and conclusions of law which have
23 been submitted to me by the Agency and further, the order which follows hereafter. I
24 understand that the findings of fact, conclusions of law and this stipulation and waiver embody
25 the full and complete agreement and stipulation between the Agency and me. I further
26 understand that if I do not agree with this stipulation I have the right to proceed to hearing
27 under the current hearing scheduled and at the currently scheduled hearing to be represented
28 by legal counsel. I further understand that hearings are conducted in accordance with the
29 procedures set forth in ORS Chapter 183 and in accordance with the Rules of Practice and
30 Procedure adopted by the Attorney General of the State of Oregon. I freely and voluntarily

1 waive my rights to a hearing, to representation by legal counsel at such a hearing, and to
2 judicial review of this matter.

3 I hereby agree and stipulate to the above findings of fact and conclusions of law and
4 understand that the order which follows hereafter may be completed and signed by the Real
5 Estate Commissioner, or the Deputy Commissioner subject to the authority delegated to her,
6 or may be rejected by the Real Estate Commissioner, or the Deputy Commission subject to
7 delegation. I understand that, in accordance with the provisions of ORS 696.445(3), notice of
8 this order shall be published in the Oregon Real Estate News Journal.

9 I agree, once the Commissioner or Deputy Commissioner, executes this stipulated
10 order, that I will accept service of the final order by email, and hereby waive the right to
11 challenge the validity of service.

12 I understand that the Agency is waiving the \$10,000 civil penalty assessed in the Notice
13 of this matter for failure to provide requested property management records.

14 I further understand that after the effective date of revocation of my property manager's
15 license, any additional activity conducted by me that meets the definition of management of
16 rental real estate as defined in ORS 696.010(14) may be subject to a civil penalty for
17 unlicensed activity pursuant to ORS 696.990(4) which states in part that any person who
18 engages in professional real estate activity which requires a license may be required to forfeit
19 and pay to the General Fund of the State Treasury a civil penalty between \$100 to \$500 for the
20 first offense and between \$500-\$1,000 for subsequent offenses.

21
22 ORDER

23 IT IS HEREBY ORDERED that:

- 24 a) The agency is herewith waiving the \$10,000 civil penalty previously noticed
25 for assessment in this matter.
- 26 b) That after the effective date of revocation of Mr. Eichler's property manager
27 license, any additional property management activity conducted by Eichler,
28 that meets the definition of management of rental real estate as defined in
29 ORS 696.010(14), may be subject to a civil penalty for unlicensed activity
30 pursuant to ORS 696.990(4) which states in part that any person who
engages in professional real estate activity which requires a license may be

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required to forfeit and pay to the General Fund of the State Treasury a civil penalty between \$100 to \$500 for the first offense and between \$500-\$1,000 for subsequent offenses.

c) The Agency will allow Eichler a thirty day (30 day) transition period to sell, close or secure management by another licensed property manager. The thirty day transition period will end close of business on August 28, 2020. Effective close of business on August 28, 2020, Eichler's property manager license will be revoked.

IT IS SO STIPULATED:

IT IS SO ORDERED:

DocuSigned by:
Everett Eichler
463FE588BA6D42F...
EVERETT B. EICHLER

DocuSigned by:
Anna Higley
7237997488544CB...
ANNA HIGLEY
Deputy Real Estate Commissioner on behalf of
STEVEN STRODE



Date 8/2/2020 | 7:53 AM PDT

Date 8/3/2020 | 7:25 AM PDT

Date of Service: 08/03/2020

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of
MARK E. SHEQUIN)
STIPULATED FINAL ORDER

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

FINDINGS OF FACT
&
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Mark Shequin was licensed as a principal broker with Modern Real Estate (Modern) and DiMar Property Management (DiMar).

1.2 On September 3, 2019, the Agency notified Mark Shequin that one of Modern’s clients’ trust accounts ending in # 9097 was selected for a mandatory clients’ trust account reconciliation review. The Agency requested documentation for the January 2019 reconciliation.

1.3 Diane Shequin, DiMar’s bookkeeper, contacted the Agency stating that the clients’ trust account ending in #9097 belonged to DiMar, Mark Shequin’s property management business.

1.4 On October 21, 2019, the Agency received a complaint from property owner Janis Vanags (Vanags) of Good Faith Management, LLC (GFM).

1.5 Vanags and Mark Shequin entered into a property management agreement on March 1, 2018, with DiMar managing Vanags’s property located at 39866 Carol Ave, Eugene (Carol Ave.).

1 1.6 The location of the main office for DiMar was registered with the Agency at the
2 same address as the Carol Ave. property.

3 1.7 Trish Berry (Berry), a tenant at Carol Ave., told the Agency that Mark Shequin did
4 not maintain a place of business for DiMar at Carol Ave.

5 **(1) Violation:** By registering DiMar's business address as Carol Ave. when the business
6 did not operate at this location, Mark Shequin violated ORS 696.301(3) as it incorporates ORS
7 696.200(1)(a) and (b) (2019 Edition), which states a principal real estate broker shall establish
8 and maintain in this state a place of business designated as the real estate licensee's main
9 office and register the main office with the Real Estate Agency under a registered business
10 name as provided in ORS 696.026.

11 1.8 Diane Shequin stated that DiMar did not have a business location and that
12 DiMar's records are kept at her personal residence.

13 **(2) Violation:** By not currently having a main office or designated place of business, Mark
14 Shequin also ORS 696.301(3) as it incorporates violated ORS 696.200(1)(a), (b), (d), and (2)
15 (2019 Edition), which states a principal real estate broker shall: (a) establish and maintain in
16 this state a place of business designated as the real estate licensee's main office; (b) register
17 the main office with the Real Estate Agency under a registered business name as provided in
18 ORS 696.026; (d) before changing a main office location, notify the agency of the new location
19 on a form approved by the agency; (2) the change of a business location without notification to
20 the agency as required by subsections (1) and (5) of this section is grounds for revocation of a
21 real estate license.

22 1.9 On September 30, 2019, Mark Shequin submitted the documents requested by
23 the Agency for clients' trust account reconciliation review. The January 2019 reconciliation for
24 clients' trust account ending in #9097 indicates that Diane Shequin prepared the reconciliation
25 on September 30, 2019.

26 **(3) Violation:** By allowing the January 2019 clients' trust account reconciliation to be
27 prepared on September 30, 2019, Mark Shequin violated ORS 696.301(3) as it incorporates
28 OAR 863-025-0028(2) (01/01/2018 Edition), which states a property manager must reconcile
29 each clients' trust account within 30 calendar days of the date of the bank statement.
30

1 1.10 Upon review of the documents that Mark Shequin submitted for the clients' trust
2 account reconciliation review, Agency staff determined that the January 2019 reconciliation
3 was completed incorrectly using the bank balance from the beginning of the month. On
4 October 31, 2019, Agency staff asked Mark Shequin to correct the reconciliation using the
5 end-of-month balance.

6 1.11 On December 15, 2019, Diane Shequin submitted a revised January 2019
7 clients' trust account reconciliation using the end-of-month bank balance.

8 1.12 Agency staff determined that parts I, II, and III of the reconciliation form were not
9 reconciled properly. The January 2019 bank statement reports a month-end balance of
10 \$5,293.12, while \$5,356.80 in checks remain outstanding at the end of January 2019, resulting
11 in an adjusted account balance of -\$63.68.

12 1.13 The check register balance is reported on the reconciliation form as \$5,293.12
13 and also does not account for the \$5,356.80 in outstanding checks.

14 1.14 No explanation for the adjusted negative balance was provided in part IV,
15 "Reconciliation Summary," of the reconciliation form.

16 **(4) Violation:** By not providing an explanation for the -\$63.68 balance reported in part IV,
17 "Reconciliation Summary," of the January 2019 clients' trust account reconciliation form, Mark
18 Shequin violated ORS 696.301(3) as it incorporates OAR 863-025-0028(2)(a)(B) and (C), and
19 (2)(b) (01/01/2018 Edition), which states the reconciliation must have three components
20 contained in a single document as of the date of the bank statement: the adjusted bank
21 statement balance, the check register balance, and the sum of all positive owners' ledgers.
22 The balances of each component must be equal to and reconciled with each other and, if any
23 adjustment is needed, the adjustment must be clearly identified and explained on the
24 reconciliation document.

25 1.15 As part of the documents provided for DiMar's clients' trust account reconciliation
26 review for January 2019, a document titled "Account Ledger Client Trust Account" lists a
27 month-end balance of \$157.60 and the "Account Ledger All Properties" document ends with a
28 \$2,800.00 balance on January 31, 2019.

1 1.16 The January 2019 clients' trust account reconciliation form lists a \$0.00 month-
2 end balance in part III, "Total of Ledgers or Security Deposits." Neither the \$157.60 nor the
3 \$2,800.00 balances are reported on the January clients' trust account reconciliation form.

4 **(5) Violation:** By reporting a \$0.00 month-end balance in part III, "Total of Ledgers of
5 Security Deposits," of the January 2019 reconciliation form, while reporting a month-end
6 balance of \$157.60 on DiMar's "Account Ledger Client Trust Account" document and a
7 \$2,800.00 month-end balance on the "Account Ledger All Properties" document, Mark Shequin
8 violated ORS 696.301(3) as it incorporates OAR 863-025-0028(2)(a)(C) (01/01/2018 Edition),
9 which states reconciliation must contain the sum of all positive owners' ledgers as of the date
10 of the bank statement.

11 1.17 A document titled "Account Ledger All Properties," submitted as part of the
12 January 2019 clients' trust account reconciliation review, indicated \$4,600.00 in rental income
13 was received on behalf of GFM and \$2,900.00 in owner disbursements were paid to GFM
14 during the month of January 2019. However, the check register submitted at the same time
15 indicated five checks totaling \$6,423.92 were disbursed to GFM from the clients' trust account
16 in January 2019.

17 **(6) Violation:** By reporting that \$2,900.00 in owner disbursements were paid to GFM in
18 DiMar's "Account Ledger All Properties" January 2019 document, while the check register
19 indicated that five checks totaling \$6,432.92 were disbursed to GFM in January 2019, Mark
20 Shequin violated ORS 696.301(3) as it incorporates OAR 863-025-0040(5) (01/01/2018
21 Edition), which states, upon any activity, the property manager must record each receipt,
22 deposit, or disbursement and record each deposit or disbursement on the corresponding
23 owners' ledger as required in OAR 853-025-0055.

24 1.18 Mark Shequin said that Diane Shequin became involved with DiMar sometime in
25 2017.

26 1.19 Diane Shequin confirmed that Mark Shequin asked for help with DiMar's
27 bookkeeping, but she believes this occurred near the end of 2018.

28 1.20 In a letter dated November 11, 2019, Diane Shequin stated she also performs
29 office work and collects rent for DiMar.
30

1 1.21 As of October 28, 2019, Diane Shequin's broker license was associated with
2 Eugene Luxury Real Estate LLC. Diane Shequin stated she had asked Mark Shequin multiple
3 times to associate her license with DiMar.

4 1.22 As of February 24, 2019, Diane Shequin's license was associated with Modern,
5 not DiMar.

6 **(7) Violation:** By not transferring Diane Shequin's broker's license to DiMar, Mark Shequin
7 violated ORS 696.301(3) as it incorporates OAR 863-014-0035(3) (01/01/2018 Edition), which
8 states a principal broker must transfer a broker to the registered business name under the
9 guidelines detailed in OAR 863-014-0063. OAR 863-014-0063 (01/01/2018 Edition) stipulates
10 the requirements for a receiving principal broker to transfer a real estate broker license in order
11 to associate the broker license with a registered business name and authorize the real estate
12 licensee to use the registered business name to conduct professional real estate activity.

13 1.23 Vanags said Mark Shequin was renting out Vanags's properties and Mark
14 Shequin kept two months rents. Vanags said when he questioned Mark Shequin about the
15 rents he did not receive from DiMar, Mark Shequin told Vanags that he needed the money.

16 1.24 Mark Shequin admitted to stealing funds from tenants of the Carol Ave. property
17 consisting of deposits and rents. Mark Shequin estimated he stole a total of \$2,200.00 to
18 \$4,400.00 in funds from the Carol Ave. tenants in 2016 or 2017.

19 **(8) Violation:** By admitting to the theft of \$2,200.00 to \$4,400.00 from Carol Ave. tenants,
20 Mark Shequin violated ORS 696.301(14) and ORS 696.301(3) as it incorporates ORS
21 696.890(4)(a), (d), (e), and (f) (2017 Edition). Per ORS 696.301(14): The Real Estate
22 Commissioner may suspend or revoke the real estate license of any real estate licensee,
23 reprimand any real estate licensee or deny the issuance or renewal of a license to an applicant
24 who has committed an act of fraud or engaged in dishonest conduct substantially related to the
25 fitness of the applicant or real estate licensee to conduct professional real estate activity,
26 without regard to whether the act or conduct occurred in the course of professional real estate
27 activity. Per ORS 696.890(4)(a), (d), (e), and (f): A real estate property manager owes the
28 property owner the affirmative duties of dealing honestly and in good faith, accounting in a
29 timely manner for all funds received from or on behalf of the owner, acting in a fiduciary
30

1 manner in all matters related to trust funds, and being loyal to the owner by not taking action
2 that is adverse or detrimental to the owner's interest.

3 1.25 The property management agreement dated March 1, 2018 between Mark
4 Shequin and Vanags for the Carol Ave. property did not include management fees for DiMar.

5 **(9) Violation:** By not including details regarding the management fees DiMar would earn in
6 the property management agreement between Mark Shequin and Vanags for the Carol Ave.
7 property, Mark Shequin violated ORS 696.301(3) as it incorporates OAR 863-025-0020(2)(f)
8 (01/01/2018 Edition), which states a property management agreement must include, but is not
9 limited to: (f) the management fees, application fees, screening fees, rebates, discounts,
10 overrides and any other form of compensation to be received by the property manager for
11 management of rental real estate including when such compensation is earned and when it will
12 be paid.

13 1.26 Mark Shequin said he gave the cash he collected as rent from tenants at the
14 Carol Ave. property to Vanags when he began managing the property, but Vanags soon
15 demanded the rent cash be run through DiMar's books.

16 **(10) Violation:** By not depositing rents collected from Carol Ave. tenants into DiMar's clients'
17 trust account, Mark Shequin violated ORS 696.301(3) as it incorporates ORS 696.241(2)
18 (2017 Edition) and OAR 863-025-0065(4) and (8) (01/01/2018 Edition). Per ORS 696.241(2): A
19 principal broker who engages in the management of rental real estate shall open and maintain
20 in this state one or more separate federally insured bank accounts that are designated clients'
21 trust accounts under ORS 696.245. A principal broker who engages in the management of
22 rental real estate shall deposit in a clients' trust account all trust funds received or handled by
23 the principal real estate broker, licensed real estate property manager or real estate licensees
24 subject to the supervision of the principal real estate broker. Per OAR 863-025-0065(4) and
25 (8): All funds, whether in the form of money, checks, or money orders belonging to others and
26 accepted by any property manager while engaged in property management activity, must be
27 deposited prior to the close of business of the fifth banking day following the date of the receipt
28 of the funds into a clients' trust account or security deposits account as defined in OAR 863-
29 025-0010 and established by the property manager under ORS 696.241. The property
30 manager must account for all funds received. A property manager must maintain a complete

1 record of all funds or other consideration received in the property manager's property
2 management activity. This record must show from whom the funds or other consideration was
3 received, the date of the receipt, the place and date of deposit, and, the final disposition of the
4 funds or other consideration.

5 1.27 The property management agreement for the Carol Ave. property between Mark
6 Shequin and Vanags states, "2.4 Agent shall collect rent, deposits, and any additional rental
7 income and promptly deposit into a trust account in the Agent's name on behalf of the Owner."

8 1.28 Diane Shequin stated she was aware of two people, Daniel Grimes (Grimes) and
9 Berry, who were unauthorized to sign leases for DiMar but did anyway.

10 1.29 Mark Shequin said Berry helped him collect rents and perform repairs at the
11 Carol Ave. property. Mark Shequin stated that Berry has the only records related to the Carol
12 Ave. property at her residence. Mark Shequin said he has not spoken with Berry in a long time.

13 1.30 Berry said she has known Mark Shequin since 2018. Berry said she lives at the
14 Carol Ave. property and began collecting rents for Mark Shequin in June or July 2018.

15 1.31 Mark Shequin said reconstructing accurate books from when DiMar managed
16 Vanags properties would be difficult at this point, but it would be impossible to recreate for the
17 Carol Ave. property. Mark Shequin said Berry collected those funds and was not a great
18 bookkeeper. He was not sure how much cash was not run through DiMar's books. Mark
19 Shequin reiterated Berry had all of the records for the Carol Ave. property at her residence.

20 1.32 Diane Shequin said Berry continues to manage the Carol Ave. property and keep
21 lease records there.

22 1.33 Berry said she and Mark Shequin use to share documents they could access
23 remotely to manage the Carol Ave. property. Berry said she sent Mark Shequin expense
24 reports monthly while managing the Carol Ave. property.

25 1.34 Berry said she remembers an instance where Mark Shequin had asked to use
26 Berry's computer and he deleted all of the shared documents except one. Berry could not
27 recall the date this incident occurred.

28 1.35 Berry was later able to retrieve screenshots of her monthly rent roll records for
29 the Carol Ave. property from March 2019 through July 2019.

30

1 1.36 The month of March 2019 statement indicates Berry collected \$3,300.00 in
2 monthly rent from the Carol Ave. tenants. Berry's notes indicate Berry paid \$500.00 for the
3 Carol Ave. property's electric bill, \$900.00 towards "Walton," and gave \$2,528.00 to Mark
4 Shequin in March 2019.

5 1.37 Berry's June and July 2019 property management records for the Carol Ave.
6 property were not included in the clients' trust account reconciliations Diane Shequin sent the
7 Agency for DiMar, despite the active property management agreement between Vanags and
8 Mark Shequin during the same time period (June & July 2019).

9 **(11) Violation:** By omitting Carol Ave. records from DiMar's June 2019 and July 2019
10 reconciliations, Mark Shequin violated ORS 696.301(3) as it incorporates OAR 863-025-
11 0065(8) (01/01/2018 Edition), which states a property manager must maintain a complete
12 record of all funds or other consideration received in the property manager's property
13 management activity. This record must show from whom the funds or other consideration was
14 received, the date of the receipt, the place and date of deposit, and, the final disposition of the
15 funds or other consideration.

16 1.38 Mark Shequin said Vanags took back control of his rental properties in
17 September or October 2019. Mark Shequin said Diane Shequin coordinated the transfer of all
18 deposits and rents to Vanags and Vanags is not owed anything from DiMar.

19 1.39 On September 28, 2019, Vanags said Diane Shequin met him at a Bank of
20 America branch in Eugene to give Vanags \$11,230.00 in cash for the security deposits and
21 rents Vanags was owed.

22 1.40 At the meeting, Vanags demanded a receipt for the cash Diane Shequin gave
23 him during their meeting at the Bank of America branch. The copy of the receipt, provided by
24 Vanags, dated September 29, 2019, showed Vanags received a total of \$11,230.00 from
25 Diane Shequin, consisting of \$3,150 in rent and \$8,080 in security deposits.

26 1.41 Diane Shequin acknowledged she attended the meeting and verified the
27 authenticity of the receipt.

28 1.42 The DiMar's September 2019 security deposit account bank statement for
29 account ending in #9084 listed two cash withdrawals of \$7,880 on September 30, 2019. These
30

1 appear to be close to the amount of funds Diane Shequin gave Vanags during the September
2 28 meeting at Bank of America.

3 1.43 The September 2019 clients' trust account reconciliation for account ending in
4 #9097 lists a withdrawal transaction on September 30, 2019 for \$2,350.00. When the \$2,350.00
5 clients' trust account withdrawal is added to the \$7,880.00 security deposit account withdrawal,
6 the sum (\$10,230.00) is exactly \$1,000.00 short of the \$11,230.00 amount in cash Diane
7 Shequin gave Vanags on September 28, 2019.

8 1.44 When Agency staff showed the receipt Diane Shequin provided to Vanags at Bank
9 of America, Mark Shequin said he was unaware of the receipt. But he knew that Diane Shequin
10 gave Vanags his security deposits and any other funds owed at that meeting.

11 **(12) Violation:** By not supervising or controlling the security deposit transfer during the
12 meeting between Diane Shequin and Mr. Vanags at Bank of America on September 28, 2019,
13 Mark Shequin violated ORS 696.301(3) as it incorporates OAR 863-015-0140(3), which states
14 a principal broker must supervise and control the professional real estate activity at any main
15 office or branch registered by the principal broker.

16 1.45 On October 5, 2019, Vanags sent a letter to Mark Shequin requesting all of the
17 accounting records for the GFM properties managed by DiMar by October 12, 2019.

18 1.46 Mark Shequin sent an undated letter in response to Vanags's request, stating
19 that most of DiMar's files were went through and that the tenant security deposits found would
20 be forwarded to GFM. The letter further letter states, "Attached is a check for said properties.
21 DiMar is in the process now of reconciling the rental income accounting for Good Faith
22 Management."

23 1.47 On October 14, 2019, Vanags sent a letter notifying Mark Shequin he was
24 terminating his property management agreement with Dimar. In the letter, Vanags
25 acknowledged receiving Mark Shequin's undated letter and stated that Mark Shequin had not
26 returned security deposits in the amount of \$3,775.00: \$1500 for 91289 Hedge Ln., Coos Bay
27 (Hedge Ln.) and \$2,275 on 29866 Carol Ave.

28 1.48 In response to Vanags's complaint to the Agency, Mark Shequin emailed the
29 Agency on November 11, 2019. He said, "For clarification, the security deposit for 91289
30 Hedge Lane was never paid to us. I understand there is some confusion with the paperwork

1 and we apologize for this. Attached is a copy of the paperwork for your reference.” The Hedge
2 Ln. lease included with the email indicated the tenant was charged a \$1,500.00 security
3 deposit when the tenant agreement commenced February 8, 2019. However, a handwritten
4 note on the last page of the agreement states, “As of 9-28-19 No Security Deposit Has Been
5 Paid.”

6 1.49 Mark Shequin further stated in his emailed response to the complaint, “As for
7 29866 Carol Ave. we had a lease agreement for \$1200 per month increasing to \$1425 with no
8 deposit for this location. This lease was terminated on 9-28-19. At this time all rents collected
9 and deposits paid have been sent to you at Good Faith Management.”

10 1.50 Diane Shequin said Mark Shequin and Grimes, who was Mark’s business partner
11 and roommate, kept deposits for two rental properties: Hedge Ln. and 1804 Paradise Lane,
12 Roseburg, (Paradise Ln.). Diane Shequin said Mark Shequin wrote a check to Vanags for
13 those two properties in October 2019 after Vanags filed his complaint with the Agency. Diane
14 Shequin said the check number issued was 2505 for \$4,000.00. Diane Shequin said Vanags
15 should be whole now.

16 1.51 The October bank statement for DiMar’s clients’ trust account indicates an image
17 of check 2505. The check was written for \$4,000.00 and contains a note stating, “91293 Hedge
18 Ln, 184 Paradise,” as Diane Shequin described. The bank statement indicated the check was
19 cashed October 1, 2019.

20 1.52 The disbursement for check 2505 from the clients’ trust account was not
21 accounted for in the September or October 2019 reconciliation documents titled, “Account
22 Ledger All Properties” or “Summary by Property Income / Expense Categories Only”
23 documents.

24 1.53 There were no owner or tenant ledgers for Vanags, GFM, or the tenants residing
25 in their respective properties with the documents provided for the clients’ trust account and
26 security deposit account reconciliations for September and October 2019 submitted to the
27 Agency.

28 **(13) Violation:** By not accounting for the \$4,000.00 check (#2505) written to Vanags for the
29 “91293 Hedge Ln” and “184 Paradise” security deposit transfers in the September or October
30 2019 reconciliation documents for either the clients’ trust account or the security deposit

1 account, Mark Shequin violated ORS 696.301(3) as it incorporates OAR 863-025-0050(1)
2 (01/01/2018 Edition) and OAR 863-025-0055(1) (01/01/2018 Edition), Per OAR 863-025-
3 0050(1): A property manager must prepare and maintain at least one tenant's ledger for each
4 tenant or individual from whom the property manager has received any funds under a property
5 management agreement, whether or not the tenant has executed a written rental or lease
6 agreement at the time of the payment of funds to the property manager. Per OAR 863-025-
7 0055(1): A property manager must prepare and maintain at least one separate owner's ledger
8 for each property management agreement, for all funds received and disbursed.

9 1.54 Diane Shequin said DiMar is currently managing ten rental properties. She said
10 DiMar lost roughly fifteen rentals when Vanags took back control of his properties.

11 1.55 Mark Shequin said Diane Shequin has been collecting rents and performing
12 bookkeeping services for the last year or so and is good at it. Mark Shequin said in an attempt
13 to get away from Vanags, he has been hands-off with DiMar's current tenants. Mark Shequin
14 said Diane Shequin is the "de facto" property manager at this point.

15 **(14) Violation:** By not supervising and controlling DiMar's professional real estate activity,
16 Mark Shequin violated ORS 696.301(3) as it incorporates OAR 863-015-0140(3) (01/01/2018
17 Edition) which states a principal broker must supervise and control the professional real estate
18 activity at any main or branch office registered by the principal broker.

19 1.56 On December 31, 2019 and January 1, 2020, Diane Shequin provided DiMar's
20 reconciliation documents for its clients' trust account ending in #9097 and security deposit
21 account ending in #9084 for June 2019 through November 2019.

22 1.57 The Agency found that the June through October 2019 reconciliations for DiMar's
23 clients' trust account ending in #9097 were deficient and omitted material information
24 necessary to determine an accurate accounting of the real estate assets under DiMar's
25 management during this time period.

26 1.58 The reconciliations include two documents titled "Account Ledger All Properties"
27 and "Summary by Property Income / Expense."

28 1.59 The "Account Ledger All Properties" document appears to be a list of debit and
29 credit transactions made during June 2019; however, not all debit and credit transactions
30 reported on the bank statement are reflected in the "Account Ledger All Properties" document.

1 1.60 The “Summary by Property Income / Expense” document appears to be an
2 owner’s ledger record, but does not include or mention a ledger balance for Vanags/GFM from
3 June through October 2019.

4 1.61 Out of the clients’ trust account records DiMar provided, only the January 2019
5 reconciliation contains an owner’s ledger for Vanags/GFM.

6 **(15) Violation:** By not consistently maintaining an owner’s ledger for Vanags’s properties as
7 part of the documents for the clients’ trust account reconciliations for clients’ trust account
8 ending in #9097, Mark Shequin violated ORS 696.301(3) as it incorporates OAR 863-025-
9 0055(1) (01/01/2018 Edition), which states a property manager must maintain at least one
10 separate owner’s ledger for each property management agreement.

11 1.62 Outstanding checks were not deducted from the month-end bank balances
12 reported on the clients’ trust account monthly reconciliation forms for clients’ trust account
13 ending in #9097 provided by Diane Shequin.

14 1.63 The June 2019 reconciliation form for clients’ trust account ending in #9097
15 reports a month-end bank statement balance of \$12,938.84, outstanding checks of
16 \$11,866.05, a reconciled bank balance of \$12,938.84, and an owner’s ledger balance of \$0.00.

17 1.64 The June 2019 reconciled bank balance is incorrect. When the \$11,866.05 in
18 outstanding checks are deducted from the \$12,938.84 month-end bank balance, the true June
19 2019 month-end reconciled bank balance is \$1,072.79.

20 1.65 The June 2019 “Account Ledger All Properties” document lists a month-end
21 balance of \$1,110.00. The “Summary by Property Income / Expense” document reports a
22 month-end balance of \$5.00.

23 1.66 In the June 2019 clients’ trust account reconciliation, for account ending in
24 #9097, the bank statement, check register, and reconciliation form indicate that two checks
25 were issued to GFM: Check register notes check #2428 for \$6,476.87, issued 6/7/19, related
26 to “1453 Hiatt, 2224-2230 Larch, Kruse (A)(B), 91289 Hedge, SE Main, 145.1 Hiatt, Carol”;
27 and Schedule B of the reconciliation form reflects outstanding check # 2442 for \$10,214.65
28 paid on 6/24, related to “87th Portland, Giles, Hiatt, Paradise, SE Miller, SE Fullerton, Hedge,
29 Hiatt, Carol, Carol Utilities”.

1 1.67 None of Vanags/GFM's properties are accounted for in the "Account Ledger All
2 Properties" or the "Summary by Property Income / Expense" documents submitted by Diane
3 Shequin as part of the reconciliation documents.

4 1.68 Agency staff sent an email dated January 22, 2020 to Diane Shequin. She was
5 provided a copy of Schedule B of the June 2019 reconciliation form that describes the GFM's
6 properties associated with check #2442. Diane Shequin was asked whether or not these
7 GFM's properties were omitted from DiMar's June 2019 reconciliation.

8 1.69 Diane replied to the email on January 28, 2020, "I don't know why this wasn't on
9 there and I will take a look at it."

10 1.70 As of the February, 24, 2020, Diane Shequin had not sent any additional
11 information regarding GFM's properties.

12 1.71 Based on the June 2019 reconciliation form, check register, and bank statement,
13 DiMar managed approximately eleven properties for GFM, potentially more.

14 1.72 Vanags said DiMar had managed approximately twelve of his properties.

15 1.73 Diane Shequin said when Vanags terminated his agreement with DiMar in
16 October 2019, DiMar lost fifteen properties.

17 1.74 The July 2019 clients' trust account reconciliation documents for clients' trust
18 account ending in #9097 indicate ledgers were not available for GFM's properties during this
19 time period, as well. Two check payments were made to GFM in July 2019 for \$4,099.88
20 (check 2445) and \$1,195.64 (check #2455) that are not reflected in the "Summary by Property
21 Income / Expense" document or reported in the "Account Ledger" document.

22 1.75 According to DiMar's clients' trust account bank statements and check registers
23 for the August, September, and October 2019 reconciliations (relating to clients' trust account
24 ending in #9097), owner disbursements were made to GFM during this time period as well, but
25 were not recorded in an owner ledger.

26 1.76 Therefore, DiMar's clients' trust account reconciliations for June through October
27 2019 were deemed unreliable representations of the assets under DiMar's management.

28 **(16) Violation:** By not reflecting all check payments and disbursements paid to GFM in
29 DiMar's clients' trust account reconciliations for clients' trust accounts ending in #9097 for June
30 2019 through October 2019, Mark Shequin violated ORS 696.301(3) as it incorporates OAR

1 863-025-0055(1) (01/01/2018 Edition), which states a property manager must maintain at least
2 one separate owner's ledger for each property management agreement.

3 1.77 It was noted that the following clients' trust account reconciliations forms for
4 clients' trust account ending in #9097 were dated and signed by Mark Shequin in December
5 2019, beyond the 30 day time frame allowed by Oregon statutes and rules: June 2019
6 reconciliation, signed and dated December 20, 2019; July 2019 reconciliation, signed and
7 dated December 20, 2019; August 2019 reconciliation, signed and dated December 22, 2019;
8 September 2019 reconciliation, signed and dated December 30, 2019; and October 2019
9 reconciliation, signed and dated December 26, 2019.

10 **(17) Violation:** By dating and signing the June 2019 through October 2019 reconciliations
11 for DiMar's clients' trust account after the allotted 30-day time frame, Mark Shequin violated
12 ORS 696.301(3) as it incorporates OAR 863-025-0028(2) (01/01/2018 Edition), which states a
13 property manager must reconcile each clients' trust account within 30 days of the date of the
14 bank statement.

15 1.78 Diane Shequin provided reconciliation documents for DiMar's security deposit
16 account ending in # 9084 from June through November 2019.

17 1.79 The reconciliation documents for security deposit account ending in #9084
18 contain monthly bank statements and an aggregated check register spanning the June through
19 November 2019 time period.

20 1.80 Tenant ledgers were not provided, nor were notations included in the check
21 register indicating who security deposits were received from or paid to.

22 **(18) Violation:** By omitting tenant ledgers and details regarding who security deposits were
23 received from or paid to in the security deposit account reconciliations for June 2019 through
24 November 2019, Mark Shequin violated ORS 696.301(3) as it incorporates OAR 863-025-
25 0050(1), which states a property manager must maintain at least one tenant's ledger for each
26 tenant from whom the property manager received any funds under a property management
27 agreement.

28 2.
29
30

1 I hereby agree and stipulate to the above findings of fact and conclusions of law and
2 understand that the order which follows hereafter may be completed and signed by the Real
3 Estate Commissioner or may be rejected by the Real Estate Commissioner. I understand that,
4 in accordance with the provisions of ORS 696.445(3), notice of this order shall be published in
5 the Oregon Real Estate News-Journal.

6 I agree, once the Commissioner executes this stipulated order, that I will accept service of the
7 final order by email and hereby waive the right to challenge the validity of service.

8 ORDER

9 IT IS HEREBY ORDERED that Shequin’s principal broker license is revoked.

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IT IS SO STIPULATED:

IT IS SO ORDERED:

DocuSigned by:

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DocuSigned by:

D141D287DDE14A0...



MARK E SHEQUIN

STEVEN STRODE

Real Estate Commissioner

Date 8/4/2020 | 8:37 PM PDT

Date 8/5/2020 | 12:14 PM PDT

Date of Service: 08/05/2020

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of

ANGELO DONOVAN ROES

FINAL ORDER BY DEFAULT

PROCEDURAL HISTORY

1.

1.1 On August 4, 2020, the Real Estate Commissioner issued, by certified mail, a *Notice of Intent to Revoke* the real estate principal broker license of Angelo Donovan Roes (Roes). The Oregon Real Estate Agency (Agency) sent the Notice of Intent to Roes' last known addresses of record with the Agency, PO Box 3434 La Pine, OR 97739 and 15840 Woodland Dr., La Pine, OR 97739. The *Notice of Intent* was also mailed to Roes by regular first class mail to the above two address.

1.2 The notice was also emailed to Roes at his email address of record.

1.3 The certified mailing of the notice sent to 15840 Woodland Dr., La Pine, OR 97739 was returned to the Agency. Neither the certified mailing addressed to PO Box 3434 La Pine, OR 97739 nor the first class mailings have been returned to the Agency. Over 20 (20 days) have elapsed since the mailing of the notice issued in this matter and no written request for hearing has been received.

2.

Based upon the foregoing and upon a review of the above described investigation reports, documents and files, the Real Estate Commissioner finds:

2.1 Oregon Administrative Rule 863-001-0006 states, in part, that a notice of intent is properly served when deposited in the United States mail, registered or certified mail, addressed to the real estate licensee or to any other person having an interest in a proceeding

before the Commissioner at the licensee's or other person's last known address of record with OREA.

2.2 Roes' last known addresses of record with the Agency are PO Box 3434 La Pine, OR 97739 and 15840 Woodland Dr., La Pine, OR 97739.

2.3 Certified mailings of the notice of intent were mailed to Roes at his two last known addresses of record on August 4, 2020. The certified mailing addressed to 15840 Woodland Dr. La Pine OR 97739 was returned to the Agency marked, "Return to Sender No Mail Receptacle Unable to Forward Return to Sender." The certified mailing of the notice sent to PO Box 3434 La Pine OR 97739 has not been returned to the Agency.

2.4 The notice was also mailed regular first class mail in a handwritten envelope to both of the above addresses for Roes. The mailings in the handwritten envelope have not been returned to OREA. In accordance with ORS 40.135(1)(q), there is a presumption that the mailing properly addressed and placed with the U.S. Postal Service was delivered. That presumption has not been overcome by any evidence.

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

FINDINGS OF FACT

3.

3.1 Roes was licensed as a principal broker working under the registered business name Accord Property Management. Roes failed to renew his license and on June 1, 2020, Roes license expired.

3.2 On January 15, 2018, Sarah Harlos (Harlos) attorney for property owner Harold Gibboney (Gibboney) filed a complaint against Roes with the Agency. The Agency opened an investigation.

3.3 On April 14, 2009, Roes and Gibboney entered into a property management agreement for property located at 15910 Frances Lane, La Pine, Oregon (subject property)

3.4 On June 5, 2009, Roes signed a tenant agreement with Fred Rausch (Rausch) and Flora Galloway (Galloway) to rent the subject property for \$750 a month with a \$850 security deposit and \$200 pet deposit to be held by the property manager.

3.5 Initially Roes held security deposits in the same clients' trust account as rents. Per Roes, towards the end of 2009 he was told by the Agency during an audit that he needed to separate security deposits from rent. Roes said at that time he sent all tenants security deposits to the property owner for the owner to hold, including the \$200.00 pet deposit for the subject property. Roes did not execute an amendment to the tenant rental agreement for Rausch and Galloway where the tenants authorized him to send the security deposits to the owner. Roes was unaware that the tenants had to give authorization allowing him to transfer their security deposit funds to the owner.

3.6 The property management agreement states that Roes would use his best efforts to ensure the property was maintained in an attractive condition and in a good state of repair. Additionally, it states Roes shall manage the property in full compliance with all laws and regulations of any Federal, State, County or Municipal Authority having jurisdiction over the property.

3.7 Per the rental agreements, the tenants were to properly care for the subject property's yard and if it was not properly maintained, management had the right to hire someone to care for the yard and bill the tenants for it. Additionally, the original rental agreement states that tenants were required to hire Wilderness Garbage for trash removal.

3.8 Roes failed to ensure tenants of the subject property had garbage service.

3.9 On February 27, 2014, John Griley (Griley) from Deschutes County Community Development Department mailed a letter to Gibboney's PO Box in La Pine regarding alleged violations of county code. The code violation stated that an RV was being utilized as dwellings on the subject property.

3.10 Gibboney instructed Griley to contact Roes regarding the code violations. On March 11, 2014, Roes stated he would contact the occupants and give them a 10 day notice to correct the code violation.

3.11 On April 2, 2014, Griley performed a site visit with the tenant, Rausch. Rausch stated nobody lived in the RVs or the outbuildings. Griley addressed the solid waste on the property regarding tires and two inoperable vehicles. Rausch stated he was committed to coming into compliance and Griley gave him 45 days to rectify the situation.

3.12 Griley drove by the subject property on July 21, 2014, and his notes state the tenants addressed the code violations and the case was closed.

3.13 On July 24, 2015, Anthony Laemmie (Laemmie) from Code Enforcement mailed another letter to Gibboney regarding new code violations. The code violations in the new case were regarding RVs being used as dwellings and an accumulation of solid waste on the property.

3.14 The case notes stated there was a marginal amount of solid waste including bikes, lawn mowers, tires, wheels, and garbage.

3.15 On September 16, 2015, Laemmie's note states he had a discussion with Roes about the code violations and Roes said he would do a walk-through and if the issues were not corrected he would start the eviction process.

3.16 On September 22, 2015, Roes told Laemmie he would give the tenants a 10 day notice to correct the issues.

3.17 On September 28, 2015, Laemmie's notes state a site visit confirmed the tenants haven't started the clean-up and there was another camper on the property.

3.18 On October 14, 2015, Laemmie stated there were additional tires added to the property and the tire wall was still present.

3.19 On October 15, 2015, Laemmie emailed Roes stating the tenants were not willing to comply and this email should be enough to give the tenants a 30 day notice.

3.20 Roes gave the tenants an Inspection Failure Report dated October 16, 2015 and a list of issues to correct within 14 days or he would have to start the eviction process.

3.21 The last rent payment received for subject property was in November 2015.

3.22 On March 7, 2016, Roes filed a residential eviction notice and a Notice to the tenant on behalf of Gibboney. Carrie O'Neill (O'Neill) signed the Summons for the Residential notice as the Plaintiff or Agent. O'Neill was Roes wife. O'Neill helped Roes with some property management duties such as serving eviction notices and various other duties. Roes did not have a delegation of authority for O'Neill.

3.23 On March 21, 2016, Roes filed a Mediation Agreement and Stipulated Order in Deschutes County. The order stated the tenants need to vacate by April 1, 2016 and pay unpaid rent and legal fees of \$6,185.73.

3.24 Roes was asked why he waited until March 2016 to start the eviction process when the tenants had code violations and hadn't paid rent since November 2015. Roes explained Gibboney had let the tenants use tax returns the past couple years to pay rent or any back rent owed and Roes assumed the tenants were intending on paying when they got their tax returns.

3.25 Gibboney said he only gave permission for the tenants to use their tax return one time in 2015.

3.26 Roes was asked if he had permission in writing from Gibboney authorizing that the tenants could use their tax return for rent and Roes said it was all verbal.

3.27 Roes' 2015 tenant ledgers provided for the investigation do not identify the name of the person who paid the rent.

3.28 Roes' 2015 owner ledgers have multiple entries throughout the year showing disbursements but no description of what the payments were for or to whom the payments were made to.

3.29 The 2015 owner ledgers have multiple entries referencing back rent being accounted for, which was not agreed to in the tenant agreement. The tenant agreement states the rent is due by the first of each month and if it is late there will be a \$50 late fee for the first

offence and \$100 for the second offense and possible eviction proceedings if the rent is late more than 2 times during the lease period. It does not appear late fee were ever charged.

3.30 The 2015 owner ledgers show several instances of Roes taking the property management fees not within 5 business days after the last day of the month as agreed upon in the property management agreement.

3.31 On April 10, 2017, Gibboney filed a lawsuit against Roes and Accord Property Management for Breach of Contract, Breach of Fiduciary Duty, and Negligence.

3.32 On October 25, 2017, Roes received a judgement against him for \$19,506.91 to be paid to Gibboney and \$18,852.00 for attorney fees and costs of \$16,263.75 through a General Judgement and money award (Case No. 17CV04147 through Deschutes County).

3.33 Roes did not notify the Agency within 20 calendar days after receiving written notification of the adverse judgment.

STATEMENT OF LAW

4.

4.1 ORS 696.301(3) as it incorporates:

a. OAR 863-015-0175(1)(b),(c) (11-15-16 Edition), which states: (1) A real estate licensee must notify the Commissioner of the following: (b) any adverse decision or judgment resulting from any civil or criminal suit or action or arbitration proceeding or any administrative or Oregon State Bar proceeding related to the licensee in which the licensee was named as a party and against whom allegations concerning any business conduct or professional real estate activity is asserted; and (c) any adverse decision or judgment resulting from any other criminal or civil proceeding that reflects adversely on the “trustworthy and competent” requirements contained in ORS Chapter 696 and its implementing rules.

b. OAR 863-025-0015(1),(3)(c)(C), and (D) (5-15-14 Edition) which states: (1) each property manager must develop, maintain and follow written policies for persons and activities under this rule. (3) policies must specify the duties, responsibilities, supervision and authority, including any authority to handle funds in a clients’ trust account or security deposit account, for the following persons: (c) an employee of the property manager, including any authority to: (C) physically maintain the real estate of an owner; (D) conduct tenant relations.

c. OAR 863-025-0020(2)(f) (1-1-2009, 6-15-2010, 4-15-2011, 9-1-2011, 9-14-2012, 4-1-2013, 5-15-2014 Editions) which states (2) A property management agreement must include, but is not limited to: (f) The management fees, application fees, screening fees, rebates, discounts, overrides and any other form of compensation to be received by the property manager for management of rental real estate including when such compensation is earned and when it will be paid.

d. OAR 863-025-0020(4) (9-14-2012, 4-1-2013, 5-15-2015 Editions) which states (4) any amendment or addendum to the property management agreement must be in writing and include the identifying code, the date of the amendment, the signature of the property manager and the signatures of all owners who signed the initial property management agreement.

e. OAR 863-025-0030(1)(a) (1-1-2009 Edition) which states, (1) except as provided in section (3) of this rule, all tenants' security deposits received by the property manager must be deposited and maintained in a security deposit account until: (a) The property manager forwards the tenant's security deposit to the owner of the property according to the terms of the tenant's rental or lease agreement and the property management agreement.

f. OAR 863-025-0045(1)(c) (1-1-2009, 6-15-2010, 4-15-2011, 9-1-2011, 9-14-2012, 4-1-2013, 5-15-2014 Edition) which states (1) Residential Property. 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.

g. OAR 863-025-0050(4)(d)(B) (1-1-2009, 6-15-2020, 9-1-2011, 9-14-2012, 4-1-2013, 5-15-2014 Editions) which states: (4) a tenant's ledger must contain at least the following information: (d) for each deposit of funds: (B) the purpose of the funds and identity of the person who tendered the funds.

h. OAR 863-025-0055(3)(c)(D),(E) (1-1-2009, 6-15-2010, 4-15-2011, 9-1-2011, 9-14-2012, 4-1-2013, 5-15-2014 Editions) which states: (3) all owner ledgers must contain at least the following information: (c) for each disbursement of funds: (D) the payee of the disbursement; (E) the purpose of the disbursement.

4.2 ORS 696.301(3) (2009, 2013, 2015 Editions) which states a 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 and 696.800 to 696.870 or any rule of the Real Estate Agency.

4.3 ORS 696.301(12) (2009, 2013, 2015 Editions) which states a licensee's real estate license may be disciplined if they have: (12) Demonstrated incompetence or untrustworthiness in performing any act for which the real estate licensee is required to hold a license.

4.4 ORS 696.301(14) which states a licensee's real estate license may be disciplined 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 or conduct occurred in the course of professional real estate activity.

4.5 ORS 696.301(15) which states a licensee's real estate license may be disciplined if they have: (15) 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 engaging in the practice of professional real estate activity in Oregon.

4.6 ORS 696.890(3)(b),(c) (2011 Edition) which states, a real estate property manager owes the property owner the following affirmative duties: (b) To disclose material facts known by the property manager and not apparent or readily ascertainable to the owner; (c) To exercise reasonable care and diligence. Roes' conduct is grounds of discipline under ORS 696.301(12) and (15).

4.7 ORS 696.890(3)(c),(e) (2011 Edition) which states a real estate property manager owes the property owner the following affirmative duties: (c) to exercise reasonable care and diligence; (e) to act in a fiduciary manner in all matters relating to trust funds. Roes' conduct is grounds of discipline under ORS 696.301(12) and (15).

4.8 ORS 696.890(4)(b),(c) (2013 and 2015 Editions) which states, a real estate property manager owes the property owner the following affirmative duties: (b) To disclose material facts known by the property manager and not apparent or readily ascertainable to the owner; (c) To exercise reasonable care and diligence. Roes' conduct is grounds of discipline under ORS 696.301(12) and (15).

4.9 ORS 696.890(4)(c),(e) (2013, 2015 Editions) which states a real estate property manager owes the property owner the following affirmative duties: (c) to exercise reasonable care and diligence; (e) to act in a fiduciary manner in all matters relating to trust funds. Roes' conduct is grounds of discipline under ORS 696.301(12) and (15).

4.10 ORS 696.890(4)(a),(c) (2015 Edition) which states: (4) A real estate property manager owes the property owner the following affirmative duties: (a) to deal honestly and in good faith; (c) to exercise reasonable care and diligence. Roes' conduct is grounds of discipline under ORS 696.301(12) and (15).

ULTIMATE FINDINGS OF FACT

5.

5.1 Roes failed to have tenants sign an amendment to their original rental agreement authorizing Roes to forward their security deposit to be held by the owner.

5.2 Roes failed to ensure the tenants obtained and maintained garbage service through Wilderness Garbage Service according to the terms of the rental agreement.

5.3 Roes allowed Carrie O'Neill to sign and serve an eviction notice to tenants without having a delegation of authority in place allowing her to do so.

5.4 Roes waited until March 2016 to start the eviction process, even though the tenants had failed to pay rent since November 2015.

5.5 Roes failed to amend or write an addendum to the property management agreement for property located at 15910 Frances Lane in La Pine Oregon, giving permission to allow the tenants to use tax returns for back rent owed.

5.6 Roes failed to identify the name of the tenant from whom Roes received funds from on the tenant ledgers.

5.7 Roes disbursed funds with no description of what the payments were for or to whom the payments were made to in the owner ledgers.

5.8 Roes referenced multiple back rents being accounted for on the owner ledger, however, he failed to enact a late fee of \$50 for the first late payment or a late fee of \$100 for the second late payment.

5.9 Roes failed to take property management fees within 5 business days after the last day of the month as agreed upon in the property management agreement.

5.10 Roes failed to report an adverse judgement within 20 days to the Agency for Case No. 17CV04147.

5.11 In summary, the facts above establish grounds to revoke Roes' principal broker license.

CONCLUSIONS OF LAW

6.

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

6.2 The material facts establish a violation of a ground for discipline under ORS 696.301 as set forth in the *Notice of Intent to Revoke*.

6.3 Based on these violations, the Agency may revoke Roes' principal broker license.

6.4 Specifically, Roes is subject to discipline pursuant to ORS 696.301(3), (12) (14) and (15). A revocation of Roes' principal broker license is appropriate for violations of ORS 696.301(3), (12), (14) and (15), which states in part a 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; (12) demonstrated incompetence in performing any act for which the licensee is required to hold a license; (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 or conduct occurred in the course of professional real estate activity; (15) 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.

6.5 A revocation of Roes' principal broker license is appropriate under ORS 696.396(2)(c)(A),(B), and (C). According to ORS 696.396(2)(c)(A),(B),and (C) the Agency may revoke a real estate license if the material facts establish a violation of a ground of discipline under ORS 696.301 that: (A) results in significant damage or injury; (B) exhibits incompetence in the performance of professional real estate activity; (C) exhibits dishonesty or fraudulent conduct.

6.6 Based on the evidence in the record, the preponderance of the evidence weighs in favor of the revocation of Roes' principal broker license.

6.7 The Agency may therefore, revoke Roes' principal broker license

6.8 Pursuant to ORS 696.775 the expiration or lapsing of Roes' license does not prohibit the Commissioner from proceeding with this, or further action.

OPINION

7.

The Agency takes its consumer protection role very seriously. Roes' actions as documented herein constituted multiple violations of Agency statutes and rules. Most importantly, Roes failed to ensure the property he was managing for Gibbony was maintained. Roes failed to ensure the tenants obtained and maintained the required garbage service and when he was notified time and time again by the county regarding code violations Roes failed to take swift action to address the situation with the tenants. Additionally, Roes allowed the tenants to stay in the property without paying rent from December 2016 until March 2016, which was when he finally started the eviction process. By that time, the property's condition had deteriorated further creating even more damage for the property owner, Gibboney, to deal with. Roes' lack of diligence and care in the above situation is unacceptable and ultimately justifies the revocation of his license.

The specific violations are repeated here below:

(1) Violation: By failing to have tenants sign an amendment to their original rental agreement authorizing Roes to forward their security deposit to be held by the owner Roes

violated ORS 696.301(3) as it incorporates OAR 863-025-0030(1)(a) (1-1-2009 Edition) which states, (1) except as provided in section (3) of this rule, all tenants' security deposits received by the property manager must be deposited and maintained in a security deposit account until:

(a) The property manager forwards the tenant's security deposit to the owner of the property according to the terms of the tenant's rental or lease agreement and the property management agreement. Additionally, Roes violated ORS 696.301(12) (2009 Edition), which states a licensee's real estate license may be disciplined if they have: (12) Demonstrated incompetence or untrustworthiness in performing any act for which the real estate licensee is required to hold a license.

(2) Violation: By failing to ensure the tenants obtained and maintained garbage service through Wilderness Garbage Service according to the terms of the rental agreement Roes violated ORS 696.890(3)(b),(c) (2011 Edition) and ORS 696.890(4)(b),(c) (2013 and 2015 editions). ORS 696.890(3)(b),(c) (2011 Edition) and ORS 696.890(4)(b),(c) (2013 and 2015 Editions) states, a real estate property manager owes the property owner the following affirmative duties: (b) To disclose material facts known by the property manager and not apparent or readily ascertainable to the owner; (c) To exercise reasonable care and diligence. Roes' conduct is grounds of discipline under ORS 696.301(12) and (15).

(3) Violation: By allowing Carrie O'Neill to sign and serve an eviction notice to tenants without having a delegation of authority in place Roes violated ORS 696.301(3) as it incorporates OAR 863-025-0015(1),(3)(c)(C), and (D) (5-15-14 Edition) which states: (1) each property manager must develop, maintain and follow written policies for persons and activities under this rule. (3) policies must specify the duties, responsibilities, supervision and authority, including any authority to handle funds in a clients' trust account or security deposit account, for the following persons: (c) an employee of the property manager, including any authority to: (C) physically maintain the real estate of an owner; (D) conduct tenant relations.

(4) Violation: By waiting until March 2016 to start the eviction process, when the tenants failed to pay rent since November 2015 Roes violated ORS 696.301(12) and ORS 696.890(4)(a),(c) (2015 Edition). ORS 696.301(12) states a licensee's real estate license may be disciplined if they have demonstrated incompetence or untrustworthiness in performing any act for which the real estate licensee is required to hold a license. ORS 696.890(4)(a),(c)

states: (4) A real estate property manager owes the property owner the following affirmative duties: (a) to deal honestly and in good faith; (c) to exercise reasonable care and diligence. Roes' conduct is grounds of discipline under ORS 696.301(12) and (15).

(5) Violation: By failing to amend or write an addendum to the property management agreement for property located at 15910 Frances Lane in La Pine Oregon, giving permission to allow the tenants to use tax returns for back rent owed Roes violated ORS 696.301(3) as it incorporates OAR 863-025-0020(4) (9-14-2012, 4-1-2013, 5-15-2015 Editions) which states (4) any amendment or addendum to the property management agreement must be in writing and include the identifying code, the date of the amendment, the signature of the property manager and the signatures of all owners who signed the initial property management agreement.

(6) Violation: By failing to identify the name of the tenant from whom Roes received funds from on the 2015 tenant ledgers Roes violated ORS 696.301(3) as it incorporates OAR 863-025-0050(4)(d)(B) (1-1-2009, 6-15-2020, 9-1-2011, 9-14-2012, 4-1-2013, 5-15-2014 Editions). OAR 863-025-0050(4)(d)(B) states: (4) a tenant's ledger must contain at least the following information: (d) for each deposit of funds: (B) the purpose of the funds and identity of the person who tendered the funds. Additionally, Roes violated ORS 696.890(3)(c),(e) (2011 Edition) and ORS 696.890(4)(c),(e) (2013, 2015 Editions) which states a real estate property manager owes the property owner the following affirmative duties: (c) to exercise reasonable care and diligence; (e) to act in a fiduciary manner in all matters relating to trust funds. Roes' conduct is grounds of discipline under ORS 696.301(12) and (15).

(7) Violation: By disbursing funds with no description of what the payment was for or to whom the payments were made to in the owner ledgers Roes violated ORS 696.301(3) as it incorporates OAR 863-025-0055(3)(c)(D),(E) (1-1-2009, 6-15-2010, 4-15-2011, 9-1-2011, 9-14-2012, 4-1-2013, 5-15-2014) Editions) which states: (3) all owner ledgers must contain at least the following information: (c) for each disbursement of funds: (D) the payee of the disbursement; (E) the purpose of the disbursement. Additionally, Roes violated ORS 696.890(4)(c),(e) (2013 and 2015 Editions) which states (4) a real estate property manager owes the property owner the following affirmative duties: (c) to exercise reasonable care and

diligence; (e) to act in a fiduciary manner in all matters relating to trust funds. Roes' conduct is grounds of discipline under ORS 696.301(12) and (15).

(8) Violation: By referencing multiple back rents being accounted for on the owner ledger and by not enacting a late fee of \$50 for the first late payment or a late fee of \$100 for the second late payment Roes violated ORS 696.301(3) as it incorporates OAR 863-025-0045(1)(c) (1-1-2009, 6-15-2010, 4-15-2011, 9-1-2011, 9-14-2012, 4-1-2013, 5-15-2014 Edition) which states (1) Residential Property. 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. Additionally, Roes violated ORS 696.301(12) (2013 and 2015 Editions) which states a licensee's real estate license may be disciplined if they have (12) Demonstrated incompetence or untrustworthiness in performing any act for which the real estate licensee is required to hold a license.

(9) Violation: By not taking property management fees within 5 business days after the last day of the month as agreed upon in the property management agreement Roes violated ORS 696.301(3) as it incorporates OAR 863-025-0020(2)(f) (1-1-2009, 6-15-2010, 4-15-2011, 9-1-2011, 9-14-2012, 4-1-2013, 5-15-2014 Editions) which states (2) A property management agreement must include, but is not limited to: (f) The management fees, application fees, screening fees, rebates, discounts, overrides and any other form of compensation to be received by the property manager for management of rental real estate including when such compensation is earned and when it will be paid. Additionally, Roes violated ORS 696.301(12) which states a licensee's real estate license may be disciplined if they have demonstrated incompetence or untrustworthiness in performing any act for which the real estate licensee is required to hold a license.

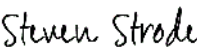
(10) Violation: By failing to report an adverse judgement within 20 days to the Agency for Case No. 17CV04147, Roes violated ORS 696.301(3) as it incorporates OAR 863-015-

ORDER

IT IS HEREBY ORDERED that Angelo Donovan Roes' principal broker license is revoked.

Dated this 1st day of September, 2020.

OREGON REAL ESTATE AGENCY

DocuSigned by:

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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.

Certificate of Service

On September 1, 2020, I mailed and emailed the foregoing Final Order by Default issued on this date in Agency Case No. 2018-352 and 2018-164.

By: First Class Mail

Angelo Donovan Roes
PO Box 3434
LA PINE, OR 97739-0000

Angelo Donovan Roes
15840 Woodland Dr.
LA PINE, OR 97739-0000

By: Email

Angelo Donovan Roes
duecear@aol.com

Attorney Sarah Harlos for complainant
sarah@francishansen.com

Rick Marsland
Licensing Specialist

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of
XIAO Q. TANG)
STIPULATED FINAL ORDER

The Real Estate Agency (OREA) and Xiao Q. Tang (Tang) do hereby agree and stipulate to the following:

FINDINGS OF FACT
&
CONCLUSIONS OF LAW
1.

1.1 At all times mentioned herein, Tang was licensed as a principal broker, doing professional real estate activity under her own name.

1.2 On May 31, 2018, the Agency received a complaint from Lichao Zhang against Tang.

1.3 On August 10, 2017, Tang entered into a listing agreement with Guo Huang (Huang) to sell his property located at 5109 SE 118th Ave in Portland OR (subject property) for \$368,900.00. Haung signed a disclosed limited agency agreement for sellers on the same day.

1.4 In October 2017, Lichao and her parents contacted Tang to help them find a new rental property. On October 12, 2017, Lichao and her parents signed an offer to purchase on the subject property. The seller signed accepting their offer on October 12, 2017, and Tang opened escrow the same day.

1.5 On March 15, 2019, Agency Financial Investigator/Auditor Liz Hayes (Hayes) emailed Tang requesting the listing and purchase file for the subject property. On April 2, 2019, Tang provided the requested documents and included a short explanation of the

1 transaction, in part stating, “Additionally, the contract was as “as is” sale. The seller’s steep
2 reduction in price was due to the mutual agreement that the sale would be speedy and that the
3 seller would not be responsible for making repairs.”

4 1.6 Juli Spink (Spink), escrow agent at WFG National Title provided a copy of the
5 purchase agreement and email Tang used to open escrow on October 12, 2017.

6 1.7 The purchase agreement provided by Spink and Tang were different from each
7 other. The agreement provided by Tang contained extra terms on the following: line 143 “8.
8 “ADDITIONAL FINANCING PROVISIONS: N/A”, and also on line 284 “21. ADDITIONAL
9 PROVISIONS: SALE AS IS.” The agreement provided by Spink was blank in these two
10 sections.

11 1.8 Tang stated she forgot to add the “As-Is” language when she initially prepared
12 the sales agreement, admitting she should have had the buyers and seller initial the added
13 language. Tang stated she had explained to the buyer and seller about adding this language
14 after the agreement had already been signed.

15 **(1) Violation:** Tang opened escrow on October 12, 2017, for the sale of the subject
16 property with a purchase agreement lacking the term “SALE AS IS” as noted in the purchase
17 agreement provided to the Agency by Tang in violation of ORS 696.301(3) as it incorporates
18 OAR 863-015-0135(5) (11-15-16 Edition), which states: real estate licensees must include all
19 of the terms and conditions of the real estate transaction in the offer to purchase or, directly or
20 by reference, in the counter-offer, including but not limited to whether the transaction will be
21 accomplished by way of deed or land sales contract, and whether and at what time evidence of
22 title will be furnished to the prospective buyer.

23 1.9 On April 25, 2019, Hayes, while meeting with Tang at her main office location
24 8333 SE Powell Blvd., Portland OR., asked Tang for a copy of the Disclosed Limited Agency
25 Agreement for Buyers. Tang was unable to provide a copy to Hayes and said she had a copy
26 but it was at her home office. Tang did not have a branch office registered with the Agency, nor
27 had she notified the Commissioner that records would be held at a separate location.

28 **(2) Violation:** By failing to have access to a copy of the Disclosed Limited Agency
29 Agreement for Buyers at her main office, Tang violated ORS 696.301(3) as it incorporates
30 OAR 863-015-0260(1) and (2) (1-1-2018 Edition), which states: (1) principal brokers must

1 maintain and store complete and accurate records of professional real estate activity, including
2 any items generated through email or other electronic means, pursuant to ORS 696.280 and
3 as follows. (2) A principal broker must maintain the principal broker's office a means of viewing
4 copies of documents or records. A principal broker must provide, at his or her expense, a
5 paper copy of any document or record the Agency requests.

6 1.10 During the investigation, it was discovered that Tang was engaging in property
7 management activity. Tang stated she worked for about three owners and managed five
8 properties. One of the property owners Tang represented was Xin Jiang (Jiang).

9 1.11 In demand letter dated April 25, 2019, Tang was requested to provide copies of
10 all current property management agreements by May 2, 2019. Tang did not produce the
11 records until May 9, 2019.

12 **(3) Violation:** By failing to timely produce the requested records Tang violated ORS
13 696.301(3) as it incorporates OAR 863-025-0035(2)(a) and (c) (1-1-2018 Edition), which
14 states: (2)A property manager must produce records required under section (1) of this rule for
15 inspection by the Agency as follows: (a) when the Agency makes a request for production of
16 property management records, the property manager must provide such records within no less
17 than five banking days; (c) failure to produce such records within the timeline stated in
18 subsection (a) or (b) of this section is a violation of ORS 696.301.

19 1.12 On May 9, 2019, Tang provided 5 separate documents which appeared to be the
20 property management agreements authorizing Tang to manage 9 properties for lease. The
21 agreements referenced a 6-7% property management fee and were signed by Tang and each
22 owner(s). The property management agreements lacked the following detail:

- 23 • The term of the agreement and the method for termination;
- 24 • The terms and conditions of the agreement;
- 25 • The management fees, application fees, screening fees, rebates, discounts,
26 overrides and any other form of compensation to be received by the property
27 manager for management of rental real estate including when such compensation is
28 earned and when it will be paid;
- 29 • A description of the monthly statements of accounting the property manager will
30 provide to the owner;

- The disposition of the property manager's records of the management of the owner's rental real estate after termination of the agreement;

(4) Violation: By failing to have the above required detail in her property management agreements Tang violated ORS 696.301(3) as it incorporates OAR 863-025-0020(2)(d),(e),(f),(g), and (h) (1-1-2018 Edition), which states: (2) a property management agreement must include, but is not limited to: (d) the term of the agreement and the method for termination; (e) the terms and conditions of the agreement; (f) the management fees, application fees, screening fees, rebates, discounts, overrides and any other form of compensation to be received by the property manager for management of rental real estate including when such compensation is earned and when it will be paid; (g) a description of the monthly statements of accounting the property manager will provide to the owner; (h) the disposition of the property manager's records of the management of the owner's rental real estate after termination of the agreement.

1.13 On October 24, 2017, Tang prepared a lease agreement for tenants D. Shiverly, E. Kramer, W. Guyette, and P. Halk for the property at 2829 SE 137th Ave. The original lease agreement noted a security deposit equaling \$3,000.00 with an additional deposit of \$2,000.00 for "Bad Credit." According to the property owner, Jiang, he held \$2,000.00. Tang never collected remaining balance of the security deposit of \$1,000.00 or the additional \$2,000.00 noted for poor credit. The lease agreement also failed to note the security deposit would be held by the owner, Jiang.

(5) Violation: By failing to collect the entire security deposit and additional deposit for the tenants' poor credit rating as noted on the lease agreement and failing to note on the lease agreement that the security deposit would be held by the property owner, Tang violated ORS 696.890(4)(a),(c), and (f) (2015 Edition) which states: (4) a real estate property manager owes the property owner the following affirmative duties: (a) to deal honestly and in good faith; (c) to exercise reasonable care and diligence; (f) to be loyal to the owner by not taking action that is adverse or detrimental to the owner's interest. Tang's conduct is grounds for discipline under ORS 696.301(12) and (15).

1.14 The tenants fell behind on their rent payments and a few months later tenants D. Shiverly and E. Kramer moved out of the property. Tang reduced the rent amount for the two

1 remaining tenants W. Guyette and P.Halk still residing in the home without the property
2 owner's approval or addendum to the lease agreement.

3 **(6) Violation:** By lowering the rent amount for the two remaining tenants, W. Guyette and
4 P. Halk without the owner's approval or addendum to the lease agreement, Tang violated ORS
5 696.890(4)(f) (2015 Edition) and ORS 696.301(3) as it incorporates ORS 696.890(4)(f) (2017
6 Edition) which states: (4) a real estate property manager owes the property owner the following
7 affirmative duties: (f) to be loyal to the owner by not taking action that is adverse or detrimental
8 to the owner's interest. Tang's conduct is grounds for discipline under ORS 696.301(12) and
9 (15) for her actions taken prior to 2018.

10 1.15 Another tenant, G. Gilbert, moved into the home. Tang had G. Gilbert fill out a
11 lease agreement instead of modifying the original lease with an addendum or filling out a new
12 lease agreement naming all tenants. The new lease agreement named only G. Gilbert with
13 rent listed for \$600.00. G. Gilbert stayed only briefly, and then moved out. After G. Gilbert left
14 Tang had another tenant move in, filling out another lease agreement, naming only the new
15 tenant A. Hatchell. At this point there were 3 active lease agreements naming 4 separate
16 tenants for the same property. The property owner was not aware and was not told about the
17 two additional tenants.

18 **(7) Violation:** By preparing two additional lease agreements for tenants G. Gilbert and A.
19 Hatchell without the knowledge of the owner, resulting in 3 existing lease agreements for the
20 same property, Tang violated ORS 696.890(4)(a),(b),and (f) (2015 Edition) and ORS
21 696.301(3) as it incorporates ORS 696.890(4)(a),(b), and (f) (2017 Edition) which states: (4) a
22 real estate property manager owes the property owner the following affirmative duties: (a) to
23 deal honestly and in good faith; (b) to disclose material facts known by the property manager
24 and not apparent or readily ascertainable to the owner; (f) to be loyal to the owner by not
25 taking action that is adverse or detrimental to the owner's interest. Tang's conduct is grounds
26 for discipline under ORS 696.301(12) and (15) for her actions taken prior to 2018.

27 1.16 Tang maintained account ending in #2960 named "Xiao Q. Tang Clients Trust
28 Account." Tang used this account for real estate transactions and rents. With a check dated
29 September 14, 2018, Tang repaid a personal loan with clients' trust account funds. The check
30 was for an amount of \$2,272.22.

1 **(8) Violation:** By using clients' trust account funds from account ending in #2960 to repay a
2 personal loan Tang violated ORS 696.301(3) as it incorporates ORS 696.241(5) (2017
3 Edition), which states: a principal broker or licensed real estate property manager may not
4 commingle any other funds with trust funds held in a clients' trust account. Tang also violated
5 ORS 696.301(3) as it incorporates ORS 696.890(4)(a),(c),(e), and (f) (2017 Edition) which
6 states: (4) a real estate property manager owes the property owner the following affirmative
7 duties: (a) to deal honestly and in good faith; (c) to exercise reasonable care and diligence; (e)
8 to act in a fiduciary manner in all matters relating to trust funds; (f) to be loyal to the owner by
9 not taking action that is adverse or detrimental to the owner's interest.

10 1.17 Clients' trust account ending in #2960 was open and active at least as early as
11 the date of the check mentioned above, September 14, 2018. As of May 29, 2019, Tang had
12 not registered clients' trust account ending in #2960 with the Agency.

13 **(9) Violation:** By failing to register clients' trust account ending in #2960, with the Agency,
14 Tang violated ORS 696.301(3) as it incorporates OAR 863-025-0025(3) (1-1-2018 Edition),
15 and ORS 696.245(2) (2017 and 2019 Editions). OAR 863-025-0025(3) states within 10
16 business days from the date a clients' trust account is opened, the property manager must
17 notify the Agency using an online process established by the Agency. The notification will
18 include the information required in ORS 696.245, including a copy of the completed and signed
19 "Notice of Clients' Trust Account and Authorization to Examine." 696.245(2) (2017 and 2019
20 Editions) requires a property manager within 10 business days from the date a clients' trust
21 account is open, to notify the Real Estate Agency that the account has been opened and must
22 include the required information.

23 1.18 In demand letter dated April 25, 2019, Tang was requested to produce a copy of
24 her February 2019 record of receipts and disbursement for clients' trust account ending in
25 #2960. Tang did not provide this document.

26 **(10) Violation:** By failing to provide the February 2019 record of receipts and disbursements
27 journal as requested in the April 25, 2019, demand letter Tang violated ORS 696.301(3) as it
28 incorporates OAR 863-025-0035(1)(d), (2)(a) and (c) (1-1-2018_Edition) OAR 863-025-
29 0035(1)(d), (2)(a) and (c) states: (1)property manager's records of the management of rental
30 real estate are "complete and adequate" as required under ORS 696.280 if the records

1 contain, at least, the following: (d) a record of receipts and disbursements or check register
2 maintained for each clients' trust account or security deposits account: (2) a property manager
3 must produce records required under section (1) of this rule for inspection by the Agency as
4 follows: (a) When the Agency makes a request for production of property management
5 records, the property manager must provide such records within no less than five banking
6 days; (c) failure to produce such records within the timelines stated in subsection (a) or (b) of
7 this section is a violation of ORS 696.301.

8 1.19 At the time of the investigation, Tang was not sending out monthly owner
9 statements. Instead she was sending out a yearly accounting of rents received to the property
10 owner. According to Tang, her yearly report listed out the rents received for the year for tax
11 purposes. According to Tang, her report does not show how much money Tang was holding
12 on behalf of the property owner, nor does it show Tang's property management fee.

13 **(11) Violation:** By failing to provide monthly owners statement to owners and account for
14 her monthly property management fee on the yearly financials provided to the owners Tang
15 violated ORS 696.301(3) as it incorporates OAR 863-025-0055(4) (1-1-2018 Edition), which
16 states: A property manager must report in writing to each owner any change in the owner's
17 ledger. A monthly report showing all receipts and disbursements for the account of the owner
18 during the prior monthly period is sufficient under this section. A copy of each such report
19 must be preserved and filed in the property manger's record. If an annual report contains
20 information not required to be provided by the property manager under these rules, the
21 property manager must set forth such information separately.

22 1.20 Tang was required to provide her February 2019 three-way reconciliation and all
23 supporting documentation for account ending in #2960. Tang provided an incomplete
24 reconciliation form with a copy of the February 2019 bank statement. The date on the
25 reconciliation form was May 1, 2019. On the reconciliation form Part I was partially filled out,
26 noting a balance as of February 1, 2019 of \$4,031.95 and unreconciled deposits of \$6,061.05
27 and unreconciled disbursements of \$7,830.50, the Part I total was not filed in and blank. Part II
28 was blank, Part III showed a zero, and Part IV was blank. The February 2019 bank statement
29 was included, showing an ending balance as of February 29, 2019 of \$8,054.00. No other
30 supporting documentation was provided and no explanation given.

1 **(12) Violation:** By failing to properly complete the February 2019 reconciliation as required,
2 Tang violated ORS 696.301(3) as it incorporates OAR 863-025-0028(2)(a), (b),(c,) and (d)(A)
3 (1-1-2018 Edition), which states: (2) a property manager must reconcile each clients' trust
4 account within 30 calendar days of the date of the bank statement pursuant to the
5 requirements contained in this section: (a) the reconciliation must have three components that
6 are contained in a single reconciliation document; (b) the balances of each component in
7 section (2)(a) of this rule must be equal to and reconciled with each other. If any adjustment is
8 needed, the adjustment must be clearly identified and explained on the reconciliation
9 document; (c) outstanding checks must be listed by check number, issue date, payee and
10 amount; (d) within 30 calendar days from the date of the bank statement, the property
11 manager must: (A) complete the reconciliation document.

12 1.21 All of the above demonstrate incompetence in performing acts for which Tang is
13 required to hold a license.

14 **(13) Violation:** ORS 696.301(12) (2015, 2017, and 2019 Edition) which states a
15 licensee's real estate license can be disciplined if they have demonstrated incompetence in
16 performing any act for which the licensee is required to hold a license.

17 2.

18 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.
19 Based on these violations a suspension is appropriate for violations of ORS 696.301(3),(12),
20 and (15).

21 2.2 A suspension of Tang's principal broker license is appropriate under ORS
22 696.396(2)(c)(B). According to ORS 696.396(2)(c)(B), the Agency may suspend a real estate
23 license if the material facts establish a violation of a ground for discipline under ORS 696.301
24 that exhibits incompetence in the performance of professional real estate activity.

25 2.3 The foregoing violations are also grounds for the issuance of a limited license
26 pursuant to ORS 696.125. Here the Commissioner has determined that issuance of a limited
27 license is in the public interest as to property management portions of Tang's real estate
28 activities. This determination related to property management is based upon the need for
29 adequate consumer protection.
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ORDER

IT IS HEREBY ORDERED that Tang’s real estate license be suspended for a period of 2 months, with said suspension to commence and be effective on November 1, 2020, and to continue through December 31, 2020.

IT IS FURTHER ORDERED that Tang be issued a principal broker license with limitations pursuant to ORS 696.125 as set forth below:

(a) The limited license period shall be for 10 years, starting from the date the Commissioner signs this stipulated order;

(b) Tang shall not conduct or engage in or supervise any employee engaged in professional real estate activity pertaining to property management activities, as defined in ORS 696.010(14).

(c) The above limited license restrictions shall continue for 10 years, as set forth above, and thereafter until Tang (1) requests an unrestricted license, in writing. When Tang requests an unrestricted license, OREA will conduct an inquiry on Tang including but not limited to a check through the Law Enforcement Data System. If OREA finds that there is no reason to continue the limited license, an unrestricted license will be issued.

IT IS FURTHER ORDERED that, should Tang violate any term or condition of this Order, it may be a basis on which to revoke Tang’s license in accordance with ORS 696.301(13).

IT IS SO STIPULATED:

IT IS SO ORDERED:

DocuSigned by:
Xiao Tang
1A980EE85EFF4EF...
XIAO Q. TANG

DocuSigned by:
Steven Strobe
D141D287DDE14A0...
Steven Strobe

Real Estate Commissioner

Date 9/4/2020 | 7:58 PM PDT

Date 9/8/2020 | 9:24 AM PDT

Date of Service: 09/08/2020

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of
TRAVIS DAGGETT

STIPULATED FINAL ORDER

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

FINDINGS OF FACT
&
CONCLUSIONS OF LAW
1.

1.1 At all times mentioned herein, Daggett was licensed as a real estate broker with Keller Williams Realty, Eugene and Springfield (KWR). On February 1, 2019, Daggett's license expired after he failed to renew it, and, on February 1, 2020, Daggett's license lapsed.

1.2 On July 26, 2018, the Agency received a complaint from Tammy Crafton against Daggett.

1.3 Tammy Crafton was assisting her brother-in-law, Jerry Crafton, with the sale of his property at 4199 Scenic Drive (Scenic). On April 20, 2018, Daggett made a verbal offer for buyer Claire Senderling (Senderling) of Montclair Capital Inc.

1.4 On April 30, 2018, Daggett sent Tammy Crafton a listing agreement. On May 1, 2018, Jerry Crafton signed the listing agreement.

1.5 Senderling signed a purchase and sale agreement for Scenic on April 27, 2018, and Jerry Crafton's name was signed to it on May 2, 2018. After the inspection date expired, Daggett contacted Tammy Crafton saying that Senderling wanted to terminate the sale agreement because foundation repairs would cost \$120,000. Daggett sent Tammy Crafton an

1 unsigned termination agreement. Tammy Crafton signed Jerry Crafton's name to the
2 termination via DocuSign.

3 1.6 According to Tammy Crafton, each time she received electronic documents from
4 Daggett, she would contact Jerry Crafton and read each document to him before she
5 electronically signed Jerry Crafton's name or initials to them. Tammy Crafton did not have a
6 power of attorney at the time. Tammy Crafton stated Daggett was aware that she was signing
7 on behalf of Jerry Crafton. Tammy Crafton stated Daggett had not ever asked her for a copy of
8 a power of attorney.

9 **(1) Violation:** By allowing Tammy Crafton to sign Jerry Crafton's name on a real estate
10 transaction document regarding Scenic without a power of attorney, Daggett violated ORS
11 696.301(3) as it incorporates ORS 696.805(3)(a) (2017 Edition), which states that a seller's
12 agent owes the seller the affirmative duty to exercise reasonable care and diligence.

13 1.7 Daggett did not transmit the executed listing agreement and other signed written
14 agreements between Jerry Crafton, Tammy Crafton, and Senderling to Daggett's principal
15 broker, Thomas Dye (Dye), for more than a month.

16 **(2) Violation:** By not transmitting documents of written agreement to his principal broker
17 within 3 banking days, Daggett violated ORS 696.301(3) as it incorporates OAR 863-015-
18 0250(2) (01-01-2018 Edition), which states when a real estate broker receives any document
19 referred to in (1) of this rule the real estate broker must transmit to the real estate broker's
20 principal broker the document within 3 banking days of the real estate broker's receipt of the
21 document.

22 1.8 Daggett reported to the Agency that Senderling never intended to terminate the
23 agreement even though he told Tammy Crafton and Dye that Senderling wanted to terminate
24 the agreement. Once Tammy Crafton received the unsigned termination letter, Tammy Crafton
25 and Jerry Crafton thought they were free to list Scenic with another broker and enter into
26 another sale agreement.

27 **(3) Violation:** By reporting to Tammy Crafton and Dye that Senderling was terminating the
28 agreement for Scenic, and by sending Tammy Crafton an unsigned Termination Agreement,
29 Daggett violated ORS 696.301(3) as it incorporates ORS 696.805(2)(a) and (3)(a), and ORS
30 696.810(2)(a) and (3)(a) (2017 Edition). Per ORS 696.805: (2)(a) A seller's agent owes the

1 seller, other principals and the principals' agents involved in a real estate transaction the
2 affirmative duty to deal honestly and in good faith; and (3)(a) A seller's agent owes the seller
3 the affirmative duty to exercise reasonable care and diligence. Per ORS 696.810: (2)(a) A
4 buyer's agent owes the buyer, other principals and the principals' agents involved in a real
5 estate transaction the affirmative duty to deal honestly and in good faith; and (3)(a) A buyer's
6 agent owes the buyer the affirmative duty to exercise reasonable care and diligence.

7 1.9 Daggett used a business name other than KWR in his email signature block on
8 five different occasions in May 2018.

9 1.10 Dye was unaware Daggett was advertising a different business name until shortly
10 before Daggett left KWR.

11 **(4) Violation:** By advertising using a personal business, and not the registered business
12 name with which his license was associated, Daggett violated ORS 696.301(4) (2017 Edition),
13 and ORS 696.301(3) as it incorporates OAR 863-015-0125(2)(b), (4), and (5)(a) (1-1-18
14 Edition). Per ORS 696.301(4): The Real Estate Commissioner may suspend or revoke the real
15 estate license of any real estate licensee, reprimand any real estate licensee or deny the
16 issuance or renewal of a license to an applicant who has knowingly or recklessly published
17 materially misleading or untruthful advertising. Per OAR 863-015-0125: (2)(b) Advertising by a
18 licensee, in process and in substance, must be truthful and not deceptive or misleading; (4)
19 The licensed name or registered business name of the principal real estate broker, sole
20 practitioner real estate broker, or property manager must be prominently displayed,
21 immediately noticeable, and conspicuous in all advertising; and (5)(a) A real estate broker
22 must submit proposed advertising to the licensee's principal broker for review and receive the
23 principal broker's approval before publicly releasing any advertisement.

24 1.11 All of the above demonstrates incompetence and untrustworthiness in performing
25 any act for which Daggett is required to hold a license, dishonest conduct substantially related
26 to the fitness of a real estate licensee, and conduct that is below the standard of care for the
27 practice of professional real estate activity.

28 **(5) Violation:** Through his actions listed above, Daggett violated ORS 696.301(12), (14),
29 and (15) (2017 Edition), which states the Real Estate Commissioner may suspend or revoke
30 the real estate license of any real estate licensee, reprimand any real estate licensee or deny

1 the issuance or renewal of a license to an applicant who has (12) demonstrated incompetence
2 or untrustworthiness in performing any act for which the real estate licensee is required to hold
3 a license; (14) committed an act of fraud or engaged in dishonest conduct substantially related
4 to the fitness of the applicant or real estate licensee to conduct professional real estate activity,
5 without regard to whether the act or conduct occurred in the course of professional real estate
6 activity; and (15) engaged in any conduct that is below the standard of care for the practice of
7 professional real estate activity in Oregon as established by the community of individuals
8 engaged in the practice of professional real estate activity in Oregon.

9 2.

10 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.
11 Based on these violations, a reprimand is appropriate for violations of ORS 696.301(3), (4),
12 (12), (14), and (15).

13 2.2 The Agency reserves the right to investigate and pursue additional complaints
14 that may be received in the future regarding this licensee.

15 2.3 In establishing the violations alleged above, the Agency may rely on one or more
16 of the definitions contained in ORS 696.010.

17 2.4 According to ORS 696.775, the lapsing, expiration, revocation, or suspension of
18 a real estate license, whether by operation of law, order of the Real Estate Commissioner, or
19 decision of a court of law, or the inactive status of the license, or voluntary surrender of the
20 license by the real estate licensee does not deprive the commissioner of jurisdiction to: (1)
21 proceed with an investigation of the licensee; (2) conduct disciplinary proceedings relating to
22 the licensee; (3) Take action against a licensee, including assessment of a civil penalty against
23 the licensee for a violation of ORS 696.020(2); or (4) revise or render null and void an order
24 suspending or revoking a license.

25
26 **STIPULATION & WAIVER**

27 I have read and reviewed the above findings of fact and conclusions of law which have
28 been submitted to me by the Agency and further, the order which follows hereafter. I
29 understand that the findings of fact, conclusions of law and this stipulation and waiver embody
30 the full and complete agreement and stipulation between the Agency and me. I further

1 understand that if I do not agree with this stipulation I have the right to request a hearing on
2 this matter and to be represented by legal counsel at such a hearing. Hearings are conducted
3 in accordance with the procedures set forth in ORS Chapter 183 and in accordance with the
4 Rules of Practice and Procedure adopted by the Attorney General of the State of Oregon. I
5 freely and voluntarily waive my rights to a hearing, to representation by legal counsel at such a
6 hearing, and to judicial review of this matter.

7 I hereby agree and stipulate to the above findings of fact and conclusions of law and
8 understand that the order which follows hereafter may be completed and signed by the Real
9 Estate Commissioner or may be rejected by the Real Estate Commissioner. I understand that,
10 in accordance with the provisions of ORS 696.445(3), notice of this order shall be published in
11 the Oregon Real Estate News Journal.

12 I agree once the Commissioner executes this stipulated order, I will accept service of
13 the final order by email, and hereby waive the right to challenge the validity of service

14 ORDER

15 IT IS HEREBY ORDERED that the broker license of Daggett be, and hereby is,
16 reprimanded.

17
18 IT IS SO STIPULATED:

18 IT IS SO ORDERED:

19
20 DocuSigned by:
21 *Travis Daggett*
44854CA0A40B468...

20 DocuSigned by:
21 *Steven Strode*
D141D267DDE14A0...



22 TRAVIS DAGGETT

22 STEVEN STRODE

23 Real Estate Commissioner

24 Date 7/23/2020 | 8:04 AM PDT

24 Date 7/27/2020 | 9:37 AM PDT

25
26 Date of Service: 07/27/2020

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of

RICHARD R. VOSS

STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Richard R. Voss (Voss) do hereby agree and stipulate to the following:

FINDINGS OF FACT
&
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Voss was licensed as a principal broker with Windermere Voss Property Management & Associates (WVPMA) and Windermere Peninsula Realty Group (WPRG).

1.2 William McNamee (McNamee) and Hanna Kuhn (Kuhn) filed a complaint against Voss and the Agency opened an investigation.

1.3 Voss's signature header displayed in an email dated August 18, 2017, states he was the Principal Broker/Owner of Windermere Portland North & Voss Property Management. Neither WVPMA nor WPRG were displayed on Voss's email signature header, which were the registered business names that Voss was conducting professional real estate activity under.

(1) Violation: By advertising in an email dated August 18, 2017, he was the Principal Broker/Owner of Windermere Portland North & Voss Property Management, when Voss' principal broker license was associated with Windermere Voss Property Management & Associates (WVPMA) and Windermere Peninsula Realty Group (WPRG), Voss violated ORS 696.301(3) as it incorporates ORS 696.026(7)(a) (2015 Edition), which requires all professional real estate activity conducted by the principal broker to be conducted under the registered

1 business name.

2 1.4 Chris Bentley (Bentley) is a broker licensee, who at the time of the investigation
3 was associated with WPRG (currently his license is now associated with WVPMA).

4 1.5 Bentley was advertised on WVPMA's website under the "Our Team" webpage,
5 when Bentley's license was solely associated with WPRG. WPRG was not mentioned on the
6 "Our Team" webpage or the WVPMA website homepage.

7 **(2) Violation:** By advertising Bentley, a broker, on WVPMA's website under the "Our
8 Team" webpage when Bentley's license was solely associated with WPRG, Voss violated ORS
9 696.301(3) as it incorporates OAR 863-015-0125(4) (1-1-18 Edition), which states the
10 registered business name of a property manager must be prominently displayed, immediately
11 noticeable, and conspicuous in all advertising.

12 1.6 On August 1, 2018, Voss emailed the Agency stating he was switching Bentley's
13 license from WPRG to WVPMA. On August 7, 2018, Agency's licensing records confirmed
14 Bentley's license was associated to WVPMA.

15 1.7 On September, 4, 2018, Mark Morrow's (Morrow), profile on WVPMA's "Our
16 Team" webpage did not indicate Morrow was unlicensed.

17 **(3) Violation:** By failing to indicate Morrow was non-licensed on Morrow's profile on
18 WVPMA's "Our Team" webpage, Voss violated ORS 696.301(3) as it incorporates OAR 863-
19 015-0125(11)(e) (1-1-2018 Edition) which states: (11) a licensee may use the term "team" or
20 "group" to advertise if: (e) if any non-licensed individuals are named in the advertising, the
21 advertising must clearly state which individuals are real estate licensees and which ones are
22 not.

23 1.8 WVPMA's accounting department collected and monitored rent for their
24 company. There was no delegation in place for any WVPMA associates involved with the
25 property management activity.

26 **(4) Violation:** By not having a delegation of authority in place for WVPMA's accounting
27 department or WVPMA associates involved in property management, Voss violated ORS
28 696.301(3) as it incorporates OAR 863-025-0015(1),(3)(a),(b),(c) (1-1-2018 Edition), which
29 states:(1) Each property manager must develop, maintain and follow written policies for
30 persons and activities under this rule. (3) Policies must specify the duties, responsibilities,

1 supervision and authority, including any authority to handle funds in a clients' trust account or
2 security deposits account, for the following persons: (a) A licensed property manager
3 employed by the property manager, including any authority to negotiate tenant rental and lease
4 agreements; (b) An active real estate licensee engaged in the management of rental real
5 estate under the supervision and control of a principal broker, including any authority to sign
6 property management agreements under OAR 863-025-0020(6) and tenant rental and lease
7 agreements under 863-025-0045(2); and (c) An employee of the property manager, including
8 any authority to: (A) Negotiate tenant rental or lease agreements under OAR 863-025-0045(2);
9 (B) Check applicant or tenant references, including credit references; (C) Physically maintain
10 the real estate of an owner; (D) Conduct tenant relations; (E) Collect rent and other payments;
11 (F) Supervise premise managers; or (G) Discuss financial matters relating to management of
12 the real estate with the owner.

13 1.9 On March 1, 2016, McNamee and Kuhn signed a property management
14 agreement with Windermere Voss Property Management rather than WVPMA. Bentley signed
15 the property management agreement as agent. There was no written delegation of authority in
16 place giving Bentley authority to sign property management agreements.

17 **(5) Violation:** By allowing Bentley, a broker, to sign a property management agreement
18 without written authority on March 1, 2016, between McNamee and Kuhn and WVPMA, Voss
19 violated ORS 696.301(3) as it incorporates OAR 863-025-0020(6) (5-15-14 Edition), which
20 states only a property manager may negotiate and sign a property management agreement,
21 except that a principal broker engaging in the management of rental real estate may delegate
22 such authority under OAR 863-025-0015(6) to a real estate licensee under the supervision and
23 control of the principal real estate broker.

24 1.10 Voss indicated he corrected the property management agreements to display the
25 correct registered business name and created written delegations of authority for the
26 necessary individuals engaged in property management activity.

27 1.11 On April 11, 2016, tenant Morrison signed a two year tenant agreement with
28 Windermere Voss Property Management. The tenant agreement states Morrison would pay
29 \$2,895.00 rent on the first of each month.

30 1.12 When Morrison paid rent on June 5, 2017, she paid \$2,800.00, \$95.00 short of

1 the \$2,895.00 monthly rent amount stipulated in the tenant agreement.

2 1.13 The tenant agreement terms and conditions state if all monthly charges were not
3 paid by the end of the fourth day, a \$75.00 late charge would be imposed on the fifth day of the
4 month. The tenant agreement states partial payment would not be accepted.

5 1.14 On June 23, 2017, McNamee and Kuhn sent an email requesting a response
6 regarding the delinquent rent. Later McNamee and Kuhn through correspondence in July
7 2017 told Bentley and Morrow to charge Morrison the \$75.00 late fee.

8 1.15 On August 18, 2017, Voss emailed McNamee and Kuhn stating, "I see no
9 evidence of any late payment. There is a \$85.00 balance that we are aware of."

10 1.16 Bentley stated WVPMA's accounting department did not catch Morrison's rent
11 shortage of \$95.00 in June 2017.

12 1.17 On August 21, 2017, Voss sent McNamee and Kuhn an email stating, "I just left
13 the tenant a message to get the rent shortage paid ASAP."

14 **(6) Violation:** By not addressing late rents owed to McNamee and Kuhn in the amount of
15 \$95.00 in a timely manner and not charging the late fee of \$75.00, Voss violated ORS
16 696.890(4)(c) (2015 Edition), which states a property manager owes the property owner the
17 affirmative duties:(c) To exercise reasonable care and diligence.

18
19 2.

20 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.
21 Based on these violations a reprimand is appropriate for violations of ORS 696.301(3).

22 2.2 The Agency reserves the right to investigate and pursue additional complaints
23 that may be received in the future regarding this licensee.

24 2.3 In establishing the violations alleged above, OREA may rely on one or more of
25 the definitions contained in ORS 696.010.

26 2.4 According to ORS 696.775, the lapsing, expiration, revocation or suspension of a
27 real estate license, whether by operation of law, order of the Real Estate Commissioner or
28 decision of a court of law, or the inactive status of the license, or voluntary surrender of the
29 license by the real estate licensee does not deprive the commissioner of jurisdiction to: (1)
30 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

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

3
4 **STIPULATION & WAIVER**

5 I have read and reviewed the above findings of fact and conclusions of law which have
6 been submitted to me by the Agency and further, the order which follows hereafter. I
7 understand that the findings of fact, conclusions of law and this stipulation and waiver embody
8 the full and complete agreement and stipulation between the Agency and me. I further
9 understand that if I do not agree with this stipulation I have the right to request a hearing on
10 this matter and to be represented by legal counsel at such a hearing. Hearings are conducted
11 in accordance with the procedures set forth in ORS Chapter 183 and in accordance with the
12 Rules of Practice and Procedure adopted by the Attorney General of the State of Oregon. I
13 freely and voluntarily waive my rights to a hearing, to representation by legal counsel at such a
14 hearing, and to judicial review of this matter.

15 I hereby agree and stipulate to the above findings of fact and conclusions of law and
16 understand that the order which follows hereafter may be completed and signed by the Real
17 Estate Commissioner or may be rejected by the Real Estate Commissioner. I understand that,
18 in accordance with the provisions of ORS 696.445(3), notice of this order shall be published in
19 the Oregon Real Estate News Journal.

20 I agree once the Commissioner executes this stipulated order, I will accept service of
21 the final order by email, and hereby waive the right to challenge the validity of service.

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ORDER

IT IS HEREBY ORDERED that the principal broker license of Voss be, and hereby is, reprimanded.

IT IS SO STIPULATED:

IT IS SO ORDERED:

DocuSigned by:
Richard Voss
A86DD0DDD04A4DD...

DocuSigned by:
Steven Strode
D141D287DDE14A0...



RICHARD R. VOSS

STEVEN STRODE

Real Estate Commissioner

Date 8/4/2020 | 9:38 AM PDT

Date 8/4/2020 | 1:48 PM PDT

Date of Service: 08/04/2020

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of)
TONI LYNNE O'HARA) STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Toni Lynne O'Hara (O'Hara) do hereby agree and stipulate to the following:

FINDINGS OF FACT
&
CONCLUSIONS OF LAW
1.

1.1 At all times mentioned herein, O'Hara was licensed as a property manager working under the registered business name of Viking Property Management, LLC (VPM).

1.2 On September 3, 2019, the Agency sent an email to VPM notifying them of a clients' trust account reconciliation review for security deposit account ending in #3006. VPM was required to submit the reconciliation for January 2019, along with supporting documentation within 30 days. On October 3, 2019, O'Hara submitted the January 2019 reconciliation and supporting documentation for security deposits account ending in #3006. The three components of the reconciliation did not balance.

1.3 Agency staff and O'Hara corresponded back and forth multiple times where O'Hara attempted to find the errors in her reconciliation and bookkeeping. On March 5, 2020, an investigation was opened.

1.4 VPM had two clients' trust accounts registered with the Agency, clients' trust account ending in #2982 and security deposits account ending in #3006.

1.5 On April 1, 2020, Agency Financial Investigator/Auditor Cidia Nanez (Nanez) contacted O'Hara requesting her most recent reconciliations. O'Hara stated she hadn't done the reconciliations for a while.

1 **(1) Violation:** On April 1, 2020, O'Hara was asked to produce her most recent
2 reconciliations, O'Hara admitted that she had not done her reconciliations in a while, in
3 violation of ORS 696.301(3) as it incorporates OAR 863-025-0028(2) & (3) (1-1-2018 Edition),
4 which requires a property manager to reconcile each clients' trust account and security
5 deposits account within 30 calendar days of the date of the bank statement.

6 1.6 On April 1, 2020, O'Hara was emailed a demand for documents, which included
7 a reconciliation for February 2020 with supporting documentation of both O'Hara's clients' trust
8 accounts (a client trust account and a security deposits account). O'Hara was required to
9 provide the documents no later than end of the day April 8, 2020.

10 1.7 O'Hara failed to provide any reconciliations by the April 8, 2020, deadline.

11 **(2) Violation:** By failing to provide the requested reconciliations by the April 8, 2020,
12 deadline O'Hara violated ORS 696.301(3) as it incorporates OAR 863-025-0035(2)(a) (1-1-
13 2018 Edition), which states: (2) a property manager must produce records required under
14 section (1) of this rule for inspection by the Agency as follows: (a) when the Agency makes a
15 request for production of property management records, the property manager must provide
16 such records within no less than five banking days.

17 1.8 On April 13, 2020, O'Hara emailed her reconciliation and supporting
18 documentation for security deposits account ending in #3006 for January 2020. The
19 reconciliation did not balance. On the reconciliation document, Part I total for the reconciled
20 bank balance was \$164,296.70, Part II total for the Check Register/Receipts and
21 Disbursements Journal was \$164,169.88, and Part III total for Security Deposits Ledgers was
22 \$156,243.00.

23 **(3) Violation:** By failing to properly reconcile the three components to each other, O'Hara
24 violated ORS 696.301(3) as it incorporates OAR 863-025-0028(3)(b) (1-1-2018 Edition), which
25 states: (3) a property manager must reconcile each security deposits account within 30
26 calendar days of the bank statement date pursuant to the requirements contained in this
27 section: (b) the balances of each component in section (3)(a) of this rule must be equal to and
28 reconciled with each other. If any adjustment is needed, the adjustment must be clearly
29 identified and explained on the reconciliation document.

30 ///

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.

I agree once the Commissioner executes this stipulated order, I will accept service of the final order by email, and hereby waive the right to challenge the validity of service.

ORDER

IT IS HEREBY ORDERED that the property manager license of Toni Lynne O'Hara be, and hereby is, reprimanded.

IT IS SO STIPULATED:

IT IS SO ORDERED:

DocuSigned by: Toni Lynne O'Hara
9B489A47AFA84B3...
TONI LYNN O'HARA

DocuSigned by: Steven Strode
D141D287DDE14A0...
STEVEN STRODE



Date 8/24/2020 | 10:51 AM PDT

Real Estate Commissioner
Date 8/24/2020 | 11:51 AM PDT

Date of Service: 08/24/2020

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of)
BRITTANY ANN GIBBS) STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Brittany Ann Gibbs (Gibbs) do hereby agree and stipulate to the following:

FINDINGS OF FACT
&
CONCLUSIONS OF LAW

1.

1.1 On December 7, 2016 Gibbs' real estate broker license was associated with More Realty, Inc. (More). She obtained her principal broker license on June 19, 2018. On July 24, 2018, Gibbs registered the business name Move Real Estate Inc. (Move) and associated her license with Move. At all times mentioned herein on or before June 18, 2018, Gibbs was licensed as a broker with More. At all times mentioned herein between June 18 and July 24, 2018, Gibbs was licensed as a principal broker with More. At all times mentioned herein on or after July 24, 2018, Gibbs was licensed as a principal broker with Move.

1.2 On February 21, 2019, the Agency received a complaint from Catharine Kristine Veeder (Veeder) against Gibbs.

1.3 On June 6, 2018, Veeder contacted Gibbs to discuss listing her property located at 9900 SE 73rd Avenue (73rd Ave). Veeder asked Gibbs to view the property and provide feedback on repairs.

1.4 On June 10, 2018, Gibbs texted Veeder her repair recommendations, including repairing five holes in walls throughout the house, fixing the insulation in the laundry room, and installing drywall in the laundry room.

1 1.5 On June 11, 2018, Gibbs emailed Veeder stating that it would take about two
2 weeks for repairs to be completed. Gibbs said she would let Veeder know when Gibbs got
3 some bids for the work and what the contractor said about the drywall for the laundry room.

4 1.6 Gibbs and Veeder signed a listing agreement on June 12, 2018.

5 1.7 Veeder says that Gibbs never sent her bids or quotes, and that much of the work
6 done on the property was unapproved.

7 1.8 Veeder said most of the work was done in June or July, but she only received
8 two invoices in December.

9 1.9 Gibbs said she spent \$5000 on repairs to 73rd Ave.

10 1.10 Veeder complained that Gibbs reduced the sale price of 73rd Ave without
11 Veeder's consent or written authorization.

12 1.11 The Regional Multiple Listing Service history shows that on August 19, 2018,
13 Gibbs lowered the sale price of 73rd Ave from \$299,000 to \$289,000. On August 22, 2018, it
14 showed Gibbs increased the sale price from \$289,000 to \$299,000. On August 26, 2018, it
15 showed Gibbs again lowered the sale price to \$289,000.

16 1.12 Gibbs admitted to not having a price change request from Veeder in writing.

17 **(1) Violation:** By reducing the sale price of 73rd Ave by \$10,000 without Veeder's written
18 authorization, Gibbs violated 696.301(3) as it incorporates ORS 696.805(2)(a) and (3)(a) and
19 (c) (2017 Edition). ORS 696.805(2)(a) states that a seller's agent owes the seller, other
20 principals, and the principals' agents involved in a real estate transaction the affirmative duty of
21 dealing honestly and in good faith. ORS 696.805(3)(a) and (c) states that a seller's agent owes
22 the seller involved in a real estate transaction the affirmative duties of exercising reasonable
23 care and diligence and being loyal to the seller by not taking action that is adverse or
24 detrimental to the seller's interest in a transaction.

25 1.13 On September 14, 2018, Lyndsey Lord (Lord), a broker with Premiere Property
26 Group, LLC, submitted an offer to purchase 73rd Ave on behalf of her client, Julie Moore
27 (Moore), for \$262,900, contingent on the sale of a property Moore owned.

28 1.14 Veeder countered with \$286,000 on September 17, 2018, asking Gibbs to make
29 the counter-offer "as-is." Gibbs did not include in the counter-offer the "as-is" verbiage, but
30 Veeder signed it anyway.

1 1.15 Because Veeder was unaware that Gibbs had reduced the listing price from
2 \$299,000 to \$289,000, Veeder thought she was giving a price concession of \$13,000 for an
3 “as-is” sale. Moore, knowing the listing price was \$289,000, thought that Veeder was only
4 willing to accept a \$3,000 price reduction, and so Moore thought she could negotiate more in
5 credits toward repairs.

6 **(2) Violation:** By reducing the sale price of 73rd Ave without written authorization and
7 impeding Veeder’s ability to effectively negotiate the transaction with the buyer, Gibbs violated
8 696.301(3) as it incorporates ORS 696.805(2)(a) and (3)(a) and (c) (2017 Edition). ORS
9 696.805(2)(a) states that a seller’s agent owes the seller, other principals, and the principals’
10 agents involved in a real estate transaction the affirmative duty of dealing honestly and in good
11 faith. ORS 696.805(3)(a) and (c) states that a seller’s agent owes the seller involved in a real
12 estate transaction the affirmative duties of exercising reasonable care and diligence and being
13 loyal to the seller by not taking action that is adverse or detrimental to the seller’s interest in a
14 transaction.

15 1.16 On September 14, 2018, Claudia Pobanz (Pobanz), a principal broker with Silver
16 Key Real Estate, submitted an offer to purchase 73rd Ave on behalf of Jennifer McBratney
17 (McBratney) for \$289,000.

18 1.17 According to Pobanz, on September 15, 2018, Gibbs acknowledged receipt of
19 the offer, but Gibbs didn’t tell Pobanz if Veeder accepted it.

20 1.18 On September 16, 2018, McBratney’s offer to purchase expired. Pobanz emailed
21 Gibbs to let Gibbs know that McBratney was moving on even though she liked the property.
22 Gibbs responded that Veeder had accepted the offer. Pobanz told Gibbs that, had Pobanz
23 been informed of the delay, of the intention of the seller to accept the offer, or of a request for
24 an extension on the expiration of the offer, the transaction could have proceeded. But the lack
25 of communication led Pobanz and McBratney to assume the offer was not accepted, and
26 McBratney began looking for another property.

27 **(3) Violation:** By not communicating with Pobanz regarding the status of the acceptance of
28 the offer, resulting in McBratney terminating her offer, Gibbs violated 696.301(3) as it
29 incorporates ORS 696.805(2)(b) and (3)(a) and (c) (2017 Edition). ORS 696.805(2)(b) states
30 that a seller’s agent owes the seller, other principals, and the principals’ agents involved in a

1 real estate transaction the affirmative duty of presenting all written offers, written notices, and
2 other written communications to and from the parties in a timely manner without regard to
3 whether the property is subject to a contract for sale or the buyer is already a party to a
4 contract to purchase. ORS 696.805(3)(a) and (c) states that a seller's agent owes the seller
5 involved in a real estate transaction the affirmative duties of exercising reasonable care and
6 diligence and being loyal to the seller by not taking action that is adverse or detrimental to the
7 seller's interest in a transaction.

8 1.19 On September 18, 2018, Veeder asked Gibbs if Moore had accepted the
9 counter-offer submitted on September 16, 2018. Gibbs responded, "Yes." Veeder stated that
10 she never received as copy of the signed counter-offer.

11 1.20 Lord reports she sent a copy of the counter-offer to Gibbs on September 17,
12 2018.

13 **(4) Violation:** By not providing a copy of the signed counter-offer to Veeder, Gibbs violated
14 696.301(3) as it incorporates ORS 696.805(2)(b) and (3)(a) and (c) (2017 Edition) and OAR
15 863-015-0135(4) (1-1-18 Edition). ORS 696.805(2)(b) states that a seller's agent owes the
16 seller, other principals, and the principals' agents involved in a real estate transaction the
17 affirmative duty of presenting all written offers, written notices, and other written
18 communications to and from the parties in a timely manner without regard to whether the
19 property is subject to a contract for sale or the buyer is already a party to a contract to
20 purchase. ORS 696.805(3)(a) and (c) states that a seller's agent owes the seller involved in a
21 real estate transaction the affirmative duties of exercising reasonable care and diligence and
22 being loyal to the seller by not taking action that is adverse or detrimental to the seller's
23 interest in a transaction. OAR 863-015-0135(4) states that, when a licensee receives a written
24 acceptance of an offer or counter-offer to purchase real property, the licensee must deliver
25 within three banking days true, legible copies of the offer or counter-offer, signed by the seller
26 and buyer, to both the buyer and seller.

27 1.21 On September 28, 2018, Moore had a home inspection performed on 73rd Ave.

28 1.22 On October 4, 2018, Lord submitted a repair addendum to Gibbs. In the repair
29 addendum, Moore requested a price reduction to \$276,000 with a \$6,000 credit toward closing
30 costs and proof of sewer repair.

1 1.23 On October 9, 2018, Veeder requested by text a copy of the repair addendum,
2 indicating she had not received one.

3 1.24 On October 11, 2018, Gibbs emailed Veeder a copy of Moore’s inspection report.
4 Veeder replied, again requesting a copy of the repair addendum.

5 1.25 Moore terminated her offer to purchase on October 11, 2018, because the repair
6 addendum was not signed.

7 1.26 On October 15, 2018, Gibbs emailed the termination and the repair addendum to
8 Veeder.

9 **(5) Violation:** By not providing the repair addendum to Veeder in a timely manner, Gibbs
10 violated 696.301(3) as it incorporates ORS 696.805(2)(b) and (3)(a) and (c) (2017 Edition).
11 ORS 696.805(2)(b) states that a seller’s agent owes the seller, other principals, and the
12 principals’ agents involved in a real estate transaction the following affirmative duty of
13 presenting all written offers, written notices, and other written communications to and from the
14 parties in a timely manner without regard to whether the property is subject to a contract for
15 sale or the buyer is already a party to a contract to purchase. ORS 696.805(3)(a) and (c)
16 states that a seller’s agent owes the seller involved in a real estate transaction the affirmative
17 duties of exercising reasonable care and diligence and being loyal to the seller by not taking
18 action that is adverse or detrimental to the seller’s interest in a transaction.

19 1.27 On October 16, 2018, Veeder sent an email to Gibbs terminating the listing
20 contract for 73rd Ave.

21 1.28 On February 11, 2019, Gibbs emailed Veeder stating that Gibbs had consulted
22 with an attorney, and the contractors would be putting a lien on 73rd Ave.

23 1.29 Veeder reported she never received a notice of right to lien from any contractor
24 for the work Gibbs had done on 73rd Ave.

25 1.30 On March 1, 2019, 73rd Ave went active again on RMLS after Veeder signed a
26 listing agreement with another broker. Gibbs said she didn’t know Veeder hired another broker
27 until the property was relisted. The listing changed to pending on March 12, 2018.

28 1.31 On March 14, 2018, Gibbs emailed Eden Toothman (Toothman), Senior Escrow
29 Officer for Lawyers Title of Oregon, LLC. Gibbs told Toothman that Gibbs was planning to sue
30

1 Veeder for the repairs paid for by Gibbs, and that the litigation could delay the current
2 transaction.

3 1.324 On March 14, 2018, Gibbs emailed Veeder notifying Veeder that that Gibbs had
4 retained legal counsel and was planning to file a lawsuit for the unpaid contractor bills. Gibbs
5 said that the civil suit would delay the sale of 73rd Ave.

6 **(6) Violation:** By attempting to interfere with the contract between Veeder and another
7 broker, Gibbs violated ORS 696.301(6) (2019 Edition), which states that the Real Estate
8 Commissioner may reprimand any real estate licensee who has intentionally interfered with the
9 contractual relations of others concerning real estate or professional real estate activity.

10 1.33 On November 13, 2010, Agency Financial Investigator/Auditor Lisa Montellano
11 (Montellano) contacted Gibbs to request an appointment for an interview, suggesting the
12 interview be conducted at a place where Gibbs would have access to her documents and
13 records pertaining to her representation of Veeder in the sale of 73rd Ave.

14 1.34 During the interview on November 19, 2019, at Gibbs' office, Montellano asked
15 Gibbs to produce multiple documents relating to the Veeder transaction, however, Gibbs was
16 unable to locate many of the documents requested. Montellano wrote a down a list of
17 documents she was requesting from Gibbs and followed up by email containing the list of the
18 requested documents that same day. Gibbs was required to provide the documents no later
19 than the end of business on November 25, 2019. As of December 20, 2019, Gibbs had not
20 produced the requested documents.

21 **(7) Violation:** By not making documents and records of the transaction available to the
22 Agency for inspection and viewing, and failing to provide the requested documents altogether
23 Gibbs violated ORS 696.301(3) as it incorporated ORS 696.280(3) (2019 Edition) and OAR
24 863-015-0260(2) (1-1-18 Edition). ORS 696.280(3) states that complete and adequate records
25 of all professional real estate activity conducted by or through the principal real estate broker
26 must at all times be open for inspection by the Real Estate Commissioner or the
27 commissioner's authorized representatives. OAR 863-015-0260(2) (1-1-18 Edition) states that
28 a principal broker must maintain at the principal broker's office a means of viewing copies of
29 documents or records. A principal broker must provide, at his or her expense, a paper copy of
30 any document or record the Agency requests.

1 I have read and reviewed the above findings of fact and conclusions of law which have
2 been submitted to me by the Agency and, further, the order which follows hereafter. I
3 understand that the findings of fact, conclusions of law, and this stipulation and waiver embody
4 the full and complete agreement and stipulation between the Agency and me. I further
5 understand that if I do not agree with this stipulation, I have the right to request a hearing on
6 this matter and to be represented by legal counsel at such a hearing. Hearings are conducted
7 in accordance with the procedures set forth in ORS Chapter 183 and in accordance with the
8 Rules of Practice and Procedure adopted by the Attorney General of the State of Oregon. I
9 freely and voluntarily waive my rights to a hearing, to representation by legal counsel at such a
10 hearing, and to judicial review of this matter.

11 I hereby agree and stipulate to the above findings of fact and conclusions of law and
12 understand that the order which follows hereafter may be completed and signed by the Real
13 Estate Commissioner or may be rejected by the Real Estate Commissioner. I understand that,
14 in accordance with the provisions of ORS 696.445(3), notice of this order shall be published in
15 the Oregon Real Estate News-Journal.

16 I agree, once the Commissioner executes this stipulated order, that I will accept service
17 of the final order by email and hereby waive the right to challenge the validity of service.

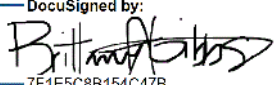
18 ORDER

19 IT IS HEREBY ORDERED that Gibbs' principal broker license be, and is hereby is,
20 reprimanded.

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IT IS SO STIPULATED:

IT IS SO ORDERED:

DocuSigned by:

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DocuSigned by:

D141D287DDE14A0...



BRITTANY ANN GIBBS

STEVEN STRODE

Real Estate Commissioner

Date 8/26/2020 | 4:17 PM PDT

Date 8/27/2020 | 11:04 AM PDT

Date of Service: 08/27/2020

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of)
GEOFFREY MICHAEL GROENER) STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Geoffrey Michael Groener (Groener) do hereby agree and stipulate to the following:

FINDINGS OF FACT
&
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Groener was licensed as a real estate broker with Cascade Sotheby’s International Realty.

1.2 In May 2019, the Agency received a complaint from Ronald Ford and Sylvia Avenius-Ford (Fords) against Groener and the Agency opened an investigation.

1.3 On March 21, 2012, Groener and Ashley Maxwell, purchased 1221 NW West Hills Ave., in Bend Oregon, located in the West Hills Subdivision. When escrow was opened, Groener was emailed a copy of the CC&R’s pertaining to the sale.

1.4 Groener contacted Oscar Sarabia (Sarabia), owner of a vacant lot adjacent to his home to see if he would be willing to sell.

1.5 On January 25, 2016, Groener entered into a listing agreement with Sarabia, to sell Lot 2 West Hills Ave (property), a vacant lot in the West Hills Subdivision in Bend, OR.

1.6 The marketing remarks stated in part, “Nice gradual slope for easy build, great southern exposure, close to 40 acre Hillside Park.” And “Mature trees and sun abound on this 8,700 sq. ft. home site. Bring your plans and build your dream home in this predominately hip Mid-Century neighborhood.”

1 1.7 Groener said he filed out the listing and sent it to Sarabia to sign since he lived
2 out of state. The “no” box was marked for CC&R’s and the marketing remarks in the listing,
3 signed by Sarabia, were blank. According to Groener’s disposition, he filled out the listing
4 agreement and then went over everything line by line with Sarabia.

5 1.8 On September 19, 2016, Groener prepared an offer to purchase the property for
6 the Fords under a disclosed limited agency agreement. Ronald Ford stated they were moving
7 to Bend from New Mexico. They began working with a builder, Bart Mitchell who introduced
8 them to Groener and suggested they look at his listing.

9 1.9 Ronald Ford remembered discussing the buildability of the property at great
10 length since the lot was small and had a panhandle protruding into the property next door.
11 There was discussion about how the original lot was re-platted to create a second buildable lot.
12 Groener explained to the Fords the city required 90 feet of street frontage- hence the reason
13 for the panhandle. According to Robert Ford, when they were viewing the lot, he was
14 surprised to learn, from Groener, that there were no CC&Rs. Groener reassured the Fords
15 again and again there were no building restrictions.

16 1.10 According to Groener, when he bought his house, it was marketed as not having
17 any CC&R’s and he continued to assume and trust this information.

18 1.11 Groener admitted he did not do any research on the property before listing it for
19 sale, other than speaking to the seller, who had plans to build on the property- this only
20 confirming to him there were no building restrictions. Groener did not check with the county or
21 city to verify if there were any other building restrictions on the property.

22 **(1) Violation:** By implying, in the listing, that the property was free of building restrictions
23 and CC&R’s without first confirming the accuracy of this information, Groener violated ORS
24 696.301(3) as it incorporates ORS 696.805(3)(a) and (e) (2017 Edition) and OAR 863-015-
25 0125(2)(b) (1/01/2018 Edition). Per ORS 696.805(3)(a) and (e): A seller’s agent owes the
26 seller involved in a real estate transaction the following affirmative duties: (a) to exercise
27 reasonable care and diligence; (e) to advise the seller to seek expert advice on matters related
28 to the transaction that are beyond the agent’s expertise. Per OAR 863-015-0125(2)(b): (2)
29 advertising by a licensee, in process and substance must: (b) be truthful and not deceptive or
30 misleading. Groener also violated ORS 696.301(1) and (12) (2017 Edition) which state a

1 licensee's real estate license may be disciplined if they have: (1) created a reasonable
2 probability of damage or injury to a person by making one or more material misrepresentations
3 or false promises in a matter related to professional real estate activity; (12) demonstrated
4 incompetence or untrustworthiness in performing any act for which the real estate license is
5 required to hold a license.

6 **(2) Violation:** By advising the Fords that there were no building restrictions or CC&R's for
7 the property, Groener violated ORS 696.301(3) as it incorporates ORS 696.810(3)(a) and (e)
8 (2017 Edition), which states: (3) A buyers' agent owes the buyer involved in a real estate
9 transaction the following affirmative duties: (a) to exercise reasonable care and diligence; (e)
10 and to advise the buyer to seek expert advice on matters related to the transaction that are
11 beyond the agent's expertise. Groener also violated ORS 696.301(1) and (12) (2017 Edition),
12 which state a licensee's real estate license may be disciplined if they have: (1) created a
13 reasonable probability of damage or injury to a person by making one or more material
14 misrepresentations or false promises in a matter related to professional real estate activity;
15 (12) demonstrated incompetence or untrustworthiness in performing any act for which the real
16 estate license is required to hold a license.

17 1.12 On September 26, 2016, First American Title, issued a preliminary title report-
18 Groener, Sarabia and the Fords received a copy. Page 3 of the report, item number 9 listed
19 the various recorded information for the CC&Rs related to the property. After the transaction
20 closed, the Fords received a full preliminary title report containing documents not included in
21 the electronic version, including a copy of the West Hills Subdivision's CC&Rs.

22 1.13 The CC&R's noted in part the following: "No residence shall be constructed on
23 any area of land which is not at least 90 feet wide along the street frontage and the full depth
24 of the lot or lots as plotted."

25 1.14 The lot had the required 90-foot street frontage, but the 90 feet did not extend to
26 the full depth of the lot.

27 1.15 The matter was submitted to binding arbitration. The Arbitrator found for the
28 Fords on all three counts of their Statements of Claim. On May 17, 2019, a satisfaction of
29 judgement was recorded in Deschutes County for \$287,497.28 in favor of the Fords. Groener
30 failed to notify the Agency regarding the adverse decision. Groener stated he was not aware

1 he was required to notify the Agency.

2 **(3) Violation:** By failing to notify the Agency of the adverse arbitration judgment, Groener
3 violated ORS 696.301(3) as it incorporates OAR 863-015-0175(1)(b) and (4) (1/01/2018
4 Edition), which requires (1) A real estate licensee must notify the Commissioner of the
5 following: (b) any adverse decision or judgment resulting from any civil or criminal suit or action
6 or arbitration proceeding or any administrative or Oregon State Bar proceeding relating to the
7 licensee in which the licensee was named as a party and against whom allegations concerning
8 any business conduct or professional real estate activity is asserted; (4) the notification
9 required by this rule must be made within twenty 20 calendar days after receiving written
10 notification of an adverse judgment, award, or decision described in this rule. Notification must
11 be made under this rule whether or not the decision is appealed.

12 1.16 Violations 1 and 2 noted above demonstrate conduct below the standard of care
13 for the practice of professional real estate activity.

14 **(4) Violation:** ORS 696.301(15) (2017 Edition) which states a licensee's real estate license
15 may be disciplined if they have engaged in any conduct that is below the standard of care for
16 the practice of professional real estate activity in Oregon as established by the community of
17 individuals engaged in the practice of professional real estate activity in Oregon.

18
19 2.

20 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.
21 Based on these violations a reprimand is appropriate for violations of ORS 696.301(1),(3),(12)
22 and (15).

23 2.2 The Agency reserves the right to investigate and pursue additional complaints
24 that may be received in the future regarding this licensee.

25 2.3 In establishing the violations alleged above, OREA may rely on one or more of
26 the definitions contained in ORS 696.010.

27 2.4 According to ORS 696.775, the lapsing, expiration, revocation or suspension of a
28 real estate license, whether by operation of law, order of the Real Estate Commissioner or
29 decision of a court of law, or the inactive status of the license, or voluntary surrender of the
30 license by the real estate licensee does not deprive the commissioner of jurisdiction to: (1)

1 proceed with an investigation of the licensee; (2) conduct disciplinary proceedings relating to
2 the licensee; (3) Take action against a licensee, including assessment of a civil penalty against
3 the licensee for a violation of ORS 696.020(2); or (4) revise or render null and void an order
4 suspending or revoking a license.

5
6 **STIPULATION & WAIVER**

7 I have read and reviewed the above findings of fact and conclusions of law which have
8 been submitted to me by the Agency and further, the order which follows hereafter. I
9 understand that the findings of fact, conclusions of law and this stipulation and waiver embody
10 the full and complete agreement and stipulation between the Agency and me. I further
11 understand that if I do not agree with this stipulation I have the right to request a hearing on
12 this matter and to be represented by legal counsel at such a hearing. Hearings are conducted
13 in accordance with the procedures set forth in ORS Chapter 183 and in accordance with the
14 Rules of Practice and Procedure adopted by the Attorney General of the State of Oregon. I
15 freely and voluntarily waive my rights to a hearing, to representation by legal counsel at such a
16 hearing, and to judicial review of this matter.

17 I hereby agree and stipulate to the above findings of fact and conclusions of law and
18 understand that the order which follows hereafter may be completed and signed by the Real
19 Estate Commissioner or may be rejected by the Real Estate Commissioner. I understand that,
20 in accordance with the provisions of ORS 696.445(3), notice of this order shall be published in
21 the Oregon Real Estate News Journal.

22 I agree once the Commissioner executes this stipulated order, I will accept service of
23 the final order by email, and hereby waive the right to challenge the validity of service.

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ORDER

IT IS HEREBY ORDERED that the broker license of Geoffrey Michael Groener be, and hereby is reprimanded.

IT IS SO STIPULATED:

IT IS SO ORDERED:



DocuSigned by:
Geoff Groener
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GEOFFREY MICHAEL GROENER

DocuSigned by:
Steven Strode
D141D267DDE14A0...
STEVEN STRODE

Real Estate Commissioner

Date 9/11/2020 | 1:15 PM PDT

Date 9/14/2020 | 8:39 AM PDT

Date of Service: 09/14/2020

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Escrow Agent License of)
FIRST AMERICAN TITLE INSURANCE) STIPULATED FINAL ORDER
COMPANY)

The Oregon Real Estate Agency (OREA) and First American Title Insurance Company (First American) in order to avoid the expense and risks of hearing and appeals do hereby agree to resolve this case and stipulated that the following findings, conclusions and order may be entered.

FINDINGS OF FACT
&
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, First American was licensed as an escrow agent in Oregon.

1.2 On August 28, 2019, the Oregon Department of Consumer and Business Services forwarded a complaint filed by Robert Griffin.

1.3 Griffin and Patricia O'Brien (O'Brien) as required by their Dissolution of Marriage General Judgement (Divorce Decree), signed December 2018, were required to sell the real property located at 256 NE Kingwood Ct. in McMinnville, OR (subject property).

1.4 On May 7, 2019, Griffin and O'Brien signed a purchase and sale agreement to sell the property to Eric Colvin (Colvin). The sales agreement noted this transaction would close at "First American Title Company- Michelle Gregor." Closing was to occur on or before June 20, 2019.

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1 1.5 Per the divorce decree credit card debt was to be paid from the sale's proceeds.
2 The divorce decree was included in the escrow file and listed out 4 specific credit card
3 accounts.

4 1.6 Michelle Gregor explained they (First American) sometimes will work with sellers
5 to pay credit cards from sales proceeds. Per Gregor, O'Brien gave First American a
6 handwritten document, naming the credit cards to be paid with account numbers and
7 addresses. The credit cards listed on the note corresponded with those found in the divorce
8 decree with an additional account noted. The handwritten note was initialed as "Read &
9 Approved," by Griffin and O'Brien, however it was not dated. First American had no other
10 record of when O'Brien dropped off the handwritten document.

11 1.7 The transaction closed on June 7, 2019. The remaining proceeds (after payoffs
12 to the credit card debt) were to be split 50/50 between Griffin and O'Brien per the divorce
13 decree.

14 1.8 Griffin's proceeds were sent to him via wire transfer, while O'Brien picked up a
15 physical check from First American on June 10, 2019. When O'Brien came in to pick up her
16 check, First American had her signed a "Credit Card and Other Debt Payment Authorization"
17 form (Payment Authorization).

18 1.9 The Payment Authorization form stated the conditions in which First American
19 will pay credit cards or other personal debts. The form stated the following in part:
20 "Settlement Agent is making these payments strictly as an accommodation, is not
21 responsible or liable for any payments made in accordance with these instructions, and
22 will not be liable for any sums whatsoever, including interest, penalties or late charges,
23 resulting from any sum not being paid, accepted or properly applied, any delay in
24 payment, any payment being insufficient to pay the Debt in full, or any overpayments."
25 And
26 "Seller agrees to indemnify and hold harmless Settlement Agent from any liability
27 Settlement Agent may incur in connection with any Debt or any disbursement or
28 attempted disbursement contemplated by this document."

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1 **(1) Violation:** By having O'Brien sign the Credit Card and Other Debt Payment
2 Authorization form First American violated ORS 696.581(8)(b) (2019 Edition), which states: (8)
3 except as authorized in ORS 105.475, notwithstanding the requirement for dated, separate
4 escrow instructions to close an escrow or disburse funds or property in an escrow, an escrow
5 agent: (b) may not impose additional requirements on the principals to the transaction,
6 including a requirement that the principals sign a release of liability in favor of the escrow
7 agent.

8 1.10 On June 12, 2019, First American received an invoice from American Home
9 Shield, for a home warranty to be paid by the sellers as agreed to in the sales agreement.
10 Michelle Gregor stated the home warranty is typically paid at closing but this one was
11 overlooked. First American paid for the Home Warranty on June 20, 2019, after O'Brien and
12 Griffin each paid \$297.50 on June 13, 2019 and June 20, 2019.

13 **(2) Violation:** By failing to pay the home warranty, at closing, as agreed to in the sales
14 agreement and by neglecting to date the seller's modified instructions (described in paragraph
15 1.6), First American violated ORS 696.581(2) (2019 Edition), which states: except as provided
16 in this section, an escrow agent must follow dated, written escrow instructions executed by the
17 principals or a dated executed written agreement between the principals to a transaction.

18 STIPULATION & WAIVER

19 I have read and reviewed the above findings of fact and conclusions of law which have
20 been submitted to me by OREA and further, the order which follows hereafter. I understand
21 that the findings of fact, conclusions of law and this stipulation and waiver embody the full and
22 complete agreement and stipulation between OREA and First American. I further understand
23 that if First American does not agree with this stipulation First American has the right to
24 request a hearing on this matter and to be represented by legal counsel at such a hearing.
25 Hearings are conducted in accordance with the procedures set forth in ORS Chapter 183 and
26 in accordance with the Rules of Practice and Procedure adopted by the Attorney General of
27 the State of Oregon. First American freely and voluntarily waives its rights to a hearing, to
28 representation by legal counsel at such a hearing, and to judicial review of this matter.

29 First American neither admits or denies to the above findings of fact and conclusions of
30 law and understands that the order which follows hereafter may be completed and signed by

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

4 First American agrees to enter into this Stipulated Order to resolve this matter and
5 further acknowledges and agrees once the Commissioner executes this stipulated order, that it
6 will accept service of the final order by email, and hereby waives the right to challenge the
7 validity of service.

8
9 ORDER

10 IT IS HEREBY ORDERED that, pursuant to ORS 696.585 and based upon the
11 violation(s) set forth above, First American pay a civil penalty in the sum of \$3,000.00, said
12 penalty to be paid to the General Fund of the State Treasury by paying the same to the OREA.

13
14 IT IS SO STIPULATED:

IT IS SO ORDERED:

15
16 DocuSigned by:
17 By: Matthew B. Sager
18 Matthew B. Sager
DB925199FF714EB...

DocuSigned by:
Steven Strode
STEVEN STRODE
D141D287DDE14A0...

19 Title: Sr. Operations Counsel
20 First American Title Insurance Company

Real Estate Commissioner

21 Date 8/11/2020 | 3:13 PM PDT

Date 8/12/2020 | 10:34 AM PDT

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23 Date of Service: 08/12/2020
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REAL ESTATE BOARD
ADMINISTRATIVE SERVICES DIVISION REPORT
October 5, 2020

Section Overview

The Administrative Services Division acts as business support for the Agency overall. This division manages budget preparation, accounting, purchasing and contracting, inventory control, facilities, payroll, human resources, special projects, information technology (IT), performance and communications.

Budget Update

Financials: The Legislative Adopted Budget for the 2019-2021 biennium is **\$ 8.5 million**. The Agency cash balance as of August 31st is **\$ 4.28 million**. To date in the current biennium (July 2019 – August 2020) Agency revenue hovers around \$437,000 per month. After expenses, this leaves the Agency with a monthly revenue surplus of \$119,000, on average. While revenues remain steady signs to watch have emerged. Starting in July 2020 we saw a 4% drop in on time renewals, climbing from the average 19% to 23. Among those that failed to renew about half will renew 23% of eligible renewers failed to renew on time, typically this number is 19%. The lapsed rate for this period increased by 2.7%. In August the trend continued, with 21% failing to renew on time and the lapse rate remaining 2% above the norm. While new application numbers continued to climb and are more than double that of the previous year, 70% of Agency revenue is driven by renewals and declines in current renewals are a data point to watch as it may signal some stress in the profession. Across the state new listings are down between 5 to 15% making an already supply constrained market very tight. Closed sales however are hovering between 1 to 3%, up and down. Activity remains fairly steady. The Agency is continuing to monitor activity in both the industry markets and within licensing statistics though time will prove the impact to licensing related revenue.

The Agency is now awaiting the Governor's Recommended Budget for the 2021-2023 biennium. This is expected in December or January. As of August 31st the Agency holds \$4.2 million in cash reserves. This places the Agency in a healthy position to weather a downturn if licensing and renewal numbers retract significantly. The Agency's projects \$7.4 million in revenue next biennium. The Agency's budget request to the Governor is \$9.5 million.

Organizational Change & Staffing

The Agency office remains closed to the public and staff provide customer service by phone and email while Regulation Division staff conduct investigations and settlement conferences by phone and video conference.

Real Estate Agency - AY21

2019-2021 Budget - Biennium to Date Through June 30th 2021

<i>Budget Codes</i>		<u>19-2021 Legislative Approved Budget</u>	<u>Expected Total Expenditures for Biennium (current)</u>	<u>Expected Remaining Limitation at end of Biennium</u>
	Total Personal Services	6,757,897	6,271,017	486,880
4100 & 4125	In-State Travel & Out-of-State Travel	98,762	51,532	47,230
4150	Employee Training	36,994	20,167	16,827
4175	Office Expenses	83,040	37,928	45,112
4200	Telecom/Tech Services & Support	64,621	47,209	17,412
4225	State Government Services	233,574	317,871	(84,297)
4250	Data Processing	109,297	119,999	(10,702)
4275	Publicity & Publications	36,718	918	35,800
4300 & 4315	Professional Services & IT Professional Services	186,339	249,972	(63,633)
4325	Attorney General Legal Fees	293,465	175,001	118,464
4375	Employee Recruitment	7,748	250	7,498
4400	Dues & Subscriptions	9,575	5,847	3,728
4425	Facilities Rent & Taxes	254,611	243,003	11,608
4475	Facilities Maintenance	4,519	9,844	(5,325)
4575	Agency Program Related S&S	41,308	2,211	39,097
4650	Other Services & Supplies	88,482	162,183	(73,701)
4700	Expendable Property \$250-\$5000	29,148	9,244	19,904
4715	IT Expendable Property	162,972	56,041	106,931
	Total Services & Supplies	1,741,173	1,509,220	231,953
	Totals	8,499,070	7,780,236	718,834

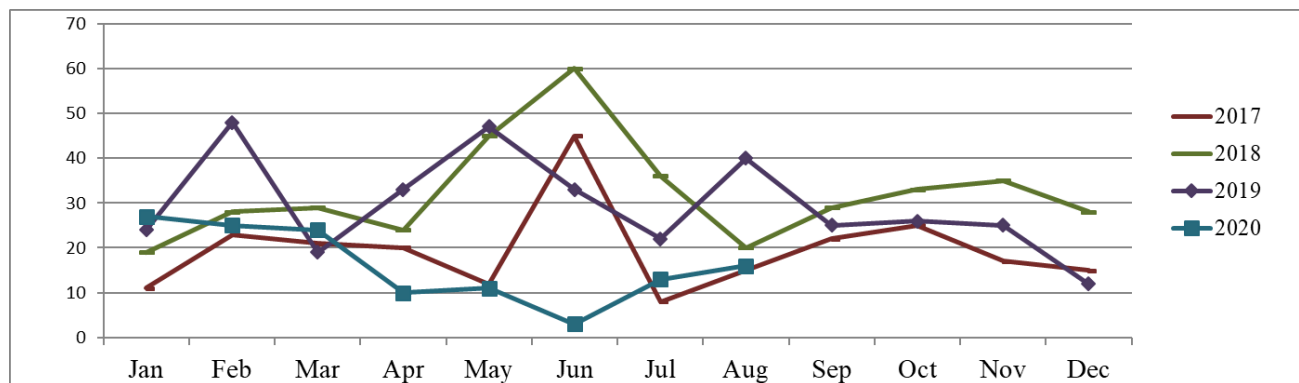
**Report to the Real Estate Board
Land Development Division
5 October 2020**

Division Manager: Michael Hanifin

Section Overview:

The Land Development Division reviews and approves filings related to condominiums, timeshares, subdivisions, manufactured home subdivisions, and membership campgrounds. The section reviews and approves the foundational documents creating these types of properties, as well as later amendments to those documents, to verify compliance with statutory requirements. We also issue the Disclosure Statement (sometimes referred to as a Public Report) required for sales of these interests to Oregonians. The Disclosure Statement summarizes key information about the condominium for the consumer, somewhat like the owner's manual for a car.

Workload and Activity Indicators



Although filings from April thru June dropped sharply, there has been some recovery in July and August. Overall filing volume for the year thru August is closest to what we saw in 2016, but there are so many differences between 2016 and 2020 that no conclusions can be drawn from the comparison.

Current Activity:

The agency is now performing planning work on some changes to records handling and retention. The objective is reducing the cost of records retention and simplifying access to those records.

As background, the agency has been sending documents to State Archives for decades, accumulating a large collection of records (several thousand boxes). The majority of those boxes are Land Development Division files, related to condominiums and timeshares. Each state

agency has what is called a “retention schedule” which determines how long public records are kept prior to destruction. Our current records retention schedule for condominiums and timeshares requires retention for 6 years *after the condominium or timeshare is terminated*. The agency pays an annual fee to Archives for storage services. The cost of storage is tied to volume and our large collection of records results in an annual fee of approximately seventy thousand dollars. Unsurprisingly, the agency would like to do what it can to reduce or eliminate this expense.

This year has also seen a complete reboot of how the agency operates on a day-to-day basis, with almost all staff working from home, including Land Development Division staff. This has been an illuminating experience. During this time, the division flipped from a hardcopy filing format to electronic, allowing us to access the filings remotely. That worked well, however, there is no way to effectively use the hardcopy files that were held at Archives. As a result, we had to implement a policy that filers will provide copies of any necessary prior recorded documents as part of the filing. This policy only impacts existing condominiums or timeshares that are adding a stage or performing an amendment or other change (new projects having no records at Archives). This change has been effective to almost entirely eliminate the need for existing hardcopy files from Archives, and highlighted the fact that key documents, such as an existing condominium declaration, are actually recorded and available at the county level, and therefore the state has been duplicating storage of these records.

As mentioned above, the division now takes and retains filings electronically, and digital storage of digital files follows the same agency retention schedule as provided to Archives.

Next Steps:

In light of how we now utilize (or don't) the hardcopy files for the Land Development Division, the agency is reevaluating our records retention schedule to determine retention needs. After we have made any necessary modifications we will have a better picture of how many documents we need to retain, either at Archives or at the agency. Any files which would fall outside the revised retention schedule would be destroyed by Archives.

Depending on the volume of files retained, we may move those files back from Archives and store in-house. Doing so would eliminate the storage expense and provide on-site access as well as opportunities to scan files and convert to digital records as the opportunity arises.

Rulemaking activity:

The Commissioner has taken the lead on revising the advertising rules and can brief the Board on current activities, including the meeting held on September 30th.

**REAL ESTATE BOARD
EDUCATION & LICENSING DIVISION REPORT
October 5, 2020**

Education & Licensing Manager: Madeline Alvarado

Compliance Specialist: Tami Schemmel

Compliance Specialist: Danette Rozell

Compliance Specialist: Jenifer Wetherbee

Administrative Specialist: Elizabeth Hardwick

Administrative Specialist: Rick Marsland

Administrative Specialist: Nenah Darville

Section Overview

The Education and Licensing Division acts as support to the Agency as well as the first point of contact for the public and services the business functions of the Agency overall. This division manages reception, licensing services, compliance reviews, client trust account reviews and education.

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Ongoing Impacts from both COVID-19 and Wild Fires on Educators/Licensees/Applicants

- Classroom educators have been granted permission to offer live classroom instruction via Zoom (or similar platforms).
- All licensees due for renewal are required to complete and pay their online license renewal.
- The Agency is providing 30 day extensions, for actively renewing licensees, to provide their certified continuing education class information.
- PSI is launching remote proctoring to Oregon licensees October 1, 2020. Please visit the link [here](#) to watch a short video describing the testing process.

Licensing Update

New application types- Slightly decreased from July to August by 1%.

License renewals- For July 83% and August 82% of broker licensees renewed their licenses.

Phones- Phone calls for July increased by 6% (when compared to June's phone stats) and August calls decreased by 5% when compare to July's phone stats. The average hold time for July was 29 seconds and for August was 26 seconds.

Upcoming

Continuing Education Providers are eligible to renew their certification beginning November 1, 2020 through December 31, 2020.

RBN Renewal

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<u>Eligible to Renew</u>	420	343	366	346	320	304	262	271				
<u>Failed to Renew</u>	14	11	20	10	10	17	17	17				
<u>% Renewed</u>	97%	97%	95%	97%	97%	94%	94%	94%				

Licensing Statistics

Total Licensee Counts by Month:

<u>Individuals (Persons)</u>	<u>July-20</u>	<u>Aug-20</u>
Broker – Total	16,498	16,626
Active	14,806	14,939
Inactive	1,692	1,687
Principal Broker - Total	6,375	6,381
Active	5,993	5,997
Inactive	382	384
ALL BROKERS Total	22,873	23,007
Active	20,799	20,936
Inactive	2,074	2,071
Property Manager - Total	940	941
Active	815	818
Inactive	125	123
MCC Salesperson	18	16
MCC Broker	1	1
TOTAL INDIVIDUALS	23,832	23,965
Active	21,633	21,771
Inactive	2,199	2,194
Facilities (Companies)		
REMO	5	5
Registered Business Name (RBN)	3,858	3,849
Registered Branch Office (RBO)	755	764
Escrow Organization	65	65
Escrow Branch	144	144
PBLN	NA	NA
PMLN	NA	NA
CEP	313	314
MCC Operator	25	25
TOTAL FACILITIES	5,165	5,166
TOTAL INDIVIDUALS & FACILITIES	28,997	29,131

New Licenses by Month:

<u>Individuals (Persons)</u>	<u>July-20</u>	<u>Aug-20</u>
Broker	212	204
Principal Broker	9	15
TOTAL BROKERS	221	219
Property Manager	9	10
MCC Salesperson	0	0
MCC Broker	0	0
TOTAL INDIVIDUALS	230	229
Facilities (Companies)		
Continuing Education Provider (CEP)	0	1
REMO	0	0
Registered Business Name	32	20
Registered Branch Office	1	10
Escrow Organization	0	0
Escrow Branch	0	0
MCC Operator	0	0
TOTAL FACILITIES	33	30
TOTAL INDIVIDUALS & FACILITIES	263	259

Exam Statistics

August 2020 Total
ALL LICENSING EXAMS

Broker	532
Property Manager	27
Principal Broker	58
Reactivation	9

Pass Rates

<u>First Time Pass Rate</u> <u>Percentage</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Broker State	64	61	58	57	54
Broker National	74	73	72	70	72
Principal Broker State	59	58	59	51	55
Principal Broker National	75	76	77	69	70
Property Manager	64	69	67	64	62

Oregon Real Estate Agency
 Education & Licensing Division
 Licensee Application & Renewal
 2020 Data

New Applications													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Brokers	359	292	293	273	435	416	411	495					2974
Principal Brokers	37	44	37	15	24	27	35	44					263
Property Managers	21	23	20	19	20	24	23	31					181
Total	417	359	350	307	479	467	469	570					3418

Renewal Activity														
Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	480	487	526	514	556	511	553	546					4173
	Inactive	52	55	25	36	41	32	34	45					320
Late	Active	45	32	34	34	43	38	50	40					316
	Inactive	11	11	7	13	12	10	11	14					89
Lapse		85	92	100	107	97	114	130	135					860
	Total	673	677	692	704	749	705	778	780					5758

Principal Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	234	238	246	243	251	265	211	239					1927
	Inactive	9	17	9	15	13	9	11	9					92
Late	Active	13	7	11	9	12	4	10	7					73
	Inactive	0	2	3	1	1	2	2	1					12
Lapse		23	20	30	23	22	18	36	26					198
	Total	279	284	299	291	299	298	270	282					2302

Oregon Real Estate Agency
Education & Licensing Division
Licensee Application & Renewal
2019 Data

New Applications													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Brokers	328	259	300	280	287	278	233	245	227	260	250	238	3185
Principal Brokers	47	32	39	25	32	24	36	14	23	32	38	26	368
Property Managers	17	18	24	39	25	22	20	21	19	24	22	19	270
Total	392	309	363	344	344	324	289	280	269	316	310	283	3823

Renewed & Lapsed Licenses														
Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	415	398	473	426	485	521	534	503	550	497	439	469	5710
	Inactive	43	41	35	33	38	33	49	37	46	40	36	37	468
Late	Active	42	25	37	47	67	40	52	32	50	35	35	52	514
	Inactive	7	14	9	6	13	7	7	11	17	10	9	7	117
Lapse		79	103	102	96	102	87	99	116	103	105	78	99	1169
Total		586	581	656	608	705	688	741	699	766	687	597	664	7978

Principal Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	211	188	208	215	205	243	250	258	243	215	203	233	2672
	Inactive	18	9	11	5	8	8	12	8	10	13	6	13	121
Late	Active	12	7	8	15	12	11	12	12	10	11	15	14	139
	Inactive	1	2	1	4	3	1	4	2	3	4	1	4	30
Lapse		29	28	28	20	33	24	27	23	24	21	23	20	300
Total		271	234	256	259	261	287	305	303	290	264	248	284	3262

Oregon Real Estate Agency
Education & Licensing Division
Phone Counts

(minutes: seconds)	Jan – 20	Feb – 20	Mar – 20	Apr – 20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov--20	Dec-20	2020 Average
Call Count	2117	1834	1830	1474	1468	1775	1875	1678					1756
Average Wait Time	:25	:21	:19	:23	:25	:35	:29	:26					:25
Maximum Wait Time	0:11:05	0:09:30	0:14:56	0:10:15	0:18:12	0:13:00	0:21:34	0:14:15					0:14:06

(minutes: seconds)	Jan – 19	Feb – 19	Mar – 19	Apr – 19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov--19	Dec-19	2019 Average
Call Count	2251	1748	1917	2138	2062	1738	1882	1685	1882	2012	1606	1637	1880
Average Wait Time	:20	:21	:29	:23	:24	:33	:30	:27	:26	:16	:25	:20	:24.5
Maximum Wait Time	16:06	9:32	21:21	14:03	15:58	13:20	11:15	12:00	13:59	10:15	5:51	8:21	12:40

(minutes: seconds)	Jan – 18	Feb – 18	Mar – 18	Apr – 18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov--18	Dec-18	2018 Average
Call Count	2317	2006	2263	2063	2113	2084	1837	2049	1824	2153	1828	1738	2024
Average Wait Time	:22	:15	:17	:16	:16	:27	:21	:19	:21	:23	:17	:25	:20
Maximum Wait Time	5:32	3:23	8:58	7:05	13:27	12:18	14:40	12:53	10:26	13:22	7:41	10:07	8:29