



Oregon

Kate Brown, Governor

AGENDA ITEM NO.

I.C.

Notice of Agenda

OREGON REAL ESTATE BOARD

Regular Meeting Agenda
Holiday Inn Eugene-Springfield
919 Kruse Way
Springfield, OR 97477
October 2, 2017

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

NOTE: *The board plans to meet from 10 a.m. until 1:30 p.m., including a “working lunch” period.*

- I. BOARD BUSINESS – Chair Edwards**
 - A. Call to Order
 - B. Chair Edwards comments/Roll Call
 - C. Approval of the Agenda and Order of Business
 - D. Approval of 8.7.17, regular meeting minutes
 - E. Date of the Next Meeting: 12.4.17 to be held at Mt. Hood Community College, 26000 SE Stark Street, Gresham, OR 97030, to begin at 10am.
- II. PUBLIC COMMENT – Chair Edwards**
 - 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 Edwards. Waiver Log.**
 - A. Angie Anderson requests waiver for principal broker license.
- IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER– Chair Edwards - Approval of petition log.**
 - A. Housing and Community Services Agency of Lane County, Mr. Travis Baker will appear in person.
 - B. Lumos Academy, Lane Mueller will appear by phone.
- V. BOARD ADVICE/ACTION – Commissioner Bentley**
 - A. Recommend the Agency finalize the draft of the 2018-2019 LARRC outline.
 - B. 2018 Board Chair and Vice-Chair Elections
- VI. NEW BUSINESS – Chair Edwards**
 - A. Discussion re: Qualifications and structure of property management licenses.
- VII. COMMUNICATIONS – Administrative Actions Summary – Chair Edwards**
- VIII. REPORTS – Chair Edwards**
 - A. Commissioner Gene Bentley
 - B. Agency division reports-Deputy Commissioner Dean Owens
 1. Regulation Division – Selina Barnes
 2. Land Development Division –Mike Hanifin
 3. Education & Administrative Services Division – Anna Higley and Maddy Alvarado
- IX. ANNOUNCEMENTS – Chair Edwards.** Next board meeting: 12.4.17 to be held at Mt. Hood Community College, 26000 Stark Street, Gresham, OR 97030.
- X. ADJOURNMENT – Chair Edwards**

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



Oregon

Kate Brown, Governor

Real Estate Agency

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AGENDA ITEM NO.

I.D.

OREGON REAL ESTATE BOARD

Regular Meeting Minutes

Shiloh Inn

2500 Almond St.

Klamath Falls, OR 97601

Monday, August 7, 2017

BOARD MEMBERS PRESENT:

Marcia Edwards, Chair

Joann Hansen

Dave Hamilton

Lawnae Hunter

Dave Koch

BOARD MEMBERS EXCUSED:

Jef Farley, Vice-Chair

Pat Ihnat

Alex MaClean

Coni Rathbone

OREA STAFF PRESENT:

Gene Bentley, Commissioner

Dean Owens, Deputy Commissioner

Selina Barnes, Regulations Division Manager

Maddy Alvarado, Customer Service Manager

Mesheal Heyman, Communications Coordinator

GUESTS PRESENT:

Gaylord Siner, Windermere/Van Vleet & Associates

Randy Shaw, Coldwell Banker Holman Premier Realty

Jill Russel, EXP Realty LLC

Frank Pulver, Pulver & Leever Real Estate Company

Tony Nunes, Coldwell Banker Holman Premier Realty

Linda Norris, Linda Norris Realty

Phyllis Moore, Coldwell Banker Holman Premier Realty

Terri Maiden, Rookstool Moden Realty LLC

Theresa Longley, Rookstool Moden Realty LLC

John Longley, Rookstool Moden Realty LLC

Linda Long, Crater Lake Realty, Inc.

Ilene Kittner, Coldwell Banker Holman Premier Realty

Debra Gisriel, EXP Realty, LLC

Stacy Ellingson, Fisher Nicholson Realty, LLC

Kelly Dupuis, Fisher Nicholson Realty, LLC

Charles Dehlinger, Charles Dehlinger PBLN

Barbara Dehlinger, Barbara Dehlinger PBLN

Dan Bailey, Rookstool Moden Realty LLC

Mark Ahalt, Fisher Nicholson Realty, LLC

I. BOARD BUSINESS – Chair Edwards

- A. Call to Order. Chair Edwards called the meeting to order at 10am.
- B. Chair Edwards comments/Roll Call. Chair Edwards asked the board liaison to take roll call, 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 6.5.17, regular meeting minutes

**MOTION TO APPROVE 6.5.17 REGULAR MEETING MINUTES AS SUBMITTED BY JOANN HANSEN
SECOND BY DAVE HAMILTON
MOTION CARRIED BY UNANIMOUS VOTE**

- E. Date of the Next Meeting: 10.2.17 to be held at the Holiday Inn Eugene-Springfield, 919 Kruse Way, Springfield to begin at 10am

II. PUBLIC COMMENT – Chair Edwards

- 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 Edwards. None.

IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER– Chair Edwards - Approval of petition log.

- A. Real Estate Training Institute, a division of Certified Training Institution, Ms. Teri Francis and Jenny MacDowel appeared by phone and explained that CTI is a distance learning provider with a total of 16 real estate courses approved by ARELLO and cover the following topics: principal broker supervision responsibilities, agency relationships and responsibilities for broker, principal brokers, or property managers, disclosure requirements, consumer protection, real estate contracts, real estate taxation, fair housings laws or policy, business ethics, risk management, real estate finance, and environmental protections issues, which are acceptable course topics.

**MOTION TO APPROVE REAL ESTATE TRAINING INSTITUTE A DIVISION OF CERTIFIED TRAINING
INSTITUTION PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER BY DAVE KOCH
SECOND BY LAWNAE HUNTER
MOTION CARRIED BY UNANIMOUS VOTE**

V. BOARD ADVICE/ACTION – Commissioner Bentley.

- A. Make recommendations to the Agency for filing on proposed rule.

**MOTION TO RECOMMEND THE AGENCY FILE THE PROPOSED RULE BY DAVE HAMILTON
SECOND BY JOANN HANSEN
MOTION CARRIED BY UNANIMOUS VOTE**

VI. NEW BUSINESS – Chair Edwards. None.

VII. COMMUNICATIONS – Administrative Actions Summary – Chair Edwards.

VIII. REPORTS – Chair Edwards

A. Commissioner Gene Bentley

-License counts/statistics. Commissioner Bentley summarized the most current license counts/statistics.

-Legislative Update

- SB 68 which deals with the Agency’s fee increases, will go into effect January 1, 2018
- Rule review work group met on August 3 to revise OAR 863 and incorporate SB 67 changes

-LARRC outline will be developed by the Board this fall

B. Agency division reports-Deputy Commissioner Dean Owens

1. Regulation Division – Selina Barnes. Ms. Barnes summarized the statistics provided in her division handout. She explained investigation workloads are being handled more efficiently now that the division is fully staffed and new employees have completed training. She also stated she would be working on a new 3 hour presentation to begin presenting in 2018 to replace the current “Tips for Staying Out of Trouble with the Agency”.
2. Land Development Division – Dean Owens. Mr. Owens summarized the statistics provided in the division handout. He explained the Agency is currently engaged in rulemaking and SB 67 and 68 being the primary which contains substantive changes as well as some cleanup.
3. Education, Business and Technical Services Division – Maddy Alvarado. Ms. Alvarado summarized the statistics provided in the division handout. She also explained that as of June 1, 2017 escrow companies were made eligible to renew licenses, renewal notifications sent to REMO, and pre-licensing education providers were involved in the renewal process during June. Ms. Alvarado stated that the Agency is at the beginning stages of developing updated Law and Rule Required Course outline.

IX. ANNOUNCEMENTS – Chair Edwards. Next board meeting: 10.2.17 at the Holiday Inn Springfield-Eugene, Oregon 97477 to begin at 10am.

X. ADJOURNMENT – Chair Edwards.

Respectfully submitted,

Respectfully submitted,

GENE BENTLEY, COMMISSIONER

MARCIA EDWARDS, BOARD CHAIR

**AGENDA ITEM NO.
III.**

**OREGON REAL ESTATE BOARD
Experience Requirement Waiver Request Log
2016-2017**

2016				
2.1.16	Tim Rist	PB	Denied	<p>FACTS: Mr. Rist appeared and Chair Hermanski asked him to provide any additional information he felt the board should consider regarding his waiver request. Mr. Rist acknowledged that although he may not have a lengthy amount of experience, he did have the volume of transaction experience. Dave Koch asked Mr. Rist to explain the process he has in place for client trust accounts. Mr. Rist responded that he uses a spreadsheet of incoming funds and outgoing funds. Chair Hermanski responded that the three year experience requirement is in place to establish sufficient collective experience and Mr. Rist should gain more transaction experience during the remainder of his three year requirement. Marcia Edwards explained her concern was with the lack of management experience as well as dispute resolution. Pat Ihnat explained she also had concerns with Mr. Rist still needing supervision. Joann Hansen stated that the three year experience requirement is imperative for principal brokers. Lawnae Hunter responded that she was not compelled to waive the three year requirement based on the information provided by Mr. Rist.</p> <p>DISCUSSION: Joann Hansen stated that in her opinion Keller Williams should be granting the approval and not the board. Mr. Koch suggested that Mr. Rist take advantage of the three year requirement and gain more experience. Marcia Edwards clarified that our mission is to protect consumers.</p> <p>MOTION TO DENY THE REQUEST FOR WAIVER SUBMITTED BY TIM RIST BY DAVE KOCH SECOND BY LAWNAE HUNTER MOTION CARRIED BY UNANIMOUS VOTE</p>
4.4.16	Dahe Good	PB	Approved	<p>FACTS: Ms. Good explained that she had held a number of positions in the real estate industry as well as owning her own real estate development firm for 12 years. She also stated that her goal is to own her own small firm of realtors. Alex MacLean asked Ms. Good how many agents she anticipated to manage and she responded that she would like to have four agents in her firm. Lawnae Hunter asked Ms. Good to provide more detail about her management experience. Ms. Good explained that she had specific training for supervising/managing and public agency rules are very explicit. Coni Rathbone asked Ms. Good why she did not want to hang her license with a principal broker. Ms. Good responded that she wanted to create an atmosphere that focuses on serving clients.</p> <p>DISCUSSION: None.</p> <p>MOTION TO APPROVE DAHE GOOD'S REQUEST FOR WAIVER OF EXPERIENCE FOR PRINCIPAL BROKER BY DAVE KOCH SECOND BY JOANN HANSEN MOTION CARRIED BY UNANIMOUS VOTE</p>
4.4.16	Lisa Neef	PB	Denied	<p>FACTS: Ms. Neef explained that she owned a transaction coordination business since 2010. Coni Rathbone asked Ms. Neef to explain in more detail what her business entails. Ms. Neef explained that she is hired by brokers to assist them with their paperwork. Pat Ihnat asked Ms. Neef if she interacted with clients and she responded that she has minimal interaction with clients. Dave Koch asked Ms. Neef to clarify her role in the transaction process regarding confidentiality. Ms. Neef clarified that her role is an administrative one.</p> <p>DISCUSSION: Ms. Ihnat asked Dave Koch what he felt about the necessity for license. Mr. Koch responded that in his opinion no license due to conflict. Ms. Ihnat responded situations that included contact with clients may very well cause conflict. Ms. Rathbone explained that a principal broker license is a good idea once Ms. Neef is more seasoned.</p> <p>MOTION TO DENY LISA NEEF'S REQUEST FOR WAIVER OF EXPERIENCE FOR PRINCIPAL BROKER LICENSE BY MARCIA EDWARDS SECOND BY DAVE KOCH MOTION CARRIED BY UNANIMOUS VOTE</p>
4.4.16	Tim Rist	PB	Approved	<p>FACTS: Mr. Rist introduced Lionel Wilson, CEO for Keller Williams and asked him to address the board on his behalf. Mr. Wilson explained that he has known Mr. Rist for about 10 years and he has strong leadership skills. Mr.</p>

				<p>Wilson also summarized Mr. Rist's experience and work history. Coni Rathbone asked Mr. Rist if he intended to stay with Keller Williams. Mr. Rist responded that he did intend to stay with Keller Williams. Chair Hermanski and Ms. Rathbone both asked Mr. Rist to explain what had occurred since his first appearance to make the board change their opinion. Mr. Rist responded that since his first appearance before the board he has obtained a better understanding of ORS Chapter 696, the CTA process, rules. He also explained that he has been on both sides of disputes (buyer/seller).</p> <p>DISCUSSION: None</p> <p>MOTION TO APPROVE TIM RIST'S REQUEST FOR WAIVER OF EXPERIENCE FOR PRINCIPAL BROKER BY CONI RATHBONE SECOND BY ALEX MACLEAN MOTION CARRIED BY UNANIMOUS VOTE</p>
6.6.16	William Patten	PB	Approved	<p>FACTS: Mr. Patten explained that he purchased his firm as a broker two years ago and hired a principal broker to supervise who has since left the firm and he is having difficulty finding another principal broker for hire. He also explained that he only has 4 months remaining to fulfill the 3 year experience requirement and has 25 years of experience in managing leases.</p> <p>DISCUSSION: None.</p> <p>MOTION TO APPROVE WILLIAM PATTEN'S REQUEST FOR EXPERIENCE WAIVER FOR PRINCIPAL BROKER'S LICENSE BY MARCIA EDWARDS SECOND BY PAT IHNAT MOTION CARRIED BY UNANIMOUS VOTE</p>
12.5.16	Joshua Fuhrer	PB	Denied	<p>FACTS: Mr. Fuhrer appeared before the board and explained that he has been in the real estate industry on the commercial side for 13 years as developer and wanted to provide brokerage services in addition to what he currently provides to his clients. He also explained that he currently has 3 partners, he being the primary developer, and he would not be supervising anyone or managing any client trust accounts. Mr. Fuhrer stated although he currently was not a licensed broker, he has passed the exam.</p> <p>DISCUSSION: Alex MacLean asked Vice-Chair Rathbone if she suggested that Mr. Fuhrer hang his license with a principal broker and then reapply for waiver and she responded that she did feel that would be appropriate.</p> <p>MOTION TO DENY REQUEST FOR EXPERIENCE WAIVER SUBMITTED BY JOSHUA FUHRER BY MARCIA EDWARDS SECOND BY DAVE KOCH MOTION CARRIED BY UNANIMOUS VOTE</p>
04.03.17	Shu Merritt	PB	Denied	<p>FACTS: Ms. Merritt appeared before the board and explained that she obtained an international business degree and began working in residential real estate in March of 2015. Alex MacLean asked Ms. Merritt if she intended to stay with Keller Williams and if she was aware that she could have an assistant. Ms. Merritt responded that she did intend to stay with Keller Williams and she needed an assistant to handle unlicensed paperwork. Dave Koch asked Ms. Merritt if she was aware of the tutorial regarding CTA management that is available on the Agency website. Ms. Merritt responded the firm she is currently with, Keller Williams, individual CTA did not exist. Lawnae Hunter clarified that closing transactions and managing brokers are two different things. She also pointed out to Ms. Merritt that she should have the ability to build a team without the principal broker designation. Ms. Merritt explained that although she can build a team she is not able to hire a broker to assist her in showing homes. Coni Rathbone explained to Ms. Merritt that the board was looking for something compelling in order to approve her request for waiver and it appeared the issues she was experiencing could be addressed contractually.</p> <p>DISCUSSION: None</p> <p>MOTION TO DENY REQUEST FOR WAIVER OF EXPERIENCE SUBMITTED BY SHU MERRITT BY DAVE KOCH SECOND BY LAWNAE HUNTER MOTION CARRIED BY UNANIMOUS VOTE</p>
10.02.17	Angie Anderson	PB		<p>FACTS:</p> <p>DISCUSSION:</p>

Oregon Real Estate Board

Experience Requirement Waiver Request

Date: September 7, 2017
 Name Angie L Anderson
 Address: 1475 NW Odem Avenue Terrebonne, Oregon 97760
 Daytime Phone Number: 541-480-5004 Oregon License Number: 201214361

GENERAL INFORMATION AND DOCUMENTATION

1. I am seeking an experience requirement waiver to become a real estate PRINCIPAL BROKER. (ORS 696.022 and OAR 863-014-0040)
2. I am currently licensed as a real estate broker in Oregon: Yes X ; No ____
 If yes, please state the dates for which you held an Oregon real estate license: 10/13/15 to Current
 Was your Oregon license obtained through a reciprocal agreement with another state? Yes ____ No X
3. I am currently licensed or have held a real estate license in another state that was issued by the state's licensing authority: Yes ____ No X . Indicate the following

Type of License	State Issued	Dates Active License Held	
		From:	To
		From:	To
		From:	To

4. Per OAR 863-014-0040, I have:

	Yes	No	Date Completed	Required Documents to be Attached to the Request
Completed the "Broker Administration and Sales Supervision" course for principal real estate brokers. Must be completed PRIOR to waiver request.	X		6/2/17	Original course certificate
Submitted the Real Estate License Application for Principal Broker license and \$230 fee. Must be completed PRIOR to waiver request.	X		6/14/17	Copy of confirmation letter received from Agency
Successfully passed the Oregon Principal Broker exam. Must be completed PRIOR to waiver request.	X		7/22/17	Score report received from testing vendor
Graduated from a four-year college or university with a degree in real estate curriculum approved by the Commissioner.(863-014-0040(2))		X		Official transcript
Graduated with a two-year community college associates degree in real estate curriculum approved by the Commissioner. (863-014-0040(3))		X		Official transcript
Substantial experience in real estate that would qualify for an equivalent to the Commissioner's three year experience requirements. Include any real estate designations achieved while licensed as a broker. (OAR 863-014-0042(c))	X		Current Employment 10/01/2015 to Current	Written explanation of the additional real estate experience that you have that would assist in the Board's consideration of your waiver request.
The number and type of real estate transactions (listings and transactions that were closed) you have completed while holding a real estate license in Oregon or in another state.				Provide a document showing the number and types of transactions you have completed while licensed.

REQUIRED DOCUMENTS

Listed below are the required documents (#1-3) to be included in the OREA Board request for an experience waiver.

1. Your letter requesting a waiver of the three year active licensed experience. This letter should:
 - o State the reason for the request, including the compelling reason why you cannot to complete the three years of active licensed experience.
 - o Indicate the real estate experience you have that would be an acceptable substitute for the three years of required experience.
2. Required documentation listed above in the General Information and Documentation section #4.
3. Other experience relating to real estate not covered in questions 2 through 4 that would demonstrate your relevant related experience.

HELPFUL DOCUMENTS

The following information is helpful, but not required, for the Board to thoroughly evaluate your request:

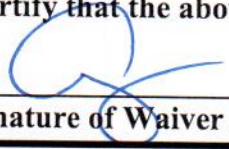
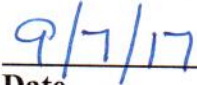
- o Letters of reference pertaining to your real estate experience
- o Letters of reference from current or past supervising principal brokers
- o The number and type of real estate transactions you have executed.
- o Supervisory experience
- o Familiarity and experience in other related industries: escrow, title, mortgage, etc.

OTHER REQUIREMENTS

- You will be required to attend the Oregon Real Estate Board meeting when this waiver is discussed. The Board schedule will be communicated in follow-up correspondence upon receipt of your documents.
- Be prepared to answer questions from the Board to support your request.
- Waiver requests must be received at the agency no less than 21 days before the board meets.
- You must submit one original set of the waiver request documents, including a completed and signed "Experience Requirement Waiver Request". E-Mail, mail or deliver the original set to the following address: Madeline Alvarado, Oregon Real Estate Agency, 530 Center Street NE, Suite 100, Salem, Oregon 97301-2505.

IMPORTANT NOTE: All documents submitted become part of the Board Packet, and therefore, public record. The Agency highly recommends that you remove/redact any confidential information on your documents such as your social security number, date of birth or any credit card information. Please do not put the packet into any type of folder or binding.

Please direct any questions to Madeline Alvarado at 503-378-4590 or madeline.c.alvarado@state.or.us

I certify that the above information is true to the best of my knowledge.	
 _____ Signature of Waiver Applicant	<div style="text-align: right;">  _____ Date </div>

2017 BOARD MEETING DATES, LOCATIONS AND WAIVER PACKET DUE DATES

MEETING DATE	LOCATION	WAIVER PACKET DUE DATE
February 6, 2017	Oregon Real Estate Agency	Jan. 16, 2017
April 3, 2017	Oregon Real Estate Agency	March 13, 2017
June 5, 2017	Lincoln City	May 15, 2017
August 7, 2017	Klamath Falls	July 17, 2017
October 2, 2017	Springfield	September 11, 2017
December 4, 2017	Tigard	November 13, 2017

From: Redmond [mailto:redmond@partnerspropertymgmt.com]
Sent: Monday, September 11, 2017 10:40 AM
To: Alvarado, Madeline <madeline.c.alvarado@rea.state.or.us>
Subject: Re: Waiver Request-Anderson

Madeline,

I am employed at Partners Property Management & Sales. As the Redmond branch manager I prepare and complete rental agreements, screen applications, handle residential evictions, process small claims, perform accounting duties, etc. Day to day property management and office duties are handled by me however I do not have listings or sales to report as I am heavily involved in the management aspect of the company.

Thank you,

Angie Anderson
Branch Manager/Broker
541-504-5900
Partners Property Management & Sales
2326 SW Glacier Place
Redmond, Oregon 97756



Completion Record Oregon Real Estate Prelicense Education

You've successfully completed ProSchools' Oregon Real Estate Continuing Education course, *Oregon Brokerage Administration and Sales Supervision - Part II*.

The following document serves as **Proof of Completion**. Print a copy for your personal records. Additional copies may be printed at a later time by logging into your account.

Important Instructions to Obtain Your License

NOTICE: You must send your license application and the nonrefundable application fee to the Oregon Real Estate Agency prior to completing all your coursework. If you have not applied for your license, it is imperative you do so immediately. ProSchools is unable to report your course completion without the 9-digit Application ID you receive in the e-mail confirmation from the Oregon Real Estate Agency.

1. This certificate is solely for your records. You do not need to send your certificates to the Oregon Real Estate Agency. ProSchools will submit your education record to PSI.
2. Once your education is reported to PSI by ProSchools, you will receive an e-mail with instructions on how to schedule your state licensing examination with PSI.
3. Upon passing your state licensing examination, you will have your fingerprints taken digitally and pay the background check fees at the PSI test center.

Detailed instructions regarding the submission of your license application and the steps to obtain your license may be found at the Oregon Real Estate Agency website below:

<http://www.oregon.gov/rea/lic/Pages/index.aspx>

Thank you for choosing ProSchools. If you have any comments about this course, please feel free to contact us at feedback@proschoools.com. We value your input.

The Staff at ProSchools





Certificate of Real Estate Prelicense Education

This certifies that

Student Name: Angie Anderson

9-digit Applicant ID: 201214361

Date of Birth: 12-16-1976

Course Title: Oregon Brokerage Administration and Sales
Supervision - Part II

Course Number: 302OR032

Course Completion Date: 6/2/2017

Course Credit Hours: 40.00

Education Provider: ProSchools

I certify the above named student has completed the course through this institution and received a passing grade of C, or its equivalent. The Oregon Real Estate Agency has approved this course. This original, signed document serves as proof of completion. Student does not send the certificate to the Oregon Real Estate Agency. ProSchools will submit the course completion, upon the passing of all seven required courses and receiving the applicant ID confirming the license application submission, to PSI. School maintains records for 25 years.

Signature of School Official:

Melinda Jackson

The certificate serial number uniquely identifies this certificate of completion and its bearer. To confirm the validity of this certificate, call 1-800-452-4879

Cert Serial Number: 45416 - 302OR032



OREGON.gov



[Exit](#)

Confirmation

Please keep a record of your Confirmation Number, or [print this page](#) for your records.

Confirmation Number **ORREAB000088718**

Payment Details

Description REAL ESTATE EPAY
E-Payments
<https://orea.elicense.irondata.com/>

Payment Amount \$230.00

Payment Date 06/14/2017

Status PROCESSED

Payment Method

Payer Name Angie Anderson

Card Number *7773

Card Type Visa

Approval Code 300782

Confirmation Email anderson@bendbroadband.com

Billing Address

Address 1 PO Box 93

Address 2 1475 NW Odem Ave

City/Town Terrebonne

State/Province/Region OR

Zip/Postal Code 97760

Country USA

Oregon Real Estate Agency

Real Estate Broker
Score Report



Angie Anderson
PO Box 93
Terrebonne, Oregon 97760

Candidate ID: XXX-XX-4361

Exam: OR Principal Broker Exam - OR Principal Broker -
National

Exam Date: 07/22/2017

PASSING SCORE: 60.0 (75%)

YOUR SCORE: 67.0

GRADE: PASS

Congratulations! You have passed the **OR Principal Broker - National Examination.**

The following is an analysis of your performance on the examination. For a detailed description of the subject matter included within each Topic, please refer to the PSI Candidate Information Bulletin.

Topic	Number of Questions	Number Correct
Contracts	12	9
Land Use Controls and Regulations	5	4
Property Ownership	6	4
Transfer of Title	5	4
General Principles of Agency	11	10
Real Estate Calculations	4	3
Valuation and Market Analysis	6	6
Financing	7	6
Mandated Disclosures	9	6
Practice of Real Estate	12	12
Specialty areas	3	3

- The Oregon Real Estate Agency will receive your exam scores in 3 business days.
- Log in to your eLicense account at www.rea.state.or.us to check the status of your license application.
- Find additional information on licensing requirements in the "How to Get a License" section of www.rea.state.or.us.
- Once all license requirements are completed, the Agency will issue your new license.
- Passing exam scores and background clearances are good for 1 year. The Agency can only issue a license while the scores and background clearance are valid.

This score report is provided as a record of your scores. Do not send it to the Real Estate Agency.

Oregon Real Estate Agency

Real Estate Broker

Score Report



Angie Anderson
PO Box 93
Terrebonne, Oregon 97760

Candidate ID: XXX-XX-4361

Exam: OR Principal Broker Exam - OR Principal Broker - State

Exam Date: 07/22/2017

PASSING SCORE: 38.0 (75%)

YOUR SCORE: 40.0

GRADE: PASS

Congratulations! You have passed the **OR Principal Broker - State Examination**.

The following is an analysis of your performance on the examination. For a detailed description of the subject matter included within each Topic, please refer to the PSI Candidate Information Bulletin.

Topic	Number of Questions	Number Correct
License Law and Disciplinary Measures	5	4
Handling of Client Funds	7	6
Agency Law and Rules	4	4
Regulation of Broker Activities	8	8
Document Handling and Recordkeeping	4	2
Property Management	8	8
Oregon Real Estate Related Statutes	14	8

- The Oregon Real Estate Agency will receive your exam scores in 3 business days.
- Log in to your eLicense account at www.rea.state.or.us to check the status of your license application.
- Find additional information on licensing requirements in the "How to Get a License" section of www.rea.state.or.us.
- Once all license requirements are completed, the Agency will issue your new license.
- Passing exam scores and background clearances are good for 1 year. The Agency can only issue a license while the scores and background clearance are valid.

This score report is provided as a record of your scores. Do not send it to the Real Estate Agency.



To: Oregon Real Estate Board
FROM: Angie L. Anderson, Broker
RE: Waiver for Principal Broker license
DATE: September 2, 2017

Mike Hoover is Principal Broker of Partners Property Management & Sales. Mike and his wife Jazz would like to make the transition into full time retirement and enjoy uninterrupted travel. This desired transition prompts an immediate need for a Principal Broker in the company.

As an active licensed Broker in the State of Oregon and current Branch Manager of Partners Property Management & Sales, I would like to apply for a waiver of the third year as an active Broker licensee to become licensed as a Principal Broker. I have completed the required hours of continued education and did pass the State and National test requirements on July 22nd, 2017. For your consideration, I have detailed my personal experience with regards to the real estate industry below.

As a Central Oregon resident since 1990 and coincidentally the daughter of Mike and Jazz, I have been immersed in the real estate industry. I was extremely motivated and able to purchase my first home in 1996, at age twenty, through the Rural Development program. Working with Ray Posner, who was knowledgeable with the requirements of this loan, was wonderful and my personal priority of home ownership drove my success. Marriage and a growing family in 2000 directed the sale of this home. My husband and I then jointly purchased a residential lot, secured a construction loan to build a home with the assistance of a general contractor and learned about that loan process as well. Finally and with continued success in real estate investing, we were able to purchase a small acreage with a conventional loan twelve years ago. The home was undoubtedly not as desirable as the new home we sold but with time and effort, including a refinance to fund some aesthetic upgrades, we are content to stay put for the time being. These personal life experiences have been a great source of personal reference and have been helpful in the process of acquiring my Broker's license and working day to day in the industry.



In July of 1996 I became licensed within the State of Oregon in Hair Design and also hold license as an Independent Contractor of Cosmetology. My twenty two year career in the Cosmetology industry produced ownership and sales of two successful Hair Salons in the area. Duties and skills necessary at this level of the profession include the technical aspect of being a successful stylist but more importantly, the management of multiple Independent Contractors to uphold all regulations set forth by the State of Oregon. I believe the experiences of being a commission paid stylist, an independent contractor, Sole Proprietor of a salon, and a Co-owner of an LLC salon have provided me with professional skills that I use every day in my current office environment.

My employment with Partners Property Management & Sales began in April of 2015 and I am currently the Branch Manager of our office in Redmond. Partner's General Manager, who is a licensed Property Manager, has been able to rely on my attention to procedure and all applicable Landlord/Tenant laws in order to allow the quick advancement into my current position. If my request of waiver for the required third year is granted, she will continue to oversee general office operations on a day to day basis and the Principal Broker position would be assumed by me. Mike Hoover will continue to be a vital source of information for myself and all others in our office; he has a tremendous amount of Principal Broker and Owner experience to share and the wonderful ability to facilitate continued personal growth in others, namely myself. With his continued involvement due to our personal relationship I am confident your decision to waive the third year of required experience would be backed by unparalleled support for the extended and foreseen future.

Thank you for taking time to review the information provided. Your consideration of my request is appreciated in advance; I look forward to hearing from the Real Estate Board.

A handwritten signature in blue ink, appearing to read "Angie Anderson", with a large, stylized flourish at the end.

Angie Anderson
Branch Manager/Broker
541-504-5900
Partners Property Management & Sales
61510 S Hwy 97
Bend, Oregon 97702
2326 SW Glacier Place
Redmond, Oregon 97756



TO: Oregon Real Estate Board

FROM: Michael C. Hoover, CRB, GRI
Principal Broker/Owner

RE: Waiver for Principal Broker license for Angie Anderson

DATE: September 2, 2017

I am requesting your consideration of waiving Angie Anderson's third year requirement to obtain her active Principal Broker's license. She has met the requirements of not only passing course material and state testing; I believe she meets the intent of the guidelines of waiver with her experience. Please see her letter attached.

I am the sole owner of MCH Property Management LLC dba Partners Property Management & Sales. After 45 years of active professional real estate activities, it is time for me transition toward semi-retirement. Yes, old Realtors® don't quit, they just fade away slowly!

Angie has assimilated considerable experience simply growing up in a real estate dominated family. Not only did I have a license, her Mom did. Jazz and I have considerable real estate holding ourselves and Angie has watched, heard and participated in our real estate activities long before having a license. As her own letter states, she has had considerable experience managing other independent contractors in a regulated industry which is one of the roles of the Principal Broker. In the two years she has had an active license and worked for me, she has been heavily involved with the accounting aspects of property management, the day to day operations, negotiations between tenants and landlords, and overall management of our primary branch office. Angie is a highly motivated personality with integrity and compassion. I am proud to have played a part in her life and see the fruition of that parenting.

I will continue to own the company for an unknown time and be actively involved as called upon. I have excellent management in place which includes Angie. I am and will be available to my management team on a moment's notice.

My request is to meet the Oregon regulations and law of having a Principal Broker. Angie has earned my trust and will fulfill the requirements admirably. Please approve her waiver. Thank you in advance.

A handwritten signature in black ink, appearing to read "Mike Hoover", is written over a light gray rectangular background.



September 6, 2017

Oregon Real Estate Division

I have known Angie Anderson and her family for over 20 years and would fully recommend her for the position of Principal Broker. She has grown up in a real estate family and has been a business owner in Redmond for several years and has all of the qualifications to become a Principal broker.

Thank You,

A handwritten signature in blue ink, appearing to read "Mike Gordon".

Mike Gordon

Principal Broker

Windermere Central Oregon Real Estate

Redmond, Oregon

541-923-4663

Windermere Central Oregon Real Estate

695 SW Mill View Way * Bend, Oregon 97702 * 541-388-0404 * Fax 541-389-7915

821 SW 6th St * Redmond, Oregon 97756 * 541-923-4663 * Fax 541-923-6416

PO Box 1958, 57100 Beaver Dr. Bldg. 22, Ste. 220 * Sunriver, Oregon 97707 * 541-323-5888 * Fax 541-323-5880

windermerecentraloregon.com

September 10, 2017

To Whom It May Concern,

I have known Angie Anderson in a variety of capacities for many years. She has been my hairdresser for more than 15 years. Additionally, she has been someone I have known as a knowledgeable and experienced employee, business owner and an extremely capable homeowner with many skills as a do it yourselfer and handy person. I have gone to her many times to learn how to accomplish tasks such as home or business renovation and remodeling.

Angie is professional, detail-oriented, and extremely competent. She is extremely organized, and never misses or forgets an appointment.

Angie has an excellent rapport with people of all ages. She has interacted with many people over the years that I worked with her and then became her client. Her excellent communication skills (both written and verbal) allow her to connect with all kinds of people and I have witnessed her motivating people to put forth their best efforts.

In summary, I highly recommend Angie for any position, endeavor, or leadership role that she may seek to pursue.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Allyson Hamlik
541-420-9492
ahamlik@powellbuttecharterschool.org

September 10, 2017

3693 SW Timber Ave
Redmond, OR 97756

To Whom it May Concern:

It is my pleasure and honor to be able to give you a personal recommendation on behalf of Angie Anderson. It is my understanding that Angie is applying for a waiver of her third year of Real Estate experience to attain her Principal Broker's license.

I have known Angie for about 25 years. I first met her when I was a Merchandise Manager at JCPenney in Bend and she was working in the men's department to put herself through beauty school. The first thing I noticed back then about Angie was that she was very independent, and always needed to keep busy. She has an incredible drive to work and work well. I don't know too many women who can remodel a house with small children in tow while her husband is out of town working. Anyway, from that time at JCPenney and forward, I have been a long-time client of Angie in her hair business. I have seen her own two different salons and manage them both with great success. Angie is very consistent and works with great professionalism, integrity, and honesty. She has many years of experience in confidently owning her own business. She also has an unmatched work ethic and so without hesitation, I recommend that she receive a waiver on her third year of Real Estate experience in order to move ahead to attain her Principal Broker's license.

Please feel free to reach out and contact me if I can help further by answering any specific questions you may have. I can be reached at 541-598-5804.

Sincerely,

Janet Hucke

**AGENDA ITEM NO.
IV.**

**OREGON REAL ESTATE BOARD
CEP LOG
2016-2017**

6.6.16	Kenneth Holman	WITHDRAWN	Mr. Holman withdrew his petition and indicated his intention to re-petition the board as a trade association at a later date.
6.6.16	CMPS Institute (Gibran Nicholas)	APPROVED	<p>FACTS: Chair Hermanski asked CMPS to summarize the basis of their petition. Gibran Nicholas explained that CMPS Institute has provided education across the country and is approved in 10 states to provide CE to real estate agents. Mr. Nicholas also explained CMPS Institute offers the following acceptable course topics: advertising; regulation; consumer protection; real estate taxation; and finance. Chair Hermanski asked if they were familiar with the record keeping requirements and Ms. Nicholas responded that they are familiar with the record keeping requirements</p> <p>DISCUSSION: None.</p> <p>MOTION TO APPROVE CMPS INSTITUTE'S PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER BY MARCIA EDWARDS</p> <p>SECOND BY LAWNAE HUNTER</p> <p>MOTION CARRIED BY UNANIMOUS VOTE</p>
10.3.16	Michelle Moore	APPROVED	<p>FACTS: Ms. Moore explained that she had nine years of experience in providing continuing education courses covering the following topics: real estate consumer protection, risk management, dispute resolution, and negotiation, which are considered acceptable course topics. Dave Koch asked Ms. Moore if she was familiar with the record keeping requirements involved with being a provider and she responded that she was aware of the requirements.</p> <p>DISCUSSION: None</p> <p>MOTION TO APPROVE BY DAVE KOCH</p> <p>SECOND BY LAWNAE HUNTER</p> <p>MOTION CARRIED BY UNANIMOUS VOTE</p>
12.05.16	Brix Law LLP	APPROVED	<p>FACTS: Laura Craska Cooper and Brad Miller appeared by phone and Mr. Miller explained Brix Law LP specializes in real estate and land use transactions and both he and Ms. Craska Cooper had an extensive amount of experience in the following areas: real estate leasing, acquisitions, development, financing, general business, and negotiations. Chair Hermanski asked Mr. Miller and Ms. Craska Cooper if they were familiar with the record keeping requirements as a certified education instructor and Mr. Miller responded that they were familiar this requirement.</p> <p>DISCUSSION: None.</p>
02.06.17	Systems Effect LLC	APPROVED	<p>FACTS: Mr. Jordan appeared by phone and explained that Systems Effect LLC is a distance learning company that has been in business since 2008 and is currently approved to provide real estate continuing education courses in Arizona, Kansas, Minnesota, Missouri, and Ohio. He also stated that the courses offered cover the following acceptable topics: Principal broker record keeping and supervision, trust accounts, agency relationships, misrepresentation, disclosure, contracts, appraisal, fair housing, risk management, water rights, environmental protection, land use, real estate law, negotiation, and others. Dave Koch asked Mr. Jordan if a tracking device was in place to monitor class time and he responded that there is a timer in place to verify that students meet the required course time. Alex MacLean asked Mr. Jordan if there is a resource for student assistance with questions they might have and Mr. Jordan responded that there is a FAQ information, email system, and staff available for students.</p> <p>DISCUSSION: None.</p>
02.06.17	American Dream Real Estate School LLC	APPROVED	<p>FACTS: Herbert Nagamatsu appeared by phone and explained that American Dream Real Estate School created, administered and delivered online courses and training programs to students since 2005. He also stated that the courses offered cover the following acceptable topics: Contracts, Risk Management, and real estate finance. Dave Koch asked Mr. Nagamatsu how he derived the questions for the courses and he responded that the topics covered meet with rule and law. Alex MacLean asked Mr. Nagamatsu how students communicate with instructors he responded that contact information for instructors is posted online for students. Mr. Koch asked Mr. Nagamatsu how class time was tracked and he responded timing mechanisms were in place behind the scenes. Mr. Koch also asked Mr. Nagamatsu to explain his record keeping process and he responded records are kept for minimum of 3 years and backup for seven years.</p> <p>DISCUSSION: None</p>

02.06.17	Asset Preservation Inc.	APPROVED	<p>FACTS: Elisa Mas appeared by phone and explained that Asset Preservation, Inc. has provided 1031 exchange courses for continuing education to real estate professionals all over the nations for over 25 years and was also approved to teach continuing education courses in Texas, New York, Florida, Colorado, Washington, Oklahoma, New Jersey, and Arizona as well as Oregon, previously. She also stated that the courses offered cover the following acceptable topics: Real estate taxation and Real Estate Finance. Alex MacLean asked Ms. Mas when her company was certified and she responded approximately one year ago. Mr. MacLean also asked Ms. Mas if her company was currently certified and if not, to explain the gap in time. Ms. Mas explained the previous administrator was expired and now they want to be certified again.</p> <p>DISCUSSION: None.</p>
02.06.17	Military Mortgage Boot Camp	APPROVED	<p>FACTS: Mike Fischer appeared by phone and explained the current class offered is a 2 or 3 hour version which covers appraisal, VA assistance, and transaction coordination. Chair Edwards asked Mr. Fischer which acceptable topics were covered in the courses offered and he responded that consumer protection was the topic covered. Dave Hamilton stated he would like to see Oregon's program incorporated in the course and Mr. Fischer responded they could incorporate Oregon's program. Chair Edwards clarified that although, incorporating Oregon's program was not a requirement or contingency, it was encouraged.</p> <p>DISCUSSION: None</p>
02.06.17	Fairway Independent Mortgage Corp.	APPROVED	<p>FACTS: Kate Myers appeared before the board and explained Fairway Independent Mortgage Corp. was one of the mortgage companies that is allowed to handle VA loans. Chair Edwards asked Ms. Myers which acceptable course topics are covered in their courses and she responded that real estate finance was the topic offered. Dave Koch asked Ms. Myers if there was a record keeping mechanism in place and she responded there is an administrator who would be assigned the record keeping duties</p> <p>DISCUSSION: None.</p>
04.03.17	Envoy	APPROVED	<p>FACTS: Mr. Varcak appeared by phone and explained he has taught first time home buyers courses and facilitated other trainings. He also said he teaches courses covering the topic of Real Estate Finance, which is an acceptable course topic. Mr. Varcak indicated that his goal was to provide a more structured training program through Envoy. Coni Rathbone asked Mr. Varcak if he has kept track of continuing education credits and he responded that although he had not kept track of credits in the past, he did review all the record keeping requirements and was prepared to follow them. Dave Koch of he intended to use instructors to provide variety of topics and Mr. Varcak responded that he did intend to utilize other instructors. Commissioner Bentley asked Mr. Varcak if he had considered being an instructor rather than a provider and Mr. Varcak responded that his company wanted to provide their own coursework.</p> <p>DISCUSSION: None</p>
04.03.17	Oregon Rental Housing Association Education Inc.	APPROVED	<p>FACTS: Ms. Pate appeared and explained ORHA Education Inc. is seeking a grant to provide supplemental education to landlords, tenants, and public education. Chair Edwards asked Ms. Pate which location records would be kept and she responded that she believed the Salem office located on Commercial St. would house the records. Commissioner Bentley asked Ms. Pate to clarify the topics that would be offered and she explained she intended to offer courses covering the following topics: Property management, advertising, any type of fair housing issue, real contracts, business ethics, and dispute resolution, which are all acceptable course topics.</p> <p>DISCUSSION: None</p>
06.05.17	Mason McDuffie Mortgage Corp.	APPROVED	<p>FACTS: Mason McDuffie Mortgage Corp., Jesse Rivera appeared by phone and explained that he used his experience as a former real estate agent and high school teacher as a way to build good relationships. Mr. Rivera also explained that he would be teaching the following topics during his classes: Real estate finance, contracts, advertising, how to manage brokers, and business ethics, which are acceptable course topics.</p> <p>DISCUSSION: None</p>
8.7.17	Real Estate Training Institute, a division of Certified Training Institution	APPROVED	<p>FACTS: Real Estate Training Institute, a division of Certified Training Institution, Ms. Teri Francis and Jenny MacDowel appeared by phone and explained that CTI is a distance learning provider with a total of 16 real estate courses approved by ARELLO and cover the following topics: principal broker supervision responsibilities, agency relationships and responsibilities for broker, principal brokers, or property managers, disclosure requirements, consumer protection, real estate contracts, real estate taxation, fair housings laws or policy, business ethics, risk management, real estate finance, and environmental protections issues, which are acceptable course topics.</p> <p>DISCUSSION: None</p>
10.02.17	Housing and Community Services Agency of Lane County		
10.02.17	Lumos Academy		



PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER

Rev. 1/2017

Real Estate Agency
530 Center St. NE Ste. 100
Salem OR 97301
Phone: (503) 378-4170

INSTRUCTIONS

To petition the Real Estate Board for approval of qualifications to become an applicant for certification as a continuing education provider, the petitioner must complete this form and submit it by e-mail to madeline.c.alvarado@state.or.us a least 21 days before the next scheduled Board meeting at which the applicant wishes the Board to act.

IMPORTANT:

- ▶ If the petitioner is an entity, the information provided must pertain to that entity. If the petitioner is an individual, the information provided must pertain to that individual.
- ▶ All information and documents submitted as part of this petition become part of the Board Packet, and therefore, public record.
- ▶ Petitioners will need to appear before the Board. This may be done in person or by phone. Once the Agency receives this completed petition, a letter will be sent to the petitioner with the date of the Board meeting the petitioner will need to attend.

If the Board approves this petition, the Agency will mail a letter to the petitioner, at the mailing address provided, confirming the Board's approval. The petitioner may then apply for certification as a continuing education provider under OAR 863-020-0030.

PETITIONER

Name Housing and Community Services Agency of Lane County Phone Number 541-682-3755

Physical Address 177 Day Island Rd Address Cont. _____

City Eugene State OR Zip Code 97401 County Lane

E-mail N/A

Mailing Address (if different) _____ Address Cont. _____

City _____ State _____ Zip Code _____ County _____

AUTHORIZED CONTACT PERSON

Prefix Mr. First Name Travis Last Name Baker

Phone Number 541-682-2602 E-mail TBAKER@HACSA.US

Indicate who will appear before the board on behalf of the Petitioner: Travis Baker (Landlord Liaison), Beth Ochs (Division Director)

AGENCY USE ONLY

Approved by Board YES NO

Review Date _____



HACSA

Housing And Community Services Agency of Lane County
177 Day Island Road, Eugene, OR 97401-2484



EQUAL HOUSING
OPPORTUNITY

(541) 682-3755 | Fax (541) 682-3411 | TTY (541) 682-3412 |

July 28th, 2017

To whom it may concern:

Housing and Community Services Agency (HACSA) of Lane County submits the following petition for the Real Estate Board's approval to become an applicant for certification as a continuing education provider. As HACSA does not meet the Continuing Education Provider Qualifications as specified under OAR 863-020-0020, please consider this petition for Continuing Education Provider Qualifications as allowed under OAR 863-020-0025.

Housing and Community Services Agency of Lane County is committed to providing safe and affordable housing for low-income families, elderly citizens and persons with disabilities. HACSA provides housing and supportive services for over 5,000 Lane County families a year through rental assistance and public/affordable housing programs. Through our rental assistance programs (Section 8, Veteran Affairs Supportive Housing, Shelter Plus Care, etc.), HACSA collaborates with more than 700 landlords, property managers and brokers in Lane County to provide needed housing to the community.

To assist property management partners (many of which are real estate licensees) in successfully participating in rental assistance programs, HACSA provides on-going educational courses which are eligible for continuing education credit as defined under OAR 863-020-0035(4). HACSA began offering these educational courses February 2017 and has hosted three classes totaling 29 participants. These courses cover information within the scope of topics as defined under OAR 863-020-0035(4)(d), OAR 863-020-0035(4)(g), and OAR 863-020-0035(4)(o). During these educational courses, HACSA provides

education of rental assistance programs relating to agency relationships and responsibilities for brokers, principal brokers, and property managers. HACSA's educational courses also include instruction related to advertising regulations, as relevant to Fair Housing protections of source of income.

HACSA understands the responsibilities of continuing education provider as specified under OAR 863-020-0050. HACSA also recognizes the requirements of an instructor under ORS 696.186, as well as an understanding of the information required on the continuing education instructor form under OAR 863-020-0060.

Housing and community Services Agency of Lane County thanks the Board for this petition's consideration.

Sincerely,

Travis Baker
Landlord Liaison
Housing and Community Services Agency of Lane County
177 Day Island Road
Eugene, Oregon
97401

(541) 682-2602

Real Estate Agency
530 Center St. NE Ste. 100
Salem OR 97301
Phone: (503) 378-4170



PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER

Rev. 1/2017

INSTRUCTIONS

To petition the Real Estate Board for approval of qualifications to become an applicant for certification as a continuing education provider, the petitioner must complete this form and submit it by e-mail to madeline.c.alvarado@state.or.us a least 21 days before the next scheduled Board meeting at which the applicant wishes the Board to act.

IMPORTANT:

- ▶ If the petitioner is an entity, the information provided must pertain to that entity. If the petitioner is an individual, the information provided must pertain to that individual.
- ▶ All information and documents submitted as part of this petition become part of the Board Packet, and therefore, public record.
- ▶ Petitioners will need to appear before the Board. This may be done in person or by phone. Once the Agency receives this completed petition, a letter will be sent to the petitioner with the date of the Board meeting the petitioner will need to attend.

If the Board approves this petition, the Agency will mail a letter to the petitioner, at the mailing address provided, confirming the Board's approval. The petitioner may then apply for certification as a continuing education provider under OAR 863-020-0030.

PETITIONER

Name LUMOS ACADEMY Phone Number 503-502-5247

Physical Address 3109 NE SANDY BLVD Address Cont. _____

City PORTLAND State OR Zip Code 97232 County MULTNOMAH

E-mail lane@hevanet.com

Mailing Address (if different) _____ Address Cont. _____

City _____ State _____ Zip Code _____ County _____

AUTHORIZED CONTACT PERSON

Prefix _____ First Name _____ Last Name _____

Phone Number _____ E-mail _____

Indicate who will appear before the board on behalf of the Petitioner: _____

AGENCY USE ONLY

Approved by Board YES NO

Review Date _____

Petition to Qualify as a Continuing Education Provider

Qualification Information

Lumos Academy (a division of Lumos LLC) is designed to provide exemplary real estate education that enlightens, entertains, and instills *Confidence through Competence*[™].

Its vision is to raise the bar for the real estate profession through highly educated brokers, resulting in better served clients.

Lumos Academy consists of consummate instructors who have been actively involved in training real estate brokers, principal brokers, and owners of brokerages throughout the State.

The following instructor bio is a sampling of the level of expertise and experience the Academy offers:

Lane Mueller has over thirty years of experience in real estate -- initially as a real estate agent and broker in Colorado, then as a Designated Broker and Legal Advisor for large real estate companies in the Portland (Oregon) Metropolitan Area, as an Instructor at a community college, presenter of continuing education programs to the real estate community at large, Regional Manager of a tax deferred exchange company, Assistant VP and Associate Counsel for a holding company that owns three title companies, and a Real Estate Attorney.

She presently is an owner and Designated Principal Broker and Managing Broker for Wise Move Real Estate, an Attorney -- practicing in the areas of real estate, estate planning, and business law, a Legal Advisor for a multitude of real estate companies (14 and counting), and an Educator.

Known as a vibrant and engaging speaker, she is capable of translating complicated legal issues into easy to understand and relevant terms for real estate industry professionals.

This Petition is submitted to ensure access to a very high level of training for licensees throughout the State. The members of Lumos Academy have a long track record of providing quality education that is meaningful and immediately applicable to daily professional real estate activity in conformity with the statutory requirements and Oregon Real Estate Agency's regulatory standards. The scope of courses includes, but is not limited to, topics on:

- Principal Real Estate Broker Supervision Responsibilities
- Agency Relationship and Responsibilities
- Misrepresentation in Real Estate Transactions
- Advertising Regulations
- Real Estate Disclosure Requirements
- Real Estate Consumer Protection
- Fair Housing

- Business Ethics
- Risk Management
- Dispute Resolution
- Real Estate Escrow
- Real Estate Economics
- Real Estate Law and Regulations
- Negotiation

In accord, it is respectfully requested that this Petition to Qualify as a Continuing Education Provider be granted to Lumos Academy.

Thank you in advance for your consideration.



Oregon

Kate Brown, Governor

AGENDA ITEM NO.

V. A.

Real Estate Agency
530 Center St. NE, Suite 100
Salem, Oregon 97301-2505
Phone: (503) 378-4170
www.oregon.gov/rea

Law and Rule Required Course 2018-2019

For courses offered January 1, 2018 to December 31, 2019

OVERVIEW

This document provides the course content for the 3-hour Law and Rule Required Course (LARRC) approved by the Oregon Real Estate Board. All real estate licensees must take and complete LARRC from a certified continuing education provider to meet the requirement to take a 3-hour continuing education course on recent changes in real estate rule and law found in ORS 696.174.

This document will be posted on the Oregon Real Estate Agency's website at www.oregon.gov/rea.

HOW TO OFFER LARRC

A Certified Continuing Education Provider must meet all the [requirements and responsibilities of a LARRC provider](#), including:

- Notifying the Oregon Real Estate Agency by logging in to your eLicense account if you have not done so before.
- Developing your LARRC course using this document.
 - Use the written learning objectives for the required course topics.
 - Write your own learning objectives for the optional topics that you may choose to include in your LARRC course.
- Ensuring that your LARRC course will take each licensee a minimum of 3 hours to complete. A break of no more than 10 minutes per hour of instruction may be allowed.
- Making sure your advertising and certificates of attendance indicate name of the course as the "Law and Rule Required Course 2018-2019." You may also use the abbreviation "LARRC" in addition to the full name of the course.
- Confirming that you have a completed and signed [Continuing Education Instructor Qualification Form](#) for each instructor teaching the course.
- Maintaining records as required in [OAR 863-020-0055](#).

COURSE CONTENT

The LARRC course content approved by the Oregon Real Estate Board has required course topics and optional course topics.

Required topics

The required topics were developed from changes made to Oregon Revised Statute 696 and Oregon Administrative Rule 863, as well as input from Board, the Oregon Real Estate Agency staff, and other stakeholders. Learning objectives have been provided.

Optional topics

The optional topics were compiled from legislation passed in the 2017 session that the Board determined may have an effect on real estate licensees in Oregon. Additionally, other topics were added that the Board feels may benefit real estate licensees. The topics were developed with input from the Board, the Oregon Real Estate Agency staff, and other stakeholders.

Each continuing education provider is responsible for making sure that learning objectives are developed for each of the optional topics that the provider chooses to include in the LARRC offered by the provider.

Special Interest LARRC Classes

Certified continuing education providers may offer LARRC classes aimed at a specific type of licensee. Such classes must contain the required course topics, but may focus on optional topics approved by the Board that have a particular interest to licensees who manage rental real estate or are responsible for Registered Business Names.

There is no requirement to offer such a course; the decision to offer a special interest LARRC course would be a business decision made by the provider.

A provider who chooses to create such a class must still name it on advertising and the certificates of attendance as "Law and Rule Required Course 2018-2019."

Law and Rule Required Course (LARRC)

Required Topics

Effective January 1, 2018 through December 31, 2019

CHAPTER 234, OREGON LAWS 2017 (SENATE BILL 67)

<https://olis.leg.state.or.us/liz/2017R1/Downloads/MeasureDocument/SB67>

Overview:

Senate Bill 67, filed by the Governor on behalf of the Oregon Real Estate Agency, amended Oregon Revised Statute 696. This resulted in a review of and revisions to the administrative rules administered by the Agency. If the law implemented a change to rule, the resulting course content will be addressed in the “Oregon Administrative Rules Chapter 863” section.

The required content will only address items in this law that are pertinent to a real estate licensee conducting professional real estate activity or maintaining a real estate license.

Learning Objectives:

Upon completion of this course section the licensee will be able to:

Overall:

- Explain that the law is effective on January 1, 2018.

Section 2:

- Understand that the suspension or revocation of a principal broker or property manager’s license does not cause the suspension or revocation of any of the principal broker or property manager’s associated licensees unless it is determined by the Commissioner that an associated licensee had knowledge of the violation.

Section 3 (Amends ORS 696.010):

- Define “Business day.”
- Define “Commingle” and explain how commingling can place clients’ funds at risk.
- Explain that the definition of “Management of Rental Real Estate” has changed so that a licensed real estate property manager is limited to representing of a tenant or prospective tenant only when the property manager has a property management agreement with the owner of the property for lease or rent.

Section 5 (Amends ORS 696.026):

- Understand that Registered Business Names must be renewed annually.
- Explain the consequences if a Registered Business Name is not renewed, and the fee not paid, by the expiration date.
- Explain that each Registered Business Name must have an identified responsible principal broker or licensed property manager.
- Describe the responsibilities of the licensee responsible for a Registered Business Name per subsection (1)(d).

Section 7:

- Explain that an individual listed in ORS 696.030 may not make a demand for the compensation of a real estate licensee under ORS 696.290.

Section 15 (Amends 696.241)

- Understand that the clients' trust account information previously required to be provided to the Agency under ORS 696.241(4) has been moved to ORS 696.245.
- Explain under what circumstances earned compensation may be held in a clients' trust account.

Section 17 (Amends 696.245)

- Explain that the new combined Notice of Clients' Trust Account and Authorization to Examine form requires that the principal broker or property manager is used to notify the bank that:
 - The account is a clients' trust account.
 - The Commissioner is authorized to obtain information concerning the clients' trust account upon request.

Section 19:

- Explain that an individual listed in ORS 696.030 may not make a demand for the compensation of a real estate licensee under ORS 696.290. Explain that a real estate licensee who shares compensation with an individual listed in ORS 696.030 risks administrative action by the Agency.

Section 21 (Amends ORS 696.310)

- Explain the contents of a written supervisory agreement that must be executed when two or more principal brokers, or two or more licensed property managers, work together under the same Registered Business Name.

CHAPTER 193, OREGON LAWS 2017 (SENATE BILL 68)

<https://olis.leg.state.or.us/liz/2017R1/Downloads/MeasureDocument/SB68>

Overview:

Senate Bill 68, also filed by the Governor on behalf of the Oregon Real Estate Agency, updates the Agency's fee schedule significantly for the first time in 20 years.

The required content will only address items in this law that are pertinent to a real estate licensee conducting professional real estate activity or maintaining a real estate license.

Learning Objectives:

Upon completion of this course section the licensee will be able to:

Overall:

- Explain that the law is effective January 1, 2018.

Section 1 (Amends ORS 696.270):

- Explain that the renewal fee for an active broker, principal broker, or property manager licenses is \$300.
- Explain that the renewal fee for an inactive broker, principal broker, or property manager license is \$150.

- Explain that the fee to renew a real estate license late, which is in addition to the increased renewal fee, is \$150.
- Explain that the Registered Business Name fee is \$300.
- Explain that the new annual fee to renew a Registered Business Name is \$50.

OREGON ADMINISTRATIVE RULE CHAPTER 863

Overview:

The Oregon Real Estate Agency, with the assistance of the Oregon Real Estate Board and other stakeholder, reviewed and revised OAR 863.

The required content will only address changes to the rules that are pertinent to a real estate licensee conducting professional real estate activity or maintaining a real estate license.

To access a copy of the redline version of the Agency's 2017 Proposed Rules, please visit the following link:

<http://www.oregon.gov/rea/Documents/Rulemaking-Redline.pdf>

Learning Objectives:

Upon completion of this course subject the licensee will be able to:

Overall

- Explain the rule is effective January 1, 2018.

OAR 863-014-0063

- Explain the condition under which a broker or principal broker who transfers to a new Registered Business Name may continue to work on a real estate transaction started under the old Registered Business Name.

OAR 863-014-0075 & OAR 863-024-0075

- Explain what happens if an individual with a suspended license exceeds the expiration date or requests that the license be reissued.

OAR 863-014-0095 & OAR 863-024-0095

- Explain Registered Business Name expiration term.
- Understand that Principal Broker Licensed Names and Property Manager Licensed Names no longer exist and that all professional real estate activity must be conducted under Registered Business Names.

OAR 863-014-0097 & OAR 863-024-0097

- Explain the Registered Business Name renewal requirements.
- Explain what happens to real estate licensees working for a Registered Business Name if the Registered Business Name is not renewed on or before the expiration date.

OAR 863-015-0092

- Understand that the content of this new rule came from the previous rule OAR 863-015-0081.
- Explain that the clients' trust account "mail-in audits" were renamed to "reconciliation mail-in review."

- Understand the current process for a reconciliation mail-in review as reflected in the updated rule.

OAR 863-015-0135

- Explain that administrative rule requires that addendums and amendments be in writing.

OAR 863-015-0145

- Explain that the requirement to disclose the real estate licensee's licensed status during a personal real estate transaction is limited to transactions in this state.

OAR 863-015-0150

- Explain that, in the case where a broker is handling the closing of a real estate transaction, the required written authorization from the principal broker must now be maintained in the transaction file.

OAR 863-015-0186

- Understand that section (8) was deleted because:
 - This rule does not deal with the management of rental real estate.
 - Residential Landlord and Tenant Laws in ORS 90, as well as contract law, is outside the scope and authority of the Agency.

OAR 863-015-0188

- Understand that this rule was deleted because it conflicted with ORS 696.582

OAR 863-015-0200

- Explain the changes made to the Final Agency Acknowledgement form.

OAR 863-015-0250

- State the timeframe in which a broker must turn in the documents to the broker's principal broker.

OAR 863-015-0255

- Understand that the original rule was separated into 3 rules to make it easier to read.
- Explain a principal broker's requirements for notifying the Agency when opening a clients' trust account, including:
 - Timeframe
 - Form needed
 - Process
- Explain the principal broker's requirements for notifying the Agency when closing a clients' trust account, including:
 - Timeframe
 - Process
- Explain that principal brokers now have the option of using the shorter phrase "Client Trust Account" on checks used to disburse funds from a clients' trust account.

OAR 863-015-0257

- Understand that this new rule came from previous OAR 863-015-0255.

- Explain the conditions under which a check that is made payable to a seller may be delivered directly to seller without needing to be deposited into a clients' trust account first.
- Explain when a check made payable to a seller must be delivered to the seller.

OAR 863-015-0259

- Understand that this new rule came from previous OAR 863-015-0255.
- Explain, per section (2), the required recordkeeping needed for checks made out to the seller and delivered directly to the seller.

OAR 863-015-0265

- Understand that the provision in the old rule that said it allowed a principal broker to put funds into a clients' trust account to keep it open was deleted because it conflicted with statute. Such a practice would be commingling, which is not allowed.

OAR 863-020-0007

- Explain that the continuing education credit hours issued by a certified continuing education provider must be based on the time it takes the licensee to complete the course.
- Explain that a certified continuing education provider must notify a licensee the length of time it will take to complete the course before the course begins.

OAR 863-020-0035

- Explain that continuing education can only be taken online or in a classroom.

OAR 863-025-0015

- Explain that delegation of a property manager's authority found in the new section (5) must include the signature of the individual receiving the authority.

OAR 863-025-0025

- Understand that the original rule was separated into 3 rules to make it easier to read.
- Explain a property manager's requirements for notifying the Agency when opening a clients' trust account, including:
 - Timeframe
 - Form needed
 - Online process
- Explain the property manager's requirements for notifying the Agency when closing a clients' trust account, including:
 - Timeframe
 - Online process
- Explain that property managers now have the option of using the shorter phrase "Client Trust Account" or "Client Trust Account SD" on checks used to disburse funds from a clients' trust account or clients' trust account security deposit account respectively.

OAR 863-025-0027

- Understand that this new rule came from the previous OAR 863-025-0025.

OAR 863-025-0028

- Understand that this new rule came from the previous OAR 863-025-0025.

OAR 863-025-0045

- Explain the required components of a tenant or lease agreement.
- Explain that the property manager must deliver a legible copy of the tenant agreement, with any addenda or amendments, to the tenant.

OAR 863-025-0065

- Explain how a check made out to the property owner can be transmitted directly to the property owner.
- Explain when such a check made payable to a property owner must be delivered to the property owner.
- Explain, per section (3), the required information needed for checks made out to the property owner and delivered directly to the property owner.

OAR 863-025-0090

- Understand that the content of this new rule came from the previous rule OAR 863-025-0080.
- Explain that the clients' trust account "mail-in audits" were renamed to "reconciliation mail-in review."
- Understand the current process for a reconciliation mail-in review as reflected in the updated rule.

DRAFT

Law and Rule Required Course (LARRC)

Optional Topics

Effective January 1, 2018 through December 31, 2019

In addition to the required course topics listed above, a certified continuing education provider may include the following subjects.

2017 OREGON LEGISLATION

HB 2140

Requires seller of real property to disclose seismic risk in seller's property disclosure statement.

HB 2510

Authorizes commercial tenant to install on premises and use electric vehicle charging station.

HB 2511

Authorizes residential tenant to install on premises and use electric vehicle charging station for personal, noncommercial use.

HB 2737

Requires Director of Department of Consumer and Business Services to adopt construction standards for homes that have floor area of not more than 600 square feet.

HB 2111

Prohibits inclusion of provisions banning the installation of solar panels in declaration or by laws of a planned community.

HB 2189

Establishes statute of repose for actions arising out of real estate appraisal activity.

HB 2855

Creates a procedure for purchaser of real property to enforce contractual requirement for delivery of deed without instituting suit or action.

HB 2920

Requires judgment creditor to file satisfaction document on receipt of proceeds of execution sale of real property.

SB 277

Increases notice period for termination of rental agreement and removal of manufactured dwelling or floating home.

ADDITIONAL OPTIONAL TOPICS

- eLicense (the Agency's online electronic licensing management system)
 - Adding or removing clients trust accounts
 - Changing your legal name
 - Transferring in and inactivating a licensee
 - Renewing your license
- Review of recent administrative actions taken against licensees found in the [Oregon Real Estate News Journal](#).
- Advertising requirements (OAR 863-015-0125) including social media, internet advertising, and the use of a "common derivative" of a licensee's first name and the licensee's licensed last name when advertising. (Note: all licensees must be licensed using their legal name.)
- Any division of Oregon Administrative Rules, chapter 863.
- Difference between statutes and rules.
- Role of the Oregon Real Estate Agency, including 1) education and examination for brokers, principal brokers and property managers; 2) licensing and regulation of real estate principal brokers, brokers, property managers and escrow and escrow agents; 3) regulation of condominiums, timeshare and campground registrations, real estate marketing organizations, out of state subdivisions, certain manufactured dwelling subdivisions; and 4) investigation of complaints against licensees and escrow agents, and unlicensed professional real estate.
- Issues concerning radon, including information to alert potential buyers of one and two family dwellings.

ADMINISTRATIVE ACTIONS
Reported
7/13/17 through 9/19/17

REVOCATIONS

Anderson, Michelle (Sisters) Principal Broker 981200074, Stipulated Order dated July 31, 2017, issuing a revocation of her license.

Wolf, Amber (Tigard) Broker 200302111, Hearing Final Order dated August 11, 2017 issuing a revocation of her license.

Duke, Jerry (Portland) Broker 201205673, Default Order dated August 17, 2017 issuing a revocation of his license.

Tudor, Johnney (Myrtle Creek) Property Manager 201207935, Default Order dated August 23, 2017 issuing a revocation of his license.

SUSPENSIONS

REPRIMANDS

Butler, Robert (Portland) Principal Broker 780203594, Final Order dated September 11, 2017 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

Horton, Craig (Medford) Property Manager 201221853, Stipulated Order dated July 28, 2017 levying a \$1000 civil penalty for unlicensed activity.

1 REAL ESTATE AGENCY
2 BEFORE THE REAL ESTATE COMMISSIONER
3

4 In the Matter of the Real Estate License of

5
6 MICHELLE M. ANDERSON

7
8 } STIPULATED FINAL ORDER
9

10 The Oregon Real Estate Agency (OREA) and Michelle M. Anderson (Anderson) do
11 hereby agree and stipulate to the following:

12 FINDINGS OF FACT
13 &
14 CONCLUSIONS OF LAW

15 1.

16 1.1 Anderson is licensed as a principal broker. Anderson's license expired on
17 October 1, 2016, when she failed to renew.

18 1.2 OREA received a complaint against Anderson and opened an investigation in
19 October 2015.

20 1.3 On April 26, 2016, Anderson was indicted through Deschutes County Circuit
21 Court (Case # 16CR24819) on two counts of Theft of Services, one count of Attempted Theft
22 of Services, one count of Negotiating a Bad Check, one count of Forgery in the First Degree,
23 one count of Criminal Possession of Forged Instrument in the First Degree, and one count of
24 Attempted Aggravated Theft in the First Degree.

25 1.4 Count 5 Forgery in the First Degree on the Indictment, alleged that Anderson,
26 "unlawfully, knowingly and with intent to injure and defraud, falsely make a mortgage pre-
27 approval letter, a written instrument, to wit: related to the purchase of residence located at
28 1021 E. Cascade Ave, Sisters, OR."

29 1.5 On April 24, 2017, Anderson pled No Contest to Count 5, Forgery in the First
30 Degree. On June 28, 2017, Anderson was convicted through the Deschutes County Circuit

1 Court (Case #16CR24819) of Forgery in the First Degree. Anderson was sentenced to 24
2 months of supervision probation and ordered to complete 164 hours of community work
3 service. Anderson was ordered to spend 72 hours in jail and pay \$8,500.00 in restitution.

4 1.6 As a condition of probation, the Court ordered Respondent to surrender and
5 agree to permanent revocation of her real estate license. The Judgement states the following:
6 "Defendant agrees to surrender (within 30 days) and to permanent revocation of her
7 Oregon principal broker license with the Oregon Real Estate Agency, with the following
8 language. Defendant's conduct is grounds for discipline of her real estate license
9 pursuant to ORS 696.301. Defendant agrees her actions violated ORS 696.301(14),
10 and agrees to the revocation of her Oregon Principal Real Estate Broker License.

11 **Violation:** Anderson's actions and conduct leading to the arrest and subsequent
12 conviction for Forgery I violated ORS 696.301(14) (2015 and 2017 Editions), which states a
13 licensee's real estate license can be disciplined if they have committed an act of fraud or
14 engaged in dishonest conduct substantially related to the fitness of the applicant or licensee to
15 conduct professional real estate activity, without regard to whether the act or conduct occurred
16 in the course of professional real estate activity.

17 2.

18 2.1 The foregoing constitutes grounds for discipline pursuant to ORS 696.301.
19 Revocation is appropriate under ORS 696.396(2)(c)(C)(2015 and 2017 Editions). According
20 to ORS 696.396(2)(c)(C), OREA may revoke a real estate license if the material facts establish
21 a violation of a ground for discipline under ORS 696.301 that exhibits dishonesty or fraudulent
22 conduct.

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

25 **STIPULATION & WAIVER**

26 I have read and reviewed the above findings of fact and conclusions of law which have
27 been submitted to me by OREA and further, the order which follows hereafter. I understand
28 that the findings of fact, conclusions of law and this stipulation and waiver embody the full and
29 complete agreement and stipulation between OREA and me. I further understand that if I do
30 not agree with this stipulation I have the right to request a hearing on this matter and to be

1 represented by legal counsel at such a hearing. Hearings are conducted in accordance with
2 the procedures set forth in ORS Chapter 183 and in accordance with the Rules of Practice and
3 Procedure adopted by the Attorney General of the State of Oregon. I freely and voluntarily
4 waive my rights to a hearing, to representation by legal counsel at such a hearing, and to
5 judicial review of this matter.

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

11 ORDER

12 IT IS HEREBY ORDERED that Anderson's principal broker license is surrendered.

13 IT IS FURTHER ORDERED, that Anderson's principal broker license is revoked.

14
15
16 IT IS SO STIPULATED:

17
18 
19 _____

20 MICHELLE M. ANDERSON

21
22 Date 7/28/17
23 _____

IT IS SO ORDERED:

24
25 
26 _____

27 GENE BENTLEY

28 Real Estate Commissioner

29 Date 7.31.17
30 _____

Date of Service: 7/31/2017

**BEFORE THE
REAL ESTATE AGENCY
STATE OF OREGON**

IN THE MATTER OF:

AMBER M WOLF

) **FINAL ORDER INCORPORATING**
) **MODIFIED RULING ON MOTION FOR**
) **PARTIAL SUMMARY**
) **DETERMINATION AND PROPOSED**
) **ORDER**
) OAH Case No. 2017-ABC-00405
Agency Case No. 2016-219 & 2016-258

This matter came before the Commissioner to consider the Amended Ruling on Motion for Partial Summary Determination and Proposed Order Issued by Administrative Law Judge Rick Barber on July 19, 2017. The July 19, 2017, Amended Ruling and Proposed Order recommended revocation of Respondent's real estate license. The Amended Ruling and Proposed Order advised Respondent of the opportunity to file exceptions. Respondent did not file exceptions to the Proposed Order. After considering the record, and the file herein, the Agency issues this Final Order which incorporates the ALJ Rick Barber's Modified Ruling and Proposed Order as follows.

HISTORY OF THE CASE

On March 2, 2017, the Real Estate Agency (Agency) issued a Notice of Intent to Revoke to Amber Wolf (Licensee). On March 6, 2017, Licensee requested a hearing. On March 16, 2017, the Agency referred the hearing request to the Office of Administrative Hearings (OAH). The OAH assigned Administrative Law Judge (ALJ) Rick Barber to preside at hearing. ALJ Barber convened a prehearing conference on April 12, 2017. The parties agreed to an August 1, 2017 hearing date and also set a schedule for the Motion for Summary Determination the Agency intended to file.

On June 9, 2017, Senior Assistant Attorney General Raul Ramirez filed a Motion for Partial Summary Determination on behalf of the Agency.¹ Licensee's Response was due on June 30, 2017. On July 1, 2017, Licensee sent an email to Mr. Ramirez requesting an extension of time (to July 3) to submit her Response due to a family emergency. Mr. Ramirez submitted three emails from Licensee that he received on the evening of July 3, 2017. On July 5, 2017, ALJ Rick Barber granted the extension, accepted the three emails as Licensee's Response,² and gave

¹ Upon receipt of the motion, noting that the caption said it was a "Partial" motion but also noting that the Agency requested, at the end of the motion, a Proposed Order, I wrote to Mr. Ramirez to ask whether the word "partial" was in error. In a return email, he assured me that it was only a partial motion. Therefore, the hearing remains scheduled.

² The three emails, sent to Mr. Ramirez between 8:57 PM and 11:11 PM on July 3, are all accepted as Licensee's Response, although it appears that the third email was her final copy.

the Agency until July 10, 2017 to file a Reply. The Agency filed its Reply on July 10, 2017, and the matter was taken under advisement at that time.

On July 18, 2017, the OAH issued its Ruling on Motion for Summary Determination, noting that it was a partial motion only (with other issues from the notice to be addressed at hearing), and concluding that the August 1, 2017 hearing would remain on the hearing docket.

On July 19, 2017, Mr. Ramirez forwarded a letter from Real Estate Commissioner Gene Bentley, indicating the Agency's desire to dismiss the remaining issues from its Notice, without prejudice. Specifically, as Commissioner Bentley's letter states, the Agency withdraws "the following alleged violations contained in the Notice of Intent: Page 4, Lines 1-29; Page 5, Lines 6-11; and Page 8, Lines 4-7."

As a result of the Commissioner's July 19, 2017 letter, ALJ Rick Barber canceled the August 1, 2017, hearing and the Ruling on Motion for Summary Determination was amended to be issued as a Proposed Order.

ISSUES

1. Whether there are any genuine issues as to any material facts and, if not, whether the Agency is entitled to a favorable ruling as a matter of law. OAR 137-003-0580.
2. Whether Licensee demonstrated incompetence or untrustworthiness in the practice of the real estate profession, violating ORS 696.301(12).
3. Whether Licensee committed an act of fraud or engaged in dishonest conduct in her real estate practice, violating ORS 696.301(14).
4. Whether Licensee engaged in conduct below the standard of care in her practice of the real estate profession, violating ORS 696.301(15).
5. Whether Licensee created a reasonable probability of damage or injury to a person by making misrepresentations or false promises, violating ORS 696.301(1).
6. Whether Licensee failed in her affirmative duty to deal honestly and in good faith with others in the real estate transactions at issue, thereby violating ORS 696.301(3), as it incorporates ORS 696.810(2)(a) and (c).

NATURE OF THE REVIEW

Pursuant to OAR 137-003-0580, a Motion for Summary Determination may be filed by the agency or a party not less than 28 days before the date set for hearing, requesting a ruling on the legal issues in the contested case. The rule sets forth the standard by which ALJ Rick Barber

reviewed the motion. It states, in pertinent part:

Motion for Summary Determination

(1) Not less than 28 calendar days before the date set for hearing, the agency or a party may file a motion requesting a ruling in favor of the agency or party on any or all legal issues (including claims and defenses) in the contested case. The motion, accompanied by any affidavits or other supporting documents, shall be served on the agency and parties in the manner required by OAR 137-003-0520.

(2) Within 14 calendar days after service of the motion, the agency or a party may file a response to the motion. The response may be accompanied by affidavits or other supporting documents and shall be served on the agency and parties in the manner required by OAR 137-003-0520.

* * * * *

(6) The administrative law judge shall grant the motion for a summary determination if:

(a) The pleadings, affidavits, supporting documents (including any interrogatories and admissions) and the record in the contested case show that there is no genuine issue as to any material fact that is relevant to resolution of the legal issue as to which a decision is sought; and

(b) The agency or party filing the motion is entitled to a favorable ruling as a matter of law.

(7) The administrative law judge shall consider all evidence in a manner most favorable to the non-moving party or non-moving agency.

(8) Each party or the agency has the burden of producing evidence on any issue relevant to the motion as to which that party or the agency would have the burden of persuasion at the contested case hearing.

(9) A party or the agency may satisfy the burden of producing evidence through affidavits. Affidavits shall be made on personal knowledge, establish that the affiant is competent to testify to the matters stated therein and contain facts that would be admissible at the hearing.

(10) When a motion for summary determination is made and supported as provided in this rule, a non-moving party or non-moving agency may not rest upon the mere allegations or denials contained in that party's or agency's notice or answer, if any. When a motion for summary determination is made and supported as provided in this rule, the administrative law judge or the agency must explain the requirements for filing a response to any unrepresented party or parties.

(11) The administrative law judge's ruling may be rendered on a single issue and need not resolve all issues in the contested case.

(12) If the administrative law judge's ruling on the motion resolves all issues in the contested case, the administrative law judge shall issue a proposed order in accordance with OAR 137-003-0645 incorporating that ruling or a final order in accordance with 137-003-0665 if the administrative law judge has authority to issue a final order without first issuing a proposed order.

OAR 137-003-0580. ALJ Rick Barber reviewed and decided the motion interpreting the facts in a way that is most favorable to Licensee, the non-moving party.

DOCUMENTS REVIEWED

In preparation for ruling on the motion, ALJ Rick Barber reviewed the Agency's Motion, with the Affidavit of Frances Hlawatsch (Ex. 1) and the other exhibits, 2 through 6; Licensee's Response (three emails); and the Agency's Reply. ALJ Rick Barber also reviewed the Notice and Licensee's hearing request.

FINDINGS OF FACT

1. Licensee has been licensed by the Agency as a broker, with Oregon Realty Co. from August 5, 2015 until April 26, 2016, and then with Oregon First from April 26, 2016 through June 23, 2016. Her broker license expired on December 31, 2016.. Licensee applied for a principal broker license in June 2016 but has not completed her application. (Aff. of Hlawatsch). Licensee studied for her real estate broker license at Lane Community College and began selling real estate in 2002. (Licensee Response).

2. On February 8, 2016, Licensee contracted with engineer Dan Cook to inspect the foundations on two manufactured homes, one in Molalla and the other in Mulino. Cook inspected both foundations on February 26, 2016. In Cook's opinion, the foundation on the Molalla home was in good shape, and only needed tie-downs to pass inspection. The Mulino home's foundation, however, was in serious disrepair. (Ex. 3).

3. On February 26, 2016, Cook summarized his positive findings on the foundation of the Molalla property in his inspection report:

It appears that the home is adequately supported for vertical, lateral and overturning loads on the foundation system. The foundation does conform to the "Permanent Foundation Guide for Manufactured Housing" a handbook by U.S. Department of Housing and Urban Development (HUD), September 1996.

Corrective measures necessary would be installation of two tie-down straps at each end of the support beams * * *

(Ex. 3 at 9).

4. On March 3, 2016, after describing several problems with the foundation on the Mulino property, Cook concluded in his multi-page report:

It appears that the home is not adequately supported for vertical nor for lateral and overturning loads on the foundation system. The foundation does not conform to the "Permanent Foundation Guide for Manufactured Housing" a handbook by U.S. Department of Housing and Urban Development (HUD), September 1996.

It is not possible at this time to determine the extent of corrective measures required since the stability of the hillside is unknown. We recommend the site be assessed by a licensed Geotechnical Engineer.

(Ex. 3 at 6).

5. Licensee received money orders from both of her clients to pay for Cook's inspections, but did not give the money orders to Cook or otherwise pay him for his services. Licensee kept the funds from the Molalla inspection, and either kept the funds or returned the funds to her client on the Mulino inspection. (Aff. of Hlawatsch, Ex. 3 at 11).

6. Licensee, perceiving that Cook's inspection report on the Mulino property would preclude financing on the property, decided to alter his report. Purchasing an inexpensive software program that allowed her to change or edit PDF documents, Licensee removed the pages describing the problems with the Mulino foundation, and inserted the following conclusion (taken verbatim from the Molalla letter) in the altered Mulino property one-page letter:

It appears that the home is adequately supported for vertical, lateral and overturning loads on the foundation system. The foundation does conform to the "Permanent Foundation Guide for Manufactured Housing" a handbook by U.S. Department of Housing and Urban Development (HUD), September 1996.

(Ex. 4). Licensee did not falsify Cook's signature on the altered March 3, 2016 Mulino letter (because, she told Hlawatsch, she knew forgery would be wrong), but included his engineer's stamp and submitted the altered letter with the closing documents at escrow. She also changed Cook's telephone number by one digit on the altered letter to prevent anyone from calling Cook and asking questions about the alterations. (Aff. of Hlawatsch).

7. Licensee mailed the altered Cook letter to the loan processor, Finance of America, where it was reviewed by Jonna Cyr, the person processing the loan. Cyr observed some irregularities in the document and, being familiar with Cook's report in the Molalla case, saw that the wording was exactly the same in both reports. Cyr and her manager contacted Cook to seek an explanation for the reports, and Cook told them his report on the Mulino property had been altered. Cook sent Cyr the actual report on the Mulino property. (Ex. 6).

8. Agency Investigator Frances Hlawatsch interviewed Licensee on July 27, 2016.

Licensee initially denied altering Cook's report, but eventually admitted that she had altered Cook's report by using an inexpensive software program that allowed her to alter a PDF document. (Aff. of Hlawatsch).

CONCLUSIONS OF LAW

1. There are no genuine issues as to any material facts raised in this motion and the Agency is entitled to a favorable ruling as a matter of law on those issues. OAR 137-003-0580.
2. Licensee demonstrated untrustworthiness in the practice of the real estate profession, violating ORS 696.301(12).
3. Licensee committed an act of fraud or engaged in dishonest conduct in her real estate practice, violating ORS 696.301(14).
4. Licensee engaged in conduct below the standard of care in her practice of the real estate profession, violating ORS 696.301(15).
5. Licensee created a reasonable probability of damage or injury to a person by making misrepresentations or false promises, violating ORS 696.301(1).
6. Licensee failed in her affirmative duty to deal honestly and in good faith with others in the real estate transactions at issue, thereby violating ORS 696.301(3), as it incorporates ORS 696.810(2)(a) and (c).

OPINION

The Agency has the burden of proof to establish that Licensee has violated the standards alleged in this case. *Sobel v. Board of Pharmacy*, 130 Or App 374, 379 (1994), *rev den* 320 Or 588 (1995) (standard of proof under the Administrative Procedures Act is preponderance of evidence absent legislation adopting a different standard). Proof by a preponderance of the evidence means that the fact finder is persuaded that the facts asserted are more likely true than not. *Riley Hill General Contractor v. Tandy Corp.*, 303 Or 390 (1987). The burden of proof encompasses two burdens, the burden of production of evidence in support of an assertion, and the burden to persuade the fact-finder that the facts asserted are true. *Marvin Wood Products v. Callow*, 171 Or App 175 (2000). Because there are no remaining questions of fact to be decided as to these issues, and the Agency is entitled to a ruling in its favor on these issues, the Agency has established the matters it has asserted in this motion.

ORS 696.301 states in part:

696.301 Grounds for discipline. Subject to ORS 696.396, the Real Estate Commissioner may suspend or revoke the real estate license of any real estate licensee, reprimand any licensee or deny the issuance or renewal of a license to an applicant who has done any of the following:

- (1) *Created a reasonable probability of damage or injury to a person by making one or more material misrepresentations or false promises* in a matter related to

professional real estate activity.

* * * * *

(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.

* * * * *

(12) *Demonstrated incompetence or untrustworthiness* 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 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.

(Emphasis added).

Violations of ORS 696.301(12) (14), and (15)

The Agency alleges that Licensee's altering of Cook's report violated subsections (12), (14) and (15) of the statute quoted above. That is, the Agency contends that Licensee's actions: 1) demonstrated incompetence or untrustworthiness; 2) were an act of fraud associated with professional real estate activity; and 3) were below the standard of care for real estate professionals.

The material facts in this case are undisputed and quite straightforward, and the analysis is equally so. Licensee intentionally altered the letter of engineer Cook in order to help a client obtain financing on a manufactured home in Mulino. Licensee knew that the information she was placing in the Mulino property report—taken from the Molalla property report—drastically altered Cook's opinion and covered up the dangerous foundation issues on the Mulino property. Licensee had the presence of mind, when altering the document, to avoid actually forging Cook's name and also to transpose the numbers in his phone number so that no one would be able to contact Cook about his actual opinion. Licensee then presented the altered report to the loan processor as if it was the original report.

In her response, Licensee argues that her use of opioid pain medications contributed to her poor decision-making. Other than her unsworn statement, there is no evidence that she had an opioid addiction, or that it affected her decision-making. Importantly, Licensee admits in her Response that she altered the Cook report. She clearly recalls making the decision to alter the report, and she remembers how she altered it. She recalls her decision not to falsify Cook's

signature (as she explained to Hlawatsch), and her intentional decision to alter Cook's phone number so that no one could contact him about the altered report.

Licensee was untrustworthy. Subsection (12) of the statute indicates that the Agency may discipline one who "[d]emonstrated incompetence or untrustworthiness" in real estate activity. Given Licensee's willingness to actually alter the report of another professional in order to complete a sale, she is untrustworthy in the practice of real estate.

Licensee's clients, whether they recognized it or not, were victims of that untrustworthiness. If Licensee's falsified version of Cook's report had been undiscovered and led to financing of the Mulino property, her clients would have had potential liability for obtaining financing under false pretenses and would certainly have had a home that was dangerous to live in. Other real estate agents could not trust that Licensee was honest, and engineers such as Cook would probably refuse to perform any more work for Licensee, her company, or her clients. The Agency has established that Licensee is not trustworthy.³

Licensee has committed dishonest acts in this case. Licensee altered Cook's report and submitted the document to the loan processor as the original. Licensee acted dishonestly and, given the amount of time necessary to obtain the software program and change the letter, as well as to submit it to the processor, the dishonest acts were premeditated. The Agency has established that Licensee acted dishonestly in these circumstances.

Licensee's actions were below the standard of care. ORS 696.022 sets forth some of the characteristics the legislature expects of a real estate professional, and states in part:

(5)(a) A license for a real estate broker, principal real estate broker or real estate property manager may be granted only to an individual who is trustworthy and competent to conduct professional real estate activity in a manner that protects the public interest. As a condition of licensing, the commissioner may require proof of competence and trustworthiness that the commissioner deems necessary to protect the public interest.

Although no witness testified as to the standard of care, it is a reasonable inference that Licensee's dishonest actions in this case violate the quoted statute and fall far below the standard of care of a real estate professional. The Agency has established that Licensee violated the standard of care.

Violation of ORS 696.301(1)

Licensee created a reasonable probability of damage to persons by making material misrepresentations. Licensee's alteration of Cook's report on the Mulino property had the reasonable probability of damaging the parties to the transaction on the Mulino property, as well as Cook's reputation as an engineer. The parties would have believed (and the lender would have financed on its belief) that there was no problem with the foundation on the Mulino

³ The statute refers to "incompetence or untrustworthiness" and, having found that Licensee was untrustworthy, I need not address whether she was incompetent.

property, when it was actually in serious disrepair.

As noted above, the misrepresentations in the report carried the probability of damage to the parties to the sales transaction, to Cook, and to the lender. Litigation over the matter would have been likely, leading to financial damage even if the facts of the case were ultimately determined correctly. Licensee violated this portion of the statute.

Violation of ORS 696.301(3)

Subsection (3) of the statute prohibits the violation of any other provision of the statutes. The Agency contends that Licensee violated subsection (3) as it incorporates ORS 696.810(2), which states in part:

696.810 Real estate licensee as buyer's agent; obligations. * * *

(2) A buyer's agent owes the buyer, other principals and the principals' agents involved in a real estate transaction the following affirmative duties:

(a) To deal honestly and in good faith;

* * * * *

(c) To disclose material facts known by the buyer's agent and not apparent or readily ascertainable to a party.

The original report that Cook drafted concerning the Mulino property identified several problems with the foundation of the property. Licensee altered that report to remove that information, thereby withholding material facts that should have been disclosed to the other parties to the transaction. Licensee violated this section of the statute as well.

Sanction

The Agency seeks to revoke Licensee's broker license based upon her actions in this case. Based upon ORS 696.396, the violations established by the Agency justify revocation of her license.

ORDER

The Commissioner adopts the ALJ's Modified Ruling on the Motion for Partial Summary Determination.

For the foregoing reasons, Licensee's Real Estate Broker License is hereby revoked.

IT IS SO ORDERED THIS

11th

DAY OF August

2017.

OREGON REAL ESTATE AGENCY



GENE BENTLEY

Real Estate Commissioner

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

CERTIFICATE OF MAILING

On August 11, 2017, I mailed the foregoing Final Order Incorporating Modified Ruling on Motion for Partial Summary Determination and Proposed Order issued on this date in OAH Case No. 2017-ABC-00405 and Agency Case No. 2016-219 & 2016-258.

By: First Class Mail

AMBER M WOLF
9735 SW McDonald Street
Tigard, OR 98642-8208

Office of Administrative Hearings
ALJ Rick Barber
PO Box 14020
Salem OR 97309-4020

Raul Ramirez
Senior Assistant Attorney General
Department of Justice
1162 Court St NE
Salem OR 97301-4096

Carolyn Kalb
Compliance Specialist

1 REAL ESTATE AGENCY
2 BEFORE THE REAL ESTATE COMMISSIONER
3

4 In the Matter of the Real Estate License of

5
6 JERRY DF DUKE

7 } FINAL ORDER BY DEFAULT
8 }
9

1.0

10 1.1 On June 19, 2017, the Real Estate Commissioner issued, by certified mail, a
11 notice of intent to revoke the real estate broker license of Jerry DF Duke (Duke). The Oregon
12 Real Estate Agency (OREA) sent the notice of intent to Duke's last known address of record
13 with the OREA. The notice of intent was also mailed to Duke by regular first class mail in a
14 handwritten envelope.

15 1.2 The notice of intent was mailed certified to the following addresses on June 19,
16 2017: 8551 NW Red Wing Way, Beaverton, OR 97006, 18551 NW Red Wing Way, Beaverton,
17 OR 97006, and 2934 SW Montgomery Dr, Portland, OR 97201. The certified mailing
18 addressed to 8551 NW Red Wing Way was returned, with the following notation, "Return to
19 Sender Vacant Unable to Forward. On the returned mailing handwritten was a "1" in front of
20 "8551" and after "Way", the following had been written in, "#203." The certified mailing
21 addressed to 18551 NW Red Wing Way, Beaverton, OR 97006 was returned to OREA
22 marked, "Return to Sender Not Deliverable As Addressed Unable to Forward," and "Unable to
23 Forward/For Review." The certified mailing to 2934 SW Montgomery Dr., Portland, OR 97201
24 was returned to OREA marked, "Return to Sender Unclaimed Unable to Forward."

25 1.3 The notice of intent was mailed regular first class mail in a handwritten envelope
26 to the following addresses on June 19, 2017: 8551 NW Red Wing Way, Beaverton, OR 97006,
27 18551 NW Red Wing Way, Beaverton, OR 97006, and 2934 SW Montgomery Dr., Portland,
28 OR 97201. None of the regular first class mailings of the notice have been returned to OREA.

29 1.4 Over twenty (20) days have elapsed since the mailing of the notice issued in this
30 matter and no written request for hearing has been received.

1 received \$3,000 back in cash. Duke was positively identified from bank
2 photographs.

- 3 • The other five checks belong to Hoag, Duke deposited to his Wells Fargo
4 account at various Wells Fargo branches around Oregon.

5 3.6 Camas Police Department also investigated Duke after he wrote check # 1021 in
6 the amount of \$2,243.98 to Les Schwab on Hoag's business checking account. The check
7 didn't clear and was returned due to insufficient funds. The truck Duke had serviced at Les
8 Schwab had been reported stolen from Hoag's business, Sundale Vineyard and Ranches,
9 LLC. New tires and brakes were put on the vehicle. The total for the invoice was \$2,243.98.

10 3.7 Hoag told law enforcement, that Duke was not authorized to have work done on
11 the truck and he was not an authorized signer on the business account.

12 3.8 Duke told law enforcement that the money he received from cashing Hoag's
13 business checks was money Hoag owed him for work he did for her in the past.

14 3.9 On December 7, 2015, Duke was convicted of three counts of Identity Theft,
15 (Multnomah County Court Case#15-CR-46010). Duke was sentenced to 36 months of
16 supervised probation and to pay court fees and restitution in the amount of \$12,182.26 to
17 Wells Fargo for their loss.

18 3.10 Per Duke's probation conditions he is not allowed any contact with Hoag.
19 Additionally, Duke is not allowed to apply or accept employment or volunteer for any job
20 handling cash or negotiable instruments, checks, etc., without his probation officer's
21 permission and a full disclosure to the employer about his criminal past.

22 **Violation:** By being convicted of Identity Theft (3 Counts), Duke violated ORS
23 696.301(11) (2015 Edition), which states licensee's real estate license may be discipline if they
24 have been convicted of a felony or misdemeanor substantially related to the licensee's
25 trustworthiness or competence to engage in professional real estate activity.

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ORDER

IT IS HEREBY ORDERED that Duke's limited broker license is revoked.

Dated this 17th day of August, 2017.

OREGON REAL ESTATE AGENCY



GENE BENTLEY
Real Estate Commissioner

Date of Service: 8/17/2017

NOTICE: 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 pursuant to the provisions of ORS 183.482.

**BEFORE THE
REAL ESTATE AGENCY
STATE OF OREGON**

IN THE MATTER OF: ROBERT M. BUTLER, Licensee) FINAL ORDER)) OAH Case No. 2017-ABC-00537) Agency Case No. 2015-132
--	--


This matter came before the Real Estate Agency to consider the Ruling on Motion For Summary Determination and Proposed Order issued by Administrative Law Judge (ALJ) Samantha Fair on August 16, 2017. No exceptions were filed to the Proposed Order.

For the foregoing reasons, the Commissioner adopts the Ruling on Motion For Summary Determination and Proposed Order as the Final Order. The Commissioner finds that each violation independently supports imposition of a public reprimand under ORS 696.301.

ORDER

IT IS HEREBY ORDERED that the Butler's principal real estate broker license be, and hereby is reprimanded.

Dated this 11th day of SEPTEMBER 2017.



Gene Bentley
Real Estate Commissioner

Date of Service: 9/11/2017

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

**BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS
STATE OF OREGON
for the
REAL ESTATE AGENCY**

IN THE MATTER OF:) **RULING ON MOTION FOR**
) **SUMMARY DETERMINATION AND**
ROBERT M. BUTLER) **PROPOSED ORDER**
)
) OAH Case No. 2017-ABC-00537
) Agency Case No. 2015-132

HISTORY OF THE CASE

On April 12, 2017, the Real Estate Agency (Agency) issued a Notice of Intent to Reprimand (Notice) to Robert M. Butler. On April 25, 2017, Mr. Butler requested a hearing.

On May 1, 2017, the Agency referred the matter to the Office of Administrative Hearings (OAH). On June 8, 2017, Administrative Law Judge (ALJ) Samantha Fair convened a telephone prehearing conference. Mr. Butler appeared. The Agency appeared and was represented by Senior Assistant Attorney General Raul Ramirez. Phillip Johnson from the Agency also appeared. ALJ Fair scheduled the hearing for September 26, 2017, and set deadlines for submission of motions, witness lists and exhibits.

On July 14, 2017, the Agency filed a Motion for Summary Determination (Motion). On July 31, 2017, Mr. Butler filed an Answer Against Oregon Real Estate Agency's Motion for Summary Determination (Response).

On August 10, 2017, the OAH issued a Ruling on Motion for Summary Determination (Ruling). In the Ruling, ALJ Fair granted the Agency's Motion on the allegation of intentionally interfering with the exclusive representation relationship of another licensee and the allegation of demonstrating incompetence or untrustworthiness and found that the issuance of a reprimand was an appropriate sanction. In the Ruling, ALJ Fair denied the Motion on the allegation of intentional interference with the contractual relations of others, and ALJ Fair indicated that, if the Agency withdrew this allegation, than a proposed order could be issued that would incorporate the Ruling.

On August 15, 2016, the Agency withdrew the allegation in its Notice regarding intentional interference with the contractual relations of others and requested that a proposed order be issued.

ISSUES

1. Whether there are any genuine issues as to any material facts and, if not, whether the

Agency is entitled to a favorable ruling as a matter of law. OAR 137-003-0580.

2. Whether Mr. Butler violated provisions of the Oregon Real Estate License Law¹ by:

- Intentionally interfering in the exclusive representation relationship of another licensee; and
- Demonstrating incompetence or untrustworthiness in performing an act for which the licensee is required to hold a license.

ORS 696.301.

3. If so, whether the Agency may reprimand Mr. Butler's principal real estate broker's license. ORS 696.301.

DOCUMENTS CONSIDERED

For purposes of the issuance of this ruling, the ALJ considered the following:

- The Motion and Exhibits 1 through 11, submitted by the Agency;
- The Response, the Declaration of Robert Butler, and Exhibits A through C, submitted by Mr. Butler; and
- The pleadings.

STATEMENT OF FACTS

1. The Agency issued Mr. Butler a principal real estate broker's license number PB.780203594, which expired on January 31, 2016. (Exs. 1 at 1; 10 at 1.) During the relevant period, he operated a real estate brokerage company named Butler Brokers, Inc. (Butler Brokers). (Ex. 2 at 2.) Mr. Butler uses his company's computer to conduct his personal business, and his brothers know of this personal use. (Butler Dec. at 1.)

2. The Agency issued Reet Vaga a principal real estate broker's license. Ms. Vaga works with Kamali Sotheby's International Realty (Kamali). (Exs. 2 at 2; 4 at 1.)

3. On April 17, 1996, Dorothy Butler executed an Agreement of Trust for the creation of a trust entitled "The Bert M. Butler Trust" (Trust). (Ex. 3 at 1, 6.) She transferred to the Trust two parcels of real property, one of which was Lot 12, Neahkanie Meadow, Tillamook County, Oregon (Property). (*Id.* at 1, 7.) The Trust was for the benefit of Ms. Butler's husband, Bert Butler, during his lifetime, and thereafter, for the benefit of her children: Stewart Butler (Stewart), Mr. Butler, and Thomas Butler (Thomas). (*Id.* at 1.) Ms. Butler named her three children as successor co-trustees for the Trust after her death. (*Id.* at 5.)

¹ ORS 696.015(2) provides "ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870, 696.990 and 696.995 may be cited as the Oregon Real Estate License Law."

4. On September 6, 2013, Ms. Vaga listed the Property for sale on behalf of Ms. Butler. After Ms. Butler's death in 2014, Stewart and Thomas requested that Ms. Vaga continue the listing, and they signed for extensions and modifications of the original listing agreement.² (Ex. 5 at 1.)

5. On January 15, 2015, Ms. Vaga received a purchase offer of \$250,000 from Jeffrey and Margaret Hoffman (Hoffmans) for the Property. Ms. Vaga submitted the offer to Stewart and Thomas, who showed it to Mr. Butler. (Exs. 5 at 1; 2 at 2, 5-15.) Thomas and Stewart decided to make a counter offer to the Hoffmans. (Ex. 2 at 2.) Only Thomas and Stewart were listed on the paperwork regarding the proposed sales transaction. (*Id.* at 5-14.)

6. On January 19, 2015, Mr. Butler sent an email to Ms. Vaga, Thomas, Stewart and others in which he rejected the counter offer proposed by Thomas and Stewart; objected to the validity of the extension of Ms. Vaga's listing agreement; and rejected Ms. Vaga's recommendation to limit any counteroffer to \$270,000. In the email, he further indicated that he would send a copy of his rejection of Thomas and Stewart's counteroffer to Ticor Title Company (Ticor). (Ex. 2 at 17.) Mr. Butler sent the email from Butler Brokers' email account and noted the author of the email as:

Robert Butler

Butler Brokers Inc.
Commercial Real Estate

(*Id.*)

7. On January 27, 2015, Ticor informed Ms. Vaga, Thomas, and the attorney representing Stewart and Thomas that it would not issue title insurance for the proposed sale unless Mr. Butler joined the transaction as a seller or advised Ticor, in writing, that he would not join the transaction but confirm that the completed transaction would not be a serious breach of trust. Ticor further stated that these options were necessary to prevent post-closing challenges to the transaction. (Exs. 6 at 1; A at 1.) On February 5, 2015, Ticor again informed Ms. Vaga that it would not move forward on the sales transaction until resolution of Mr. Butler's objections to the sale. (Ex. at 2.) Upon being informed of the problems raised regarding the transaction, the Hoffmans withdrew their offer on February 8, 2015. (Exs. 2 at 20; 5 at 1.)

8. On February 9, 2015, Mr. Butler filed a complaint against Ms. Vaga and Kamali with the Agency. (Ex. 2 at 22.) Included with the complaint was a February 2, 2015 email sent to Ms. Vaga and Kamali in which Mr. Butler demanded copies of all signed documents regarding the Trust, including the original listing, price changes and listing extensions, and noted that prior demands for such documents had been unsuccessful. The email was sent from Butler Brokers' email account and noted the author of the email as:

² ORS 130.610(1) provides "Cotrustees who are unable to reach a unanimous decision may act by majority decision."

Robert Butler, co-trustee Bert Butler Trust

Butler Brokers Inc.
Commercial Real Estate

(*Id.* at 23.)

9. On February 13, 2015, Stewart and Thomas, as co-trustees, filed an Amended Complaint for Declaratory Judgment (Complaint) against Mr. Butler, as trustee, in the Circuit Court for the County of Tillamook, Oregon. In the Complaint, Stewart and Thomas sought a declaratory judgment against Mr. Butler that would authorize Stewart and Thomas, as the majority of the trustees pursuant to ORS 130.610(1), to sell the Property. (Ex. 7.)

10. On March 3, 2015, an email was sent from Butler Broker's email account to Stewart and Thomas with a copy to Mr. Butler and the attorney representing Stewart and Thomas. The email included an attachment of a document entitled "Regarding the Bert M. Butler Trust agreement selling [the Property's] conditions to close to Hoffman's as Purchaser's." (Exs. 8 at 1-2; B at 1; C at 1.) The body of the email contained the following:

This allows the sale to the Hoffman's to go through promptly with little additional legal fees. The fact you two and yours attorneys do not respond does not speak well for your interest in mitigating damages to the estate and 'continuing' as de facto trustees failing in your duty to loyalty: ORS 130.655 UTC 802

Robert Butler

Butler Brokers Inc.
Commercial Real Estate

(Exs. 8 at 1; B at 1.) The attachment was a document for all three co-trustees to sign demonstrating their agreement to a list of conditions that would allow the Hoffman sale to proceed. The conditions included:

5. Stewart and Tom withdraw [the Complaint] from Tillamook Circuit Court
6. The [Trust] and Stewart and Tom guarantee payment to [Mr. Butler] one third of the net trust proceeds of the sale. * * *
7. [Mr. Butler] withdraws in writing the two pending real estate licensee complaints against Kamali Sotheby's and holds Reet Vega harmless from other possible proceeding violations (e.g. "steering") As a condition of this agreement, and subsequent sale by the trust to "Hoffman" Kamali Sotheby's, will pay at the time of completion of "Hoffman" escrow to Butler Brokers Inc., Portland, Oregon, a referral

fee of \$7,500.00[.]

(Exs. 8 at 2; C at 1.)

11. On March 23, 2015, Thomas filed a complaint against Mr. Butler with the Agency. (Ex. 2 at 1.)

12. On June 8, 2015, a Circuit Court Judge signed a Declaratory Judgment that authorized Stewart and Thomas, as co-trustees, to take “all necessary steps to sell and convey the [Property] to a qualified purchaser.” (Ex. 9 at 1-2.)

13. Kamali was the sole procuring cause of the Hoffmans’ purchase offer. (Ex. 2. At 3.) Mr. Butler and Butler Brokers did not list the Property for sale, did not market the Property, did not obtain the purchase offer, did not refer the Hoffmans to Ms. Vaga, and did not provide any services in regards to the proposed sale of the Property. (Exs. 2 at 3; 10 at 3.)

CONCLUSIONS OF LAW

1. There are no genuine issues as to any material facts and the Agency is entitled to a favorable ruling as a matter of law.

2. Mr. Butler violated provisions of the Oregon Real Estate License Law by:

- Intentionally interfering in the exclusive representation relationship of another licensee; and
- Demonstrating incompetence or untrustworthiness in performing an act for which the licensee is required to hold a license.

3. The Agency may reprimand Mr. Butler’s principal real estate broker’s license for these two violations.

OPINION

Standard of Review for Motion for Summary Determination

OAR 137-003-0580 addresses motions for summary determination. It provides, in relevant part:

(6) The administrative law judge shall grant the motion for a summary determination if:

(a) The pleadings, affidavits, supporting documents (including any interrogatories and admissions) and the record in the contested case show that there is no genuine issue as to any material fact that is relevant to resolution of the legal issue as to which a decision is sought; and

(b) The agency or party filing the motion is entitled to a favorable ruling as a matter of law.

(7) The administrative law judge shall consider all evidence in a manner most favorable to the non-moving party or non-moving agency.

(8) Each party or the agency has the burden of producing evidence on any issue relevant to the motion as to which that party or the agency would have the burden of persuasion at the contested case hearing.

* * * * *

(12) If the administrative law judge's ruling on the motion resolves all issues in the contested case, the administrative law judge shall issue a proposed order in accordance with OAR 137-003-0645 incorporating that ruling * * *.

Pursuant to OAR 137-003-0580(6)(a), in making my ruling, I considered the Agency's Motion, Exhibits 1 through 11, the Response, the Declaration, Exhibits A through C, and the pleadings. Pursuant to OAR 137-003-0580(7), I reviewed the evidence in the light most favorable to Mr. Butler, the non-moving party. I determined there are no genuine issues as to the material facts of the Agency's allegations of Mr. Butler intentionally interfering with the exclusive representation relationship of another licensee and of Mr. Butler demonstrating untrustworthiness in performing an act for which the licensee is required to hold a license. The Agency is entitled to a favorable ruling on its Motion regarding these allegations. Because the ruling on the Motion resolves all remaining issues in this matter, this proposed order is issued and the hearing is canceled.

Violations of Oregon Real Estate License Law

The Agency proposes to reprimand Mr. Butler's principal real estate broker's license based on allegations that Mr. Butler violated the Oregon Real Estate License Law.³ As the proponent of the allegations, the Agency has the burden to establish, by a preponderance of the evidence, that the allegations are correct and that it is entitled to sanction Mr. Butler. ORS 183.450(2) ("The burden of presenting evidence to support a fact or position in a contested case rests on the proponent of the fact or position"); *Harris v. SAIF*, 292 Or 683, 690 (1982) (general rule regarding allocation of burden of proof is that the burden is on the proponent of the fact or position). Proof by a preponderance of the evidence means that the fact finder is persuaded that the facts asserted are more likely than not true. *Riley Hill General Contractor v. Tandy Corp.*, 303 Or 390, 402 (1987).

ORS 696.301 provides, in part:

³ Pursuant to ORS 696.775, the Agency continues to have jurisdiction to conduct disciplinary proceedings and take action against a licensee even after the expiration of the license.

Subject to ORS 696.396, the Real Estate Commissioner may suspend or revoke the real estate license of any real estate licensee, reprimand any licensee or deny the issuance or renewal of a license to an applicant who has done any of the following:

* * * * *

(7) Intentionally interfered with the exclusive representation or exclusive brokerage relationship of another licensee.

* * * * *

(12) Demonstrated incompetence or untrustworthiness in performing any act for which the licensee is required to hold a license[.]

ORS 696.010 provides, in part:

(14) "Professional real estate activity" means any of the following actions, when engaged in for another and for compensation or with the intention or in the expectation or upon the promise of receiving or collecting compensation, by any person who:

- (a) Sells, exchanges, purchases, rents or leases real estate;
- (b) Offers to sell, exchange, purchase, rent or lease real estate;
- (c) Negotiates, offers, attempts or agrees to negotiate the sale, exchange, purchase, rental or leasing of real estate;
- (d) Lists, offers, attempts or agrees to list real estate for sale;

* * * * *

(i) Purports to be engaged in the business of buying, selling, exchanging, renting or leasing real estate;

(j) Assists or directs in the procuring of prospects, calculated to result in the sale, exchange, leasing or rental of real estate;

(k) Assists or directs in the negotiation or closing of any transaction calculated or intended to result in the sale, exchange, leasing or rental of real estate;

(L) Except as otherwise provided in ORS 696.030 (12), advises, counsels, consults or analyzes in connection with real estate values, sales

or dispositions, including dispositions through eminent domain procedures;

(m) Advises, counsels, consults or analyzes in connection with the acquisition or sale of real estate by an entity if the purpose of the entity is investment in real estate; or

(n) Performs real estate marketing activity as described in ORS 696.600.

A. Interference with Exclusive Representation

Ms. Vaga, working thru Kamali, held the listing agreement for the Property. Although Mr. Butler may have objected to her representation and her advice, his objections do not alter the fact that Ms. Vaga exclusively represented the Trust in its listing of the Property for sale, originally via her listing agreement with Ms. Butler as the trustee and the subsequent extension of the listing by the cotrustees Thomas and Stewart.

Butler Brokers is Mr. Butler's brokerage company. Mr. Butler and Butler Brokers performed no real estate activities or any services in regards to the listing and proposed sale of the Property to the Hoffmans. Despite its complete lack of performance of any services related to the proposed sale of the Property, Mr. Butler insisted that Kamali, the brokerage company for Ms. Vaga, pay a \$7,500 fee to Butler Brokers as a condition of the proposed sale, which would result in an approximately 50 percent reduction in Ms. Vaga's earned commission for the sale.

Mr. Butler argues that he only acted as a cotrustee, not a licensee, in connection with the sale of the Property. However, ORS 696.301 prohibits a licensee from engaging in specific, enumerated acts. It does not provide an exclusion if the licensee engages in these activities for reasons other than a role as a broker, agent, or property manager. Mr. Butler held a real estate principal broker's license. As such, he is required to abide by the Oregon Real Estate License Law when engaged in real estate activities and activities substantially related to a licensee's fitness. *See* ORS 696.301(14) (prohibitions on conduct that is substantially related to a licensee's fitness).

Mr. Butler further argues that his March 3, 2016 email attachment was a settlement offer, and therefore not subject to the Oregon Real Estate License Law. Mr. Butler fails to provide any legal support for this argument. The email attachment was a settlement offer, but the terms of the settlement concerned the sale of the Property (a real estate activity) with a list of conditions for such sale that included a demand for payment to Butler Brokers, his brokerage company that was not a party or a representative of a party to the Hoffman transaction and had rendered no services to support the distribution of such a payment.

Mr. Butler also argues that the Agency's failure to define "referral fee" defeats its motion for summary determination because that term can mean anything. The Oregon Real Estate License Law does not provide a definition for a "referral fee" other than a brief mention to a "referral fee" in ORS 696.290(5) as a payment to a tenant when the tenant refers a new tenant to the landlord. ORS 696.290(1) references a "finder's fee" as a payment of any share of a

licensee's compensation from a real estate transaction. Because Mr. Butler was demanding that Kamali pay a fee of \$7,500 to Butlers Brokers as a condition of the sale of the Property, Mr. Butler's "referral fee" was actually a "finder's fee." The actual name used for the fee in the March 3, 2016 email attachment does not create an issue of material fact, as, no matter its name, the fee would result in Kamali (and thus Ms. Vaga) paying Butler Brokers a portion of its compensation from the proposed Hoffman sale.

By making a demand for payment from Kamali, the brokerage company through which Ms. Vaga worked, for a fee never earned by Butler Brokers, Mr. Butler intentionally interfered in Ms. Vaga's exclusive representation relationship with the Trust for the sale of the Property. Mr. Butler's conduct violated ORS 696.301(7).

B. Incompetence or Untrustworthiness

ORS 696.290(1)(a)⁴ provides:

Except as provided in paragraph (b) of this subsection, a real estate licensee may not offer, promise, allow, give, pay or rebate, directly or indirectly, any part or share of the licensee's compensation arising or accruing from any real estate transaction or pay a finder's fee to any person who is not a real estate licensee licensed under ORS 696.022.

ORS 696.290(1)(a) requires that any portion of a licensee's compensation arising from a real estate transaction cannot be paid to any person who is not a real estate licensee. As shown above, Mr. Butler made a demand for payment from the brokerage company with which Ms. Vaga worked as a condition of the sale of the Property to the Hoffmans. Such an action, requiring the brokerage company to pay a portion of an earned commission to Butler Brokers, can only be made to another licensee. Therefore, Mr. Butler performed an act for which he is required to hold a license.

As shown above, Mr. Butler's demand that Kamali make a payment to Butler Brokers violated ORS 696.301(7). Additionally, Mr. Butler's demand was for the financial benefit of his brokerage company that had performed no services to warrant the receipt of any such payment. His willingness to violate the Oregon Real Estate License Law for the unwarranted financial benefit of his own company demonstrated his untrustworthiness in performing an act for which he is required to hold a license. Mr. Butler's conduct violated ORS 696.301(12).

Issuance of a Reprimand

In its Notice of Intent to Reprimand, the Agency proposes to sanction Mr. Butler by issuing a reprimand against his principal real estate broker's license. Pursuant to ORS 696.301, the Agency may suspend or revoke a license or reprimand a licensee for violations of the Oregon Real Estate License Law. As shown above, the Agency established that Mr. Butler violated the Oregon Real Estate License Law. Therefore, the Agency is entitled to sanction Mr. Butler's principal real estate broker's license, and the issuance of a reprimand against Mr. Butler, as

⁴ ORS 696.290(1)(b) provides for the payment of a finder's fee to a nonresident licensed real estate broker.

proposed by the Agency, is the least onerous of possible sanctions. As such, the Agency is not abusing its discretion in seeking to reprimand Mr. Butler.

Based upon his violations of ORS 696.301(7) and (12), the Agency may issue a reprimand against Mr. Butler's principal real estate broker's license.

RULING AND ORDER

The Real Estate Agency's Motion for Summary Determination is granted. The hearing, scheduled for September 26, 2017, is canceled.

I proposed the Real Estate Agency issue the following order:

Robert M. Butler's principal real estate broker's license is hereby reprimanded for his violations of ORS 696.301(7) and (12).

Samantha A. Fair

Administrative Law Judge
Office of Administrative Hearings

NOTICE

This is the Administrative Law Judge's Proposed Order. If the Proposed Order is adverse to you, you have the right to file written exceptions and argument to be considered by the Real Estate Commissioner in issuing the Final Order. Your exceptions and argument must be received by the 20th day from the date of service. Send them to:

Janae Weston
Oregon Real Estate Agency
530 Center Street NE Ste 100
Salem, OR 97301-2505

The Real Estate Commissioner will issue a Final Order, which will explain your appeal rights.

CERTIFICATE OF MAILING

On August 16, 2017 I mailed the foregoing RULING ON MOTION FOR SUMMARY DETERMINATION AND PROPOSED ORDER issued on this date in OAH Case No. 2017-ABC-00537.

By: First Class Mail

Robert M Butler
824 SW 18th Avenue
Portland OR 97205

By: Electronic Mail

Janae Weston, Agency Representative
Real Estate Agency
530 Center St NE Ste 100
Salem OR 97301

Phillip Johnson, Agency Representative
Real Estate Agency
530 Center St NE Ste 100
Salem OR 97301

Raul Ramirez, Assistant Attorney General
Department of Justice
1162 Court St NE
Salem OR 97301

Alesia K Vella
Hearing Coordinator

CERTIFICATE OF MAILING

On September 11, 2017, I mailed the foregoing Final Order issued on this date in OAH Case No. 2017-ABC-00537 and Agency Case No. 2015-132.

By: First Class Mail

ROBERT M BUTLER
226 SW PARKSIDE DR
PORTLAND, OR 97205-0000

Office of Administrative Hearings
ALJ Samantha Fair
PO Box 14020
Salem OR 97309-4020

Raul Ramirez
Senior Assistant Attorney General
Department of Justice
1162 Court St NE
Salem OR 97301-4096

Carolyn Kalb
Compliance Specialist

1 REAL ESTATE AGENCY
2 BEFORE THE REAL ESTATE COMMISSIONER
3

4 In the Matter of the Unlicensed Professional)
5 Real Estate Activity of)
6)
7 CRAIG DEAN HORTON)
8 _____)

STIPULATED FINAL ORDER

9
10 The Oregon Real Estate Agency (OREA) and Craig Dean Horton (Horton) do hereby
11 agree and stipulate to the following:

12 FINDINGS OF FACT
13 &
14 CONCLUSIONS OF LAW

15 1.

16 1.1 In November 2015, OREA opened an investigation after they became aware of
17 property management advertising being done by Medford Better Housing Association, Inc.
18 (Medford Better Housing). Medford Better Housing was not registered with OREA as a
19 registered business name.

20 1.2 The investigation found Craig Horton (Horton) to be the President of Medford
21 Better Housing. At the time of the investigation Horton did not hold a real estate license.

22 1.3 Medford Better Housing performs standard property management duties for
23 multiple properties. The duties include but are not limited to the following: setting property rent
24 levels for all units, collecting all rents, finding tenants for vacant units, handling complaints from
25 tenants, emergency maintenance, coordinating move-in and move-out processes, dealing with
26 evictions, coordinating maintenance and repairs, maintaining tenant records and managing
27 budgets for rental units.

28 1.4 Medford Better Housing receives a management fee of 9% of the gross rents
29 collected for each property.

30 ///

1 REAL ESTATE AGENCY
2 BEFORE THE REAL ESTATE COMMISSIONER
3

4 In The Matter of the Real Estate License of)

5
6 JOHNNEY LEE TUDOR)

FINAL ORDER BY DEFAULT

7
8
9 1.

10 1.1 On June 21, 2017, the Real Estate Commissioner issued, by certified mail, a
11 notice of intent to revoke the real estate property manager license of Johnney Lee Tudor
12 (Tudor). The Oregon Real Estate Agency (OREA) sent the notice of intent to Tudor's last
13 known address of record with the OREA. The notice of intent was also mailed to Tudor by
14 regular first class mail in a handwritten envelope.

15 1.2 On June 21, 2017, the notice of intent was mailed certified to the following
16 addresses: 184 SE Bowden St, Myrtle Creek, OR 97457, 747 SE Mosher Ave, Roseburg, OR
17 97470 (address Tudor was believed to be living at), and PO Box 432, Myrtle Creek, OR 97457.
18 The certified mailings to 184 SE Bowden St, Myrtle Creek, OR 97457 and PO Box 432, Myrtle
19 Creek, OR 97457, were both returned to OREA with the following notation, "Return to Sender
20 Attempted- Not Known, Unable to Forward. The certified mailing to 747 SE Mosher Ave,
21 Roseburg, OR was received and signed for by "John Tudor" on the domestic return receipt.

22 1.3 On June 21, 2017, the notice of intent was mailed regular first class mail in a
23 handwritten envelope to the following addresses: 184 SE Bowden St, Myrtle Creek, OR 97457,
24 747 SE Mosher Ave, Roseburg, OR 97470 (address Tudor was believed to be living at), and
25 PO Box 432, Myrtle Creek, OR 97457. The mailings to 184 SE Bowden St, Myrtle Creek, OR
26 97457 and PO Box 432, Myrtle Creek, OR 97457, were both returned to OREA with the
27 following notation, "Return to Sender Not Deliverable As Addressed Unable to Forward. The
28 mailing to 747 SE Mosher Ave, Roseburg, OR 97470 has not been returned to OREA.

29 ///

30 ///

1 3.7 On January 25, 2017, Grimes sent a demand letter to Tudor for documents
2 relating to the management of Brady's property. Additionally, Grimes requested recent
3 reconciliations for Tudors' clients' trust accounts. The demand letter was mailed to Tudor's
4 address of address of record and was returned marked, "Return to Sender-No Mail
5 Receptacle- Unable to Forward."

6 3.8 Tudors' address of record and main office location in OREA's licensing database
7 is 184 SE Bowden St, Myrtle Creek, OR 97457.

8 3.9 On February 22, 2017, Grimes drove to 2Doors Property Management main
9 office location on file with OREA records and found no signage for 2 Doors Property
10 Management. Grimes spoke with the resident (Tudor's ex-wife) who told him Tudor had
11 moved out over a year ago. She said Tudor lives with his girlfriend in Roseburg at a location
12 that is also his secondhand/antique store.

13 **Violation:** By failing to notify OREA of the change of office location prior to moving the
14 business location, Tudor violated ORS 696.301(3) as it incorporates ORS 696.200(1)(d) and
15 (2) (2015 and 2017 Editions). ORS 696.200(1)(d) states a property manager shall notify
16 OREA of the new office location before changing a main office location. ORS 696.200(2)
17 states the change of a business location without notification to the agency as required by
18 subsections (1) and (5) of this section is grounds for revocation of a real estate license.

19 3.10 On February 22, 2017, Grimes visited Tudors' secondhand store located at 747
20 SE Mosher, Roseburg, Oregon. Grimes dropped his business card and a demand letter
21 through the mail slot at the property.

22 3.11 Tudor has not responded to any of OREA's communication attempts regarding
23 the investigation or provided the requested documentation in response to the demand letters.

24 **Violation:** By failing to have his records open for inspection by the Commissioner's
25 authorized representative, Tudor violated ORS 696.301(3) as it incorporates ORS 696.280(3)
26 (2015 and 2017 Editions). ORS 696.280(3) requires records of a property manager to be open
27 at all times for inspection by the Real Estate Commissioner or the commissioner's authorized
28 representatives.

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ORDER

IT IS HEREBY ORDERED that Tudor's property manager license is revoked

Dated this 23rd day of August, 2017.

OREGON REAL ESTATE AGENCY



GENE BENTLEY
Real Estate Commissioner

Date of Service: 8/23/2017

NOTICE: 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 pursuant to the provisions of ORS 183.482.

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.

4 ORDER

5 IT IS HEREBY ORDERED that, pursuant to ORS 696.990 and based upon the violation
6 set forth above, Horton pay a civil penalty in the sum of \$1,000.00, said penalty to be paid to
7 the General Fund of the State Treasury by paying the same to OREA.

8
9 IT IS SO STIPULATED:

IT IS SO ORDERED:

10
11
12 Craig Dean Horton

Gene Bentley

13 CRAIG DEAN HORTON

GENE BENTLEY

Real Estate Commissioner

14
15 Date July 26, 2017

Date 7.28.17

16
17 Date of Service: 7/28/2017

**REAL ESTATE BOARD
REGULATION DIVISION REPORT
October 2, 2017**

Regulation Division Manager: Selina Barnes

Compliance Specialists 3 (Compliance Coordinator): Deanna Hewitt, Rob Pierce

Financial Investigators (Investigator-Auditor): Jeremy Brooks, Aaron Grimes,

Frances Hlawatsch, Philip Johnson, Meghan Lewis, Lisa Montellano, Lindsey Nunes

Compliance Specialist 2: Carolyn Kalb

Compliance Specialists 1: Sue Davenhill, Denise Lewis, Danette Rozell

Administrative Specialist: Janae Weston

Division Overview

The Regulation Division receives complaints and determines validity and assignment for investigation. Investigators gather facts (from interviews and documents), prepare a detailed written report and submit to the Manager for review. The Manager determines whether the evidence supports charging a person with a violation of Agency statutes or administrative rules, as well the appropriate resolution. The Manager conducts 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.

The Compliance Specialists are responsible for conducting: mail-in audits of licensee's clients' trust accounts (CTA), expired activity investigations, background checks and self-administered compliance reviews. They also respond to inquiries regarding regulations and filing complaints from the public, licensees, and other governmental agencies.

Workload and Activity Indicators

The following staff members are now assigned to these position permanently:

Rob Pierce, Compliance Specialist 3 (Compliance Coordinator)

Lindsey Nunes, Financial Investigator (Investigator/Auditor)

Sue Davenhill, Compliance Specialist 1

Deanna Hewitt and Aaron Grimes will be attending the Financial Crimes & Digital Evidence Conference held in Salem, September 19-21, 2017.

As the ARELLO Investigator Resource Committee Chair, Selina Barnes was responsible for planning and facilitating this year's ARELLO Investigator Workshop. The Workshop will be held in Portland, October 17-19, 2017. All of the Regulation Division staff will be attending.

Rob Pierce, Carolyn Kalb, and Selina will be attending the Attorney General's Public Law Conference in Salem, October 24-25, 2017.

Selina will be presenting the "Tips for Staying Out of Trouble with the Agency" following this board meeting. Selina also will be giving a presentation titled "Law & Order: REA Case Studies" at the Oregon Association of Realtors Fall Convention on October 4, 2017.

For information on investigations resulting in administrative actions, please review the "Administrative Actions Summary" section of the Board packet.

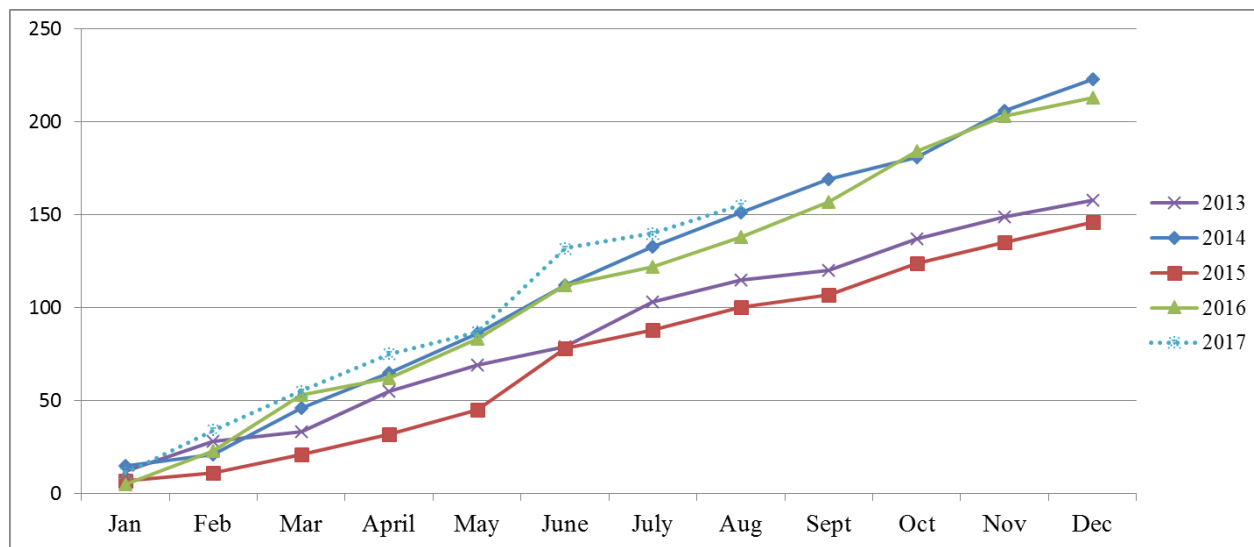
**Report to the Real Estate Board
Land Development Division
2 October 2017**

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, much like reading the window sticker when car shopping.

Workload and Activity Indicators



Filing activity through the end of August remains slightly higher than we've seen in at least the last six years. Condo conversions continue at a low but steady pace, due primarily to condominiumization of homes in the Portland area that have an ADU. The majority of filings continue to be condominiums, with timeshares being the second largest type of filing by volume.

Current Projects

Our current focus remains the rulemaking process resulting from passage of SB's 67 and 68.

Rulemaking Activities

The Agency is currently engaged in rulemaking. Due to the large number of rules affected, the decision was made to split the rulemaking into two parallel (primary and secondary) rulemaking processes. The primary rulemaking is in response to passage of SB's 67 and 68 and contains substantive changes as well as some incidental cleanup to the affected rules. The secondary rulemaking is a body of clerical housekeeping changes that are being made to provide consistency, update references to statutes and rules, and remove stale language regarding future (now past) effective dates of changes to rules. Splitting the process shortened the primary rulemaking draft by 100 pages and will save the advisory committee significant time in review. We were able to split the rulemaking process this way because rules which receive exclusively clerical non-substantive changes do not require advisory committee participation or a hearing.

**REAL ESTATE BOARD
ADMINISTRATIVE SERVICES DIVISION REPORT
October 2, 2017**

Administrative Services Manager: Anna Higley
Communications Coordinator: Mesheal Heyman
Accountant: Caty Karayel
Systems Administrator: Tiffani Miller
Program Analyst: Rus Putintsev

Customer Service Manager: Madeline Alvarado
Compliance Specialist: Tami Schemmel
Licensing Specialist: Nenah Darville
Receptionist: Liz Hayes

Section Overview

The Administrative Services Division acts as support to the Agency as well as the first point of contact for the public. This division manages budget/allotment preparation, accounting, purchasing and contracting, inventory control, facilities, payroll, special projects, information technology (IT), reception, licensing services, communications and education.

The Agency is currently focusing resources on preparation of new processes resulting from the passage of Senate Bills 67 and 68. The new RBN renewal requirement is the most significant business process change, involving significant technical work and communication for its implementation in January of 2018. Working with the eLicense vendor, the Agency is developing a version one prototype of the renewal and will begin testing the new process by mid-October.

The Agency has initiated the communication campaign for these legislative changes. All organizations will receive direct communication by email and letter outlining the new business renewal process, their expiration date, the requirements of the renewal and the outcomes for failing to renew. The Agency also plans to communicate directly with all principal brokers and property managers operating under their own license name (PBLN and PMLN organization types, respectively) to clarify that this organization designation is being sunset on December 31st and the organization type will convert to a RBN on January 1st. Finally, as part of the communication efforts, the Agency is including fee change information in the OREN-J through the remainder of the year as well as in direct email to targeted licensees.

Budget Update

Financial Projections: For the 2017-19 biennium projected revenue at **\$7.89 million** and projected expenses at **\$7.83 million**. This revenue projection does take into account new and increased licensing fees beginning in January 2018.

Education

The Agency is preparing for the first BASS and Advanced Practice course renewals as part of the Continuing Education Provider renewal. This new effort will launch on November 1st.

Licensing

Licensing services include assisting real estate brokers, principal brokers, property managers and escrow agencies as they manage their licenses using eLicense, assisting customers as they process registered business names and branch office registrations in eLicense, registering membership campground contract brokers, completing license applicant criminal background check investigations, processing escrow licensing and security/bonding files, maintaining all licensing history records, electronic processing of fees, and providing general reception services.

Licensing Statistics

Total Licensee Counts by Month:

Individuals (Persons)	Jul-17	Aug-17
Broker – Total	14,778	14,839
Active	13,175	13,270
Inactive	1,603	1,569
Principal Broker - Total	6,411	6,423
Active	6,042	6,056
Inactive	369	367
ALL BROKERS Total	21,189	21,262
Active	19,217	19,326
Inactive	1,972	1,936
Property Manager - Total	908	914
Active	824	829
Inactive	84	85
MCC Salesperson	22	22
MCC Broker	2	2
TOTAL INDIVIDUALS	22,121	22,200
Active	20,065	20,179
Inactive	2,056	2,021
Facilities (Companies)		
REMO	2	2
Registered Business Name (RBN)	3,391	3,400
Registered Branch Office (RBO)	734	738
Escrow Organization	48	48
Escrow Branch	144	144
PBLN	629	622
PMLN	147	147
CEP	302	308
MCC Operator	25	25
TOTAL FACILITIES	5,422	5,434
TOTAL INDIVIDUALS & FACILITIES	27,543	27,634

New Licenses by Month:

Individuals (Persons)	July-17	Aug-17
Broker	151	192
Principal Broker	10	9
TOTAL BROKERS	161	201
Property Manager	8	12
MCC Salesperson	0	1
MCC Broker	0	0
TOTAL INDIVIDUALS	169	214
Facilities (Companies)		
Continuing Education Provider (CEP)	0	3
REMO	0	0
Registered Business Name	17	22
Registered Branch Office	4	5
PBLN	7	2
PMLN	0	1
Escrow Organization	1	0
Escrow Branch	1	0
MCC Operator	0	0
TOTAL FACILITIES	30	30
TOTAL INDIVIDUALS & FACILITIES	199	244

Exam Statistics

<i>August 2017</i>	<u>Total</u>
<i>ALL LICENSING EXAMS</i>	479
Broker	396
Property Manager	23
Principal Broker	52
Reactivation	8

Pass Rates

<u>First Time Pass Rate</u> <u>Percentage</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Broker State	65	72	69	64	61
Broker National	77	78	78	74	73
Principal Broker State	46	61	62	59	56
Principal Broker National	86	86	78	75	75
Property Manager	55	61	59	64	73

Rulemaking Activity

SB 67 and 68 are effective on January 1st, therefore the Agency's primary rulemaking effort must also be effective on January 1st.

The Agency filed notice of rulemaking hearing on August 11th, 2017. That notice was published in the September 1st issue of the Oregon Bulletin.

The hearing was held at the Real Estate Agency on September 19th. Two principal brokers appeared and testified. The nature of testimony was actually questions and requests for clarification, rather than identification of substantive issues. After taking their testimony, the hearing was closed and their questions were addressed.

The date of the hearing was the date of closure of the public comment period and the agency is now preparing to file final rules versions with the Administrative Rules Unit. The rules filing system is currently offline for implementation of a new rules filing system, so the exact date of completion of this step is unknown.

The agency is also preparing to send notice of filing of permanent rules to all necessary parties. There are three groups that the Agency must provide notice to prior to the effective date of a rulemaking activity. The first group are those stakeholder groups identified in Agency rule, the second group are those on the Agency notification mailing list, and the third are those members of the legislature identified in ORS 133.335. The first two groups require 28 days notice prior to effective date, and members of the legislature require 49 days notice prior to the effective date. For the sake of simplicity, all three groups are tentatively slated to receive notice on Monday, October 2nd.